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THIRD ANNUAL GATHERING OF EDUCATION ENTREPRENEURS

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Convened in partnership with The Aspen Institute
with support from E*TRADE Financial

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ABOUT NEW SCHOOLS VENTURE FUND



NewSchools Venture Fund is a venture philanthropy firm founded in 1998 that is working to transform public education for underserved children by supporting education entrepreneurs and connecting their work to systems change. Over the last 10 years, NewSchools has raised more than \$100 million to support entrepreneurial nonprofit and for-profit organizations; these organizations have made a measurable difference in the lives of millions of students across the country. Its third fund is focused on fueling the growth and quality of the charter school movement and on supporting the people, tools and practices needed for public school systems to become performance-driven organizations.

ABOUT THE ASPEN INSTITUTE



The mission of the Aspen Institute is to foster enlightened leadership and open-minded dialogue. Through seminars, policy programs, conferences and leadership development initiatives, the Institute and its international partners seek to promote nonpartisan inquiry and an appreciation for timeless values.

ABOUT E*TRADE FINANCIAL



The value behind E*TRADE Financial's name lies in its tireless effort to challenge the old ways of doing business. Its mission is to create long term shareholder value through superior financial performance driven by the delivery of a diversified range of innovative, customer-focused financial products and services and supported by an operating culture based on the highest levels of teamwork, efficiency and integrity. E*TRADE Financial is committed to investing in communities through non-profit partnerships, employee volunteer work and corporate contributions to improve neighborhoods and increase financial literacy. As a leader in online financial services, including online banking, lending and investing, E*TRADE is dedicated to expanding its unique services to low- and moderate-income communities in its markets. As an alternative choice with multiple access channels, E*TRADE can make a tangible difference in the quality of life for the people it serves.

BACKGROUND

About the Annual Gathering of Education Entrepreneurs

One of the most exciting developments in K-12 public education today is the emergence of a wide range of education entrepreneurs who are creating transformative approaches to meeting education's biggest challenges. To build on the immense energy in this new entrepreneurial sector, NewSchools Venture Fund and the Aspen Institute have begun to regularly convene about 45 leaders in educational entrepreneurship, philanthropy, policymaking and research for the Annual Gathering of Education Entrepreneurs in Aspen, Colorado with the support of E*TRADE Financial.

The objectives of the Annual Gathering are to:

- **Create fellowship** among these entrepreneurial change agents,
- Provide these change agents with an opportunity to lift their heads from their day-to-day work to **consider common goals**,
- Keep education entrepreneurs **energized** in their efforts, and
- Ensure that the whole of these change agents' work is greater than the sum of the parts by **creating a long-term agenda** for change.

The Gathering is a natural fit with the missions of both sponsors. For NewSchools – whose mission is to transform public education by supporting education entrepreneurs and connecting their work to broader change – the Gathering provides a chance for key members of its network to step away from their daily work, envision a bold future, and work together to devise steps toward a new paradigm. The Gathering is also a natural offering of the Aspen Institute's Education and Society Program, which for over 25 years has provided an informed and neutral forum for education practitioners, researchers, and policy leaders to engage in focused dialogue on education policy and student achievement.

The first Gathering, convened in 2005, focused on "Creating the Vision for 2030." Looking to the future, an initial set of 30 participants started with a blank slate and asked: what should an excellent U.S. public education system look like in 2030? What emerged was a set of **principles** to guide the community of education entrepreneurs (see sidebar), as well as a set of **priorities** for collective action¹. These priorities included:

- **Geographic concentration** of entrepreneurial action in cities and state with real potential for transformative impact;
- Building the quantity and quality of the **supply of human capital** for the entire K-12 system, including teachers, principals, district leaders and education entrepreneurs;

PRINCIPLES FOR EDUCATIONAL EXCELLENCE IN 2030

Performance-Driven. The system must move from one driven by inputs and institutional needs to one that is designed around individuals and student outcomes.

