

FW: Update: National CMO interviews

de la Fuente, Luis [ldelafuente@broadfoundation.org]

Sent: Wednesday, January 04, 2012 2:49 PM**To:** robert.boik@detroitk12.org; Douglas Ross [douglas.ross@detroitk12.org]; Lee-Gwin, Rebecca; Tonya Allen [TAllen@skillman.org]; Dan Varner [dvarner@excellentschoolsdetroit.org]; Kristen McDonald [kmcdonald@skillman.org]; Lou Glazer [louisglazer@sbcglobal.net]**Cc:** Logan, Lydia [llogan@broadfoundation.org]; David Esselman [esselman@greatgains.net]**Attachments:** CMO profiles - Uncommon.docx (16 KB) ; CMO profiles - KIPP.docx (15 KB) ; CMO profiles - LEARN.docx (15 KB) ; CMO profiles - Noble Netw~1.docx (14 KB) ; CMO profiles - Rocketship.docx (15 KB)

Hi all,

Wanted to share with you some of the early results of those national CMO interviews I have been doing (below and attached). I will share the results of the rest of the interviews in the next couple of weeks. Any thoughts, questions, or suggestions welcome.

Hope you all had a relaxing and enjoyable holiday season. I look forward to working with you in 2012.

Best,

Luis

From: de la Fuente, Luis**Sent:** Wednesday, January 04, 2012 11:42 AM**To:** 'Daniel Quisenberry'; Robert Kimball**Cc:** Heather Gardner; Timothy Wood; David Esselman; Logan, Lydia**Subject:** Update: National CMO interviews

Hi Dan and Robert,

I've completed a subset of the interviews with national CMOs about their willingness to come to Detroit (interview notes attached). Unfortunately, the picture is not a pretty one. I have now interviewed the following (I intentionally left out Lighthouse based on the comment that they are already committed to coming to Detroit):

- Rocketship Education
- KIPP
- Noble Network
- LEARN
- Uncommon Schools

None of those interviewed thus far will be coming to Detroit in the next few years (Rocketship is the only one seriously considering it and they quoted an earliest arrival date of 2015). The primary concern across most of these organizations seems to be the availability of a school leader with ties to Detroit who could oversee a launch. And, because they are all focused on smart growth as their leadership matures, this will make the idea of creating a compelling set of conditions (though monetary incentives, facilities, a friendly authorizing environment, etc.) that would successfully draw national CMOs to Detroit unlikely. Hopefully the next round of interviews will uncover some CMOs with differing views on the subject. But this exercise has highlighted for me the importance of developing school leaders with ties to Detroit, even though this is admittedly a longer-term strategy.

Speaking generally about the way they think about the required conditions for success in a new region, the combined group mentioned the following topics generally in rank order:

- 1) Availability of a quality leader with ties to the region who could launch a new site
- 2) Demonstrable student/family demand for high quality charter seats
- 3) Ability to operate within public per pupil revenue allotments (some cited specific per-pupil revenue #s, others would need to look at cost side in conjunction)
- 4) Affordable access to high quality facilities (some cited a preference for monetary allocations rather than district buildings since they tend to require a lot of maintenance and sometimes come saddled with unwanted maintenance contracts)
- 5) No single-site management restriction (some also asked for ability to manage schools through an out-of-state entity/board)
- 6) Availability of teacher talent locally (most used presence of TFA as a proxy)
- 7) Availability of a robust and coordinated local funding environment (and availability of startup funds)
- 8) Organizational understanding of the local context (e.g., some connection to the region amongst CMO lea
- 9) Diversity of authorizing community (presence of multiple authorizers as opposed to just the local school district) and clarity/transparency of authorizing/renewal process

The CMOs on my list to speak with are:

- Concept Schools (Midwest U.S.)
- Cosmos Foundation Inc. (Texas)
- IDEA (Texas)
- Edvantages (Ohio)
- American Quality Schools (Midwest U.S.)
- America CAN (Texas)
- Baltimore Curriculum Project (Baltimore)
- Partnership to Uplift Communities (California)
- School of Excellence in Education (Texas)

I'll keep you posted as I have more interview results. Let me know if you have any questions.

Best,
Luis

Organization: Uncommon Schools

Date of Interview: December 9, 2011

Leadership Interviewed: Carolyn Hack, CFO

State: Boston, New York, New Jersey

School level and approach: Mostly elementary and middle but some high schools

Might consider a turnaround, but doesn't sound attractive, particularly in a new location like Detroit.

Size: 28 schools in 3 states

[Interviewer judgment] Willingness to Entertain Detroit as option: 5% (largely restricted by lack of willing leaders, not focused on expansion)

Earliest possible school in Detroit: 2014, if a leader were found, but nothing planned

Detroit conversations they've had already: No conversations yet about Detroit

Other background: 28 schools currently, they're targeting 14,000 total growth (and those 14,000 seats are already mapped out)

If they did go to Detroit, would start one school slowly, not committed to growth for growth's sake. If they did expand to a new region, the idea would be for the first school to be the first of a set of schools. Standalone school does not make financial sense.

