



April 20-21, 2010 • Houston, Texas • Hosted by The Philanthropy Roundtable



Laura Arnold,
Laura and John Arnold Foundation



Julie Wright,
Doris & Donald Fisher Fund



Kevin Hall, Charter School Growth Fund
Katherine Bradley, CityBridge Foundation



Ernie Cockrell, Cockrell Foundation
Charles Miller

FIVE ACHIEVABLE K-12 BREAKTHROUGHS: MEETING SUMMARY

There's reform, and there's progress—and then there's *breakthrough*: the kind of change that shifts the line of vision, allowing reformers to see an array of new opportunities. As **Lori Fey**, portfolio director for policy initiatives at the Michael & Susan Dell Foundation, puts it, “A breakthrough has three primary criteria: First, it actually challenged the status quo; it caused a crack in something that had been entrenched. Second, it produced significant results—surprising results, remarkable results, notable results that made a difference for students. And third, it opened a new trajectory, a new set of horizons for the field of education.”

The breakthroughs of the past several years are well known:

Teach For America has provided leadership for the K-12 education reform movement and seeded the country with dedicated advocates for kids in low-performing schools.

“No excuses” charter schools like the Knowledge Is Power Program (KIPP) and YES Prep are on their way to scale, demonstrating that all kids can achieve at high levels and paving the way for a “no excuses” mentality in all urban schools.

A crop of new district leaders around the country—such as Michelle Rhee in Washington, D.C., and Joel Klein in New York City—have gained the strong support of mayors, begun making high-stakes decisions based on student

achievement data and tackling teacher tenure, and started holding educators responsible for their students' learning.

But what will the breakthroughs of the next decade be? And how will they build on past achievements? At a Philanthropy Roundtable conference in Houston, Texas, donors laid out the game plan for new breakthroughs—in Houston and around the country.

“What should we be taking note of in the landscape right now?” asked Fey.

“The politics have changed profoundly,” replied **Rick Hess**, director of education policy studies at the American Enterprise Institute. He argued that some Democrats are becoming more receptive to charter schools and teacher accountability and that conservative reformers are more receptive to a wide range of reform options. Another opportunity, Hess said, is “increased attention to hugely problematic teacher contracts.” “Sometimes we vilify the unions, and I think that's wrong,” he explained. “If we want them to change, we need to keep the pressure on the union even as we make the case that it is in union members' self-interest to move from an industrial model to a professional model.”

The fiscal condition of states and towns will open up opportunities, too. “There's going to be a sustained window of four to five years or longer where you're going to find local districts with very tight budgets,” Hess said. “This is a huge moment of opportunity for funders to step up to the plate and say, ‘We're going to help you out—but there's a quid pro quo.’”

What will be the top five breakthroughs of the next ten years?

- 28%** Eliminate teacher tenure and step-and-lane compensation in at least 20 states.
- 24%** Pilot hybrid school options that, at scale, deliver increased student learning, while reducing costs by at least 25 percent.
- 19%** Increase measurably how much voters know and care about what goes on in public education when it comes to spending, practices, and outcomes.
- 16%** Develop a leadership pipeline in each state that will produce 5,000 exceptionally talented, data-driven school leaders every year.
- 13%** Ensure that every urban zip code in America has a “no excuses” school, so each community has a shining example of excellence and all parents have choices for their children.

Source: votes by donors at the meeting

Fey queried Hess again, pressing for practical examples. “What do we do from a funder’s perspective?” Hess proposed three ways of thinking about the next decade:

“Getting much smarter about what choice means,” he offered—and not just “whole school” choice. “One way for us to stretch choice is to say, ‘Wait a minute. The choice to get out of a lackluster public school is what families in D.C. or L.A. need. But in the suburbs, families want, say, the choice to study Mandarin instead of French or Spanish.’ Schools can get a site license for Rosetta Stone and it will be cheaper than a per-school share for a teacher of French or Spanish.”

“We need to think differently about cost,” he added. Right now, thanks to taxpayer and foundation support, families and high-performing charter networks have “no skin in the game.” What if, Hess asked, a charter school ran a school for less than its per-pupil allotment and was allowed to pass some of the savings back to parents for supplemental education services? It could trigger a race to keep costs down.

Finally, Hess said, “markets aren’t vacuums.” Education entrepreneurs need “vibrant, fertile ecosystems, like Silicon Valley is for technology innovators.” In Houston, for example, Teach For America, fast-growing charter networks, a reform-minded Superintendent, and a cadre of big-thinking philanthropists create an environment that supercharges school reform.

BREAKTHROUGH NEXT

Many donors expect to find a breakthrough in hybrid schools that, at scale, deliver increased student learning at a reduced cost. Hybrid schools are just one promising approach through technology-enabled learning—and donors are eager to learn, as education entrepreneur **John Lock** puts it, “if technology is a potential breakthrough in K–12 education.”