Responsive. The system should be more dynamic, allowing it to respond nimbly to the demands of the world around it and the children, families and communities it serves.

Merit-Based. The system should attract and retain teachers and leaders that are committed to, prepared for, and rewarded for excellence.

Adequate, Aligned Resources. The education funds provided should enable all kids to excel, no matter where they start.

Customer-Driven. Parents and community members must have the tools and information to be effectively engaged in the system.

Transparency of Information. Functional transparency should pervade the system such that good data drive all decisions.

¹ For more information about the 2005 Gathering, see also "First Annual Gathering of Education Entrepreneurs: Creating the Vision for 2030," <http://www.newschools.org/about/publications/aspen-gathering-2005>

- Addressing **state policy challenges** that stand in the way of change and entrepreneurial action in education; and,
- Building **next-generation research and development (R&D)** capacity that could help refine and enhance the efforts of educators.

The 2006 Gathering tackled geographic concentration, the first of those priorities. Participants delved into what qualities make a city or state a promising location for focusing entrepreneurial effort, discussed specific cities and states that appeared promising, and talked about different ways that concentrated initiatives could be coordinated locally and nationally. For a full write-up of the 2006 Gathering, see <http://www.newschools.org/about/publications/aspens-gathering-2006>.

About the 2007 Gathering

In order to determine the focus of the 2007 Gathering, NewSchools convened a planning group and administered an online survey of participants to gauge which issues they found most critical for the group to address. Perhaps unsurprisingly, the group raised two of the priorities that had come up at the original Gathering in 2005 – human capital and public policy – and expressed an interest in following up on the geographic concentration work begun at the 2006 Gathering. As in past years, the team then dispatched attendee Michael Johnston to interview a subset of participants about their interests and perspectives on these topics.

- **Tackling the human capital challenge.** Human capital continued to resonate for participants as a central challenge they face in their work. “As we try to build the systems we need to get to 2030,” wrote Johnston in his pre-Gathering report, “we lack the quantity and quality of people needed at every level, and this human capital challenge is a ‘gating function’ to more and better educational services.”
- **Identifying and addressing public policy barriers.** Johnston also found in his interviews that “even in cities or states where we are making progress, practitioners continue to bump into huge obstacles at the state policy level that complicate their work, restrict their growth, and sometimes threaten the livelihood of their programs.”
- **Continue working toward geographic concentration.** Finally, participants wanted to return to the idea of concentrating and coordinating their effort in a few key geographies and discuss how the group could work together toward that end.