Would not be interested in pulling leaders from Detroit to be trained at other Uncommon Schools as a means of accelerating expansion.

Key requirements:

- Main requirement is **availability of a "superintendent"** or managing director, which tends to arise from a principal of a high performing charter school (if we could find them a principal who was doing great work outside of the Uncommon Network, they'd be willing to meet with that person)
- **Student demand** – is there a large enough population of high need students who do not currently have quality options?
- **Financial feasibility** – can they make a school/set of schools work based on the per-pupil allocation of the state and the cost of doing business?

Other considerations:

- 6 months **advanced notice of facilities availability**. Buildings that require maintenance are particularly difficult because can't finance renovations without owning buildings. Would prefer not to have to take custodians and building maintenance people with the package.

- **Governance** – Uncommon is relatively willing to entertain locations with various governance structures; this is not a large concern for them.
- **Authorizing Environment** – This is not as important to Uncommon. NJ is a difficult operating environment from this regard and they've figured out how to navigate.
- **Funding Environment** – would want to see a national organization (e.g., NSVF, CSGF) affiliated with funds distribution and startup to be more comfortable.
- **Advance agreement to multiple charters** (seven was the number quoted, though they'd only open one to begin with) is important.

Uncommon seems less focused on facilities issues than some other CMOs interviewed. They understand importance of facility quality/availability, but believe that to be one of the issues that can be worked through.

Costs: startup year is \$200K year in advance. Middle schools need 3-years of startup philanthropy (in NY is \$600K, not including facilities)

Organization: KIPP Foundation

Date of Interview: December 19, 2011

Leadership Interviewed: Lisa Margosian (chief program officer), Nick Carson (growth and sustainability and new market expansion)

Locations: Foundation offices in New York, Chicago, and San Francisco (main office). Schools in 20 states and Washington, D.C.

School level: Mostly middle school

Model/Description: Traditional charter

[Interviewer judgment] Willingness to Entertain Detroit as option: <5%

Earliest possible school in Detroit: (earliest new school anywhere will be in 18 months), not likely to be in Detroit anytime soon.

Other Background:

Board decided a few years ago not to expand to new sites for a while (after Jacksonville). So far, continuing the moratorium on expansion

Previously led expansion with a coalition, built an org, formed a board, then hired a principal. Now they don't think that's the right way to go. Want to start with leader first.

Approach to expansion has more to do with retaining top talent by offering them the room to grow (and start new regions) rather than an explicit push to expand to new regions.

Detroit conversations they've had already: None

Key requirements:

- **Availability of a strong school/regional leader** – though they are not looking to expand further, this will be the most important criteria when they do begin regional expansion again. There was a school leader inside the KIPP network with ties to Detroit as a candidate, but circumstances have changed for that person and Detroit no longer an option.
- **Community need** – student demand (2400 students needing a seat – about 5 cluster school model). This means they tend to look at communities with 30,000 seats total or more. Would want to build 2 middle schools, 1 high school, 1 elementary.
- **Strong charter law** – 3 areas 1) Transparent review process, 2) Automatic collective bargaining exemption, 3) multi-school charter availability

Other site selection criteria:

- **Per pupil revenue** – More than \$9,000 as first screen, but note this is after applying title I

- **Facilities** – looking at access, but don't currently have a metric. In Jacksonville, members of the coalition donated about \$19.3 million worth of property
- **Human capital potential** – ability to attract strong leaders (proxy is presence of TFA)
- **Community support** – ensure there's a strong community support, access to funders, etc.
- Presence of people who have been at ed reform in a sustained way, relationships and trust

Organization: LEARN

Date of Interview: December 5, 2011

Leadership Interviewed: Greg White, President and CEO; Kellogg faculty

State (Home Base): Illinois-Chicago

School level: Elementary school

Size: 5 schools in Chicago – looking to grow to 16 schools and 8000 students.