Several technological approaches to K–12 learning are promising:

Virtual Schools **Cosme Castillo**, an eighth-grader at Texas Virtual Academy, an online charter school, demoed the website through which he learns. He gets immediate feedback about his performance and progress through course objectives, and he interacts with his teachers and “classmates” through email, phone, and discussion forums.

Hybrid Schools “A hybrid school is a blend of traditional classroom learning with online learning on a campus during the day,” said **John Danner**, co-founder and CEO of Rocketship Education, a charter school network in California. Hiring non-certified teachers to handle the online portion of the day saves Rocketship \$500,000 per campus per year—money that it uses to improve programs and teacher pay. “We’ve not only closed the achievement gap, we’re far above closing the achievement gap,” Danner says.

Adaptive Learning Thanks to artificial intelligence embedded into its online platform, students using Reasoning Mind can learn basic math in a manner customized to their own needs—allowing teachers to devote one-on-one time to students who need it most. Reasoning Mind has grown



Lori Fey, Michael & Susan Dell Foundation, and David Weekley

from 700 students three years ago to 19,000 this year, and “since we’re web-based, we’re highly scalable,” said **Ernie Cockrell**, a Houston-based energy investor and one of Reasoning Mind’s lead funders. “We have a break-even model where we become self-funding at 100,000 students—and we drive the costs down after that.” On the way for Reasoning Mind: algebra, geometry, and other more advanced math courses.

Productivity Tools “In a lot of other sectors, the revolution that tech was driving was not that you replaced the professionals in the field with technology, but you automated a lot of the functions in the back office to make the professionals more efficient,” explained **Larry Berger**, founder and CEO of Wireless Generation. “What would the equivalent of that be in education?”

Wireless Generation develops new kinds of tools to help human teachers deliver instruction more productively, such as programs that offer instant feedback on what students are learning. “More important than the productivity gain is an accumulation of data,” Berger added; Wireless Generation now has “six years of longitudinal data on several million kids.”

Extending Teachers’ Reach Top-quintile teachers help their students gain three times as much as those of bottom-quintile teachers, said **Bryan Hassel** of Public Impact. Their proposal: use technology and other means to extend these superstar “3X” teachers’ reach beyond a single classroom. One obstacle the 3X proposal faces, however, is “the policy of simplistic, across-the-board class size limits,” Hassel explained. “That even goes for the very best teacher in Texas. We’re effectively saying, ‘We can’t extend the reach of that teacher.’”

Technology may not yet be at the point of breakthrough—**Susan Patrick** of iNACOL pointed out several policy challenges, as well as the futility of dumping new technology into existing systems and expecting great results—but experiments and pilot programs offer hints of big changes to come.

ADVOCACY: PARENTS, THE PUBLIC, OR BOTH?

Two of donors’ top five breakthroughs involve empowering parents and voters with knowledge and choices—both of which are advocacy. Foundations often shy away from advocacy, said **Jim Blew**, director of education reform at the Walton Family Foundation, but “I’m here to encourage you to start over-investing in advocacy.”

Successful advocacy ranges from kids and parents up to state and federal lawmakers. At the Roundtable’s meeting, panelists presented case studies of three breakthroughs in K–12 education advocacy:

Different Methods **John Kirtley**, the chairman of the Florida School Choice Fund, is a leader in efforts to bring choice to Florida’s low-income families. In 2001, the state



Larry Faulkner, Houston Endowment, and Nancy Kinder

legislature created a tax credit scholarship program—but to expand it would require bipartisan support. The Florida effort involved a 501(c)(3) to raise money, administer the scholarships, and furnish research; a 501(c)(4) to build a grassroots network and lobby on behalf of school choice; and a 527 (All Children Matter) to directly engage in legislative elections and counter teachers unions. The result? The Florida School Choice Fund has raised \$600 million for scholarships, and received 40,000 applications last year for 28,000 scholarships. “This year, we passed momentous, bipartisan legislation to remove the cap from this program,” Kirtley said. “It can now grow as big as the parents want it to grow.” He added that while only one Democrat in the Florida legislature voted for the program in 2001, this year nearly half did—including a majority of the Legislative Black Caucus.

Parent Power “The idea behind the Parent Revolution is an acknowledgement that our system is failing because it isn’t designed to succeed,” said **Ben Austin**. Parent Revolution, which Austin leads, organizes parents to challenge the heretofore uninhibited special interest power of unions and bureaucrats in schools. The first Parent Revolution marches led to the Los Angeles Unified School District board to accede to their demands. “We felt like that was good, but not transformative,” said Austin. “So we went to the California legislature and began lobbying for a law that would create a ‘parent trigger.’ There’s never been anything like this in the history of America. When we began, even our friends said this had a zero chance of becoming law.” The parent trigger means that half of the parents in a school can vote to convert their kids’ school into a charter school. “The way the parent trigger is going to be most transformative is not in charter conversions,” Austin explained. “It’s the threat of charter conversions. It is the most radical transfer of power from the defenders of the status quo to parents—and parents are the real change agents in the history of education politics.”