[Interviewer Judgment] Willingness to Entertain Detroit as option: 10% (Definitely willing to and have board approval for regional expansion, however: Indiana, Wisconsin, and Chicago suburbs are high on list, perhaps parts of Michigan e.g., East Lansing)

Earliest possible school in Detroit: 2012 (they are looking now for a possible new site)

Detroit conversations they've had already: GVSU

Other background: Received \$1M from Oprah Winfrey

Key requirements:

- Relative to Detroit, the largest concern is that there be demonstrable student demand given the declining student population. They need to see articulated a clear need for additional high quality seats in order to consider expansion.
- Facilities – need to see a path to high quality facilities. District facilities are an option, but would prefer some kind of subsidy available that they can source their own buildings.
- Per pupil allotment – threshold for expansion in the range of \$10,000 per student before Title I applied. Chicago currently provides \$6000 per pupil for elementary school (and \$7600 for high school)
- Talent – finding the right school leader to open the school is critical. Believes finding high quality teachers would not be a barrier once quality principal in place.
- Robust funding community (LEARN spends about \$1500 extra per student in Chicago on supplemental services like counseling)
- Authorizing environment – looking for sites with multiple authorizers as opposed to those in which the school district is the only authorizer
- School governance – they need to be able to manage multiple schools from one board as opposed to sites that require each school to have its own board
- School startup funds – need to be able to raise \$1 to \$2 million per school

Other considerations:

- How does the state allocate Title I funds? How much of those are “skimmed” by authorizers/school district?

- How does state provide additional funds for Special Ed students? Is this amount sufficient to cover true costs to charters?
- Minimum # schools – need to be able to open 3-5 schools to make a new region worthwhile (and thus need to be assured of that many charters somehow)
- Regional startup costs – uncertain as to what these might be

Organization: Noble Network

Date of Interview: December 20, 2011

Leadership Interviewed: Dan Alexander

State (Home Base): (Illinois)

Model/Description: Traditional charter school

[Interviewer Judgment] Willingness to Entertain Detroit as option: <5%

Earliest possible school in Detroit: Not planning to leave Chicago as of now

Detroit conversations they've had already: None. Woman who runs the charter sector in Indiana talked to Mike Milkie and visited Noble schools in Chicago – fully willing to share the “secret sauce” with people. They'd be happy to do this with Detroit leaders as well.

Other background:

Expanding to 16 campuses from the current 10

Right now staying in Chicago (approved Dec 14 to add 2 campuses each year SY 12-13, and SY 13-14)

Chicago charters get 70-76% of district schools \$ allocation

Chicago putting in place facilities supplement from \$425 to \$750 to \$1000 per student in fy14. This is incorporated into their estimates on the growth in per pupil in Chicago (along with other things)

Key requirements:

- **Facilities** – supplement for private buildings (they got no access to district facilities for next year in Chicago); Also look at real estate development timeline (authorizer, if it's the same entity providing school building, needs to give enough time for prospective org to hire and ready for operation in advance) – have a clear, predictable, reliable process of assigning school buildings in advance
- Leadership talent and teacher talent – what does their candidate pool look like for both teachers and principals
- **Student Demand** must be there – no mention
- Prospect location must be **financially viable with per pupil revenue** vs. costs
- **Local contacts** – would need to have intimate knowledge of the location, people, and politics to be successful

Organization: Rocketship Education

Date of Interview: November 17, 2011

Leadership Interviewed: John Danner, CEO; Kristoffer Haines, Director of National Expansion

State (Home Base): (California)

School level: Elementary only

Model/Description: Hybrid/blended learning model

[Interviewer Judgment] Willingness to Entertain Detroit as option: 95%

Earliest possible school in Detroit: 2015

Detroit conversations they've had already: Grand Valley State authorizer, also testified before Education Committee in Senate

Rocketship's Results/Impact:

Key requirements: (<http://rsed.org/index.php?page=impact-2>)

- Facilities – a viable plan for the first 8 facilities (availability of viable, low cost facilities is a huge driver)
- \$3.5 million in local philanthropic funding for regional structure
- Granting a cluster of 8 charters (to be used over a period of 5 years)
- Leadership talent – there must be a strong school leader from inside their organization willing to start a school in the region (they have some ideas on how to make this happen proactively with regions)
- (Would look to 3rd party authorizer to grant their charter, not DPS. They do not want the district, under current or future political influence, to change the rules on them)

A more detailed description can be found here:

http://rsed.org/uploads/201107_RSED%20Fueling%20Expansion%20Plan_Brief.pdf

Other site selection criteria:

- Clarity and openness of charter law (can they expand without restriction, assuming high performance?)
- Ability to govern multiple schools with minimal resources (best case is ability to manage schools in state through out-of-state 501c3 because generates less need for regional management structure (Indiana and Arizona are the only ones that allow this)); some states also have a cap on the number of schools in the state that can be managed by the same organization
- Compliance – complexity of application process and reporting process
- Compliance – dictation of special ED and ELL services must come from district
- Seat time requirements, minutes in class with a certified teacher

- Ability of authorizers under state law to approve charters for delayed usage. That is, can you wait to use a charter for up to 5-7 years?
- Availability of local talent, presence of organizations like TFA
- Credentialing requirements in state
- Class size minimums/maximums?
- Per Pupil funding
- Availability of special ed, title 1, etc. funds to be received directly by charters
- Diversity of available authorizing units
-