Turning the Tables In New York, the advocacy story was unfolding as **Joe Williams**, executive director of Democrats for Education Reform (DFER, a 501(c)(4) po-

litical action committee), described it to donors. “New York state blew it,” he said, when it came to applying for up to \$700 million in Race to the Top funds, because it didn’t lift its cap on charter schools. Thus, DFER raised \$10–12 million for a 2010 campaign to (1) advocate for reforms that will allow New York to compete in round two of Race to the Top and (2) spend in this summer and fall’s state election campaigns. DFER is now “pounding the table,” Williams said, to “give the legislature one last chance to clean up their mess.” Williams also spoke about less formal modes of advocacy, such as working with the press—“an example of 501(c)(3) dollars that we can use to win the hearts and minds of elected officials.”

HOUSTON AND BEYOND

Houston knows a thing or two about education breakthroughs. The city is home to KIPP and YES Prep, two of the top “no excuses” charter school networks that proved that kids of all socioeconomic backgrounds can perform at very high academic levels at a very big scale. Teach For America has deep roots in Houston. And with a reform-minded Superintendent and board of education, the Houston Independent School District (HISD) has attracted the attention of the national education reform community.

Two of Houston’s education breakthroughs have come in 2010. On February 11, the HISD board voted unanimously to include student learning outcomes in evaluations of teachers. It was the first major urban school district to do so, and with broad support from parents, reformers, and local leaders, it may prove replicable in other cities.

Eight days later, Superintendent **Terry Grier** gave a “state of the schools” speech in which he laid out a challenge to Houston’s charter schools: “We’re not afraid of your competition. Please rest assured, we will not sit idly by and watch our parents leave failing schools to go to charters in their neighborhood that are getting the kinds of results that our children deserve and that we are not producing.”

Speakers at the conference addressed both breakthroughs:

Human Capital “We know that one of the most critical discussions in education is the need for highly effective teachers,” said **Laura Arnold**, co-chair of the Laura and John Arnold Foundation. “Significant research shows that students who have multiple effective teachers in a row get dramatically better results.”

There was already competition in Houston for teachers—from one side. “We’re tired of Chris [Barbic] and Mike [Feinberg] stealing our best teachers off to KIPP and YES,” Grier’s principals told him. “We need them in our schools!” Thus, HISD started down the path of human capital reform. As **John Arnold** said, “The best opportunity for systemic change is in reforming human resource policies.”

Donors’ Perspective: The Top Four K–12 Breakthroughs of the Last Decade

- 28%** The human capital revolution led by Teach For America
- 25%** The scaling of high-performing charter schools like KIPP and YES Prep
- 22%** The recognition that children of all socioeconomic backgrounds can succeed and can perform at very high academic levels systematically at a very big scale
- 8%** A new cadre of reform-minded school district leaders, many of whom came from outside education

Source: votes by donors at the meeting

Competition “Is competition for real?” asked **Chester E. Finn Jr.**, president of Thomas B. Fordham Foundation. “It’s for real,” Grier answered. “We owe all parents and young people the commitment to excellence that charter schools are providing. If you’re doing a good job as a school, parents are not going to leave.”

“This is fantastic news, for the district to embrace the notion of competition is a sign that we’re at an inflection point,” added **Leo Linbeck III**, a Houston-based business owner informally known as KIPP’s “chief growth architect.” What’s more, he said, the competition among Houston schools is not destructive. “There are good competitors that you should not try to crush because they’re good for you, your customers, and your employees,” he explained.

Chris Barbic, superintendent of YES, echoed Linbeck’s comment. “The way we think about this is ‘co-competition,’ collaborative competition. At the end of the day, by me wanting to win—by Terry wanting to win, all the kids do better.”

Funders also played a crucial role in fostering this competition. “At Houston Endowment, we believe in a healthy ecosystem, a system in which innovative charters can raise the bar, show some new techniques,” said **Larry Faulkner**, president of the foundation. “This is the first time we’ve seen a declared goal from a large district to take on the competition in an innovative way, and we are glad to see it.”

CONNECT

Contact: Rebecca Stewart
Director, K–12 Education Programs
1150 17th Street NW, Suite 503
Washington, DC 20036
202.822.8333
rstewart@PhilanthropyRoundtable.org
www.PhilanthropyRoundtable.org