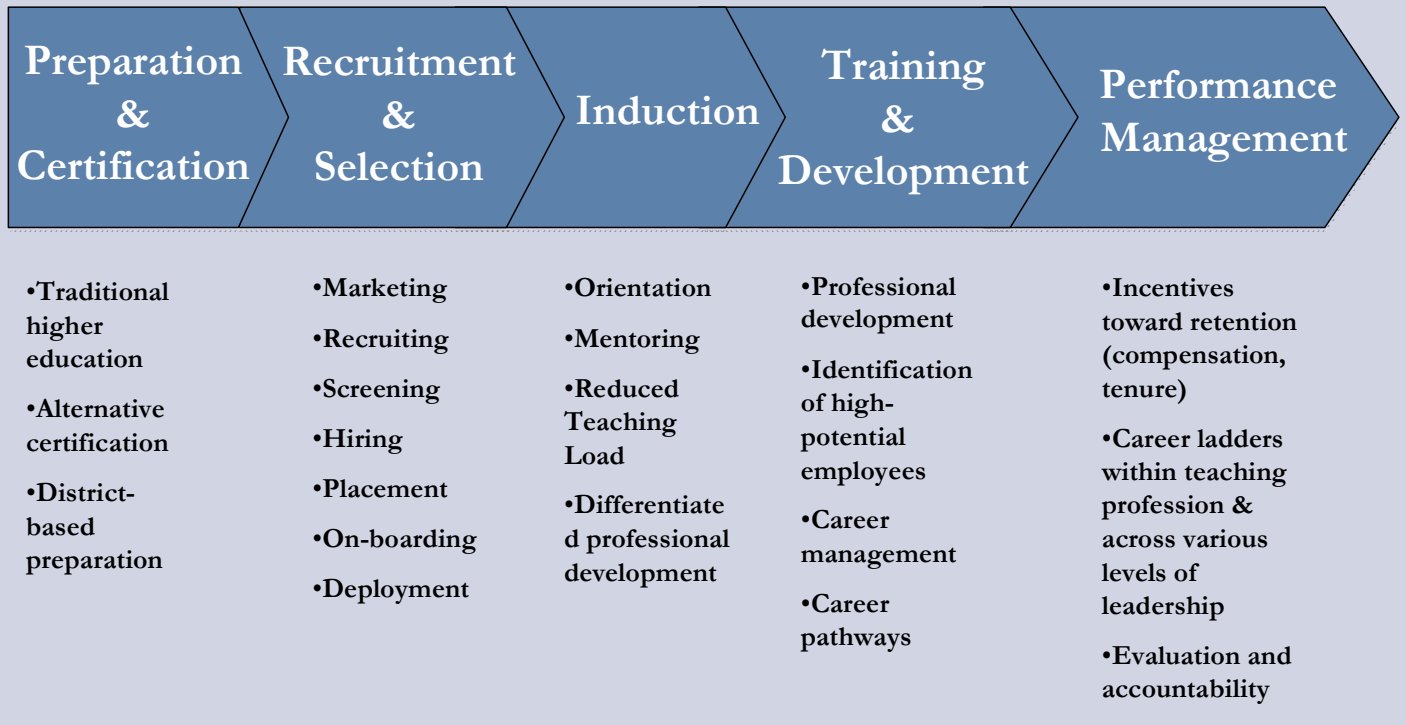
This report describes each of these three discussions in turn.

TACKLING THE HUMAN CAPITAL CHALLENGE

To frame the discussion of human capital, the meeting’s facilitators outlined a human capital “value chain” – a set of connected links that together determine the quality of teaching and leadership within public education (see graphic, page 4). Across the chain, the facilitators framed a series of key questions. What is quality? What attributes correlate with effectiveness (and how do we know?) How are human resources systems, tools and processes aligned in support of this definition of quality?

Facilitators divided the group into two breakout groups, each of tackled a different section of the value chain: the first group focused on the earlier part of the chain – getting great people into public education to begin with – while the second group discussed how to retain and support that talent once it is inside the system.

Human Capital Value Chain



Human Capital Breakout Group #1: Getting Great People into Public Education.

This group considered “the pipeline” for talent in public education, especially how to increase the quality of people entering the public education system. This includes teachers but also learning coaches, school leaders, central office personnel, managers of entrepreneurial organizations, and even parents and policymakers. The group also acknowledged that this pipeline is intimately tied to the quality of later elements of the value chain, and also has an impact on both the types of people that are attracted to education to begin with and those that decide to pursue a long-term career in the system. However, the conversation quickly focused on the preparation and credentialing of teachers as a key leverage point in this work. As one participant noted, quality problems at this point in the value chain can create a kind of vicious cycle. “Schools of education aren’t generally taking in good people or putting out good people, so people don’t see it as a high-quality profession,” he said, noting that this has an impact on the caliber of candidates his organization sees as applicants.

A central tension defined the group’s discussion: should education entrepreneurs seek to reform existing preparation and credentialing institutions, launch new ones, or pursue some kind of hybrid strategy? One organization represented at the Gathering – High Tech High – was on the verge of opening a brand new School of Education, the first of its kind in many years in California. Rather than cajole existing preparation institutions into recruiting and training candidates fit to teacher in High Tech High schools, this growing charter school management organization decided to bring preparation and credentialing in-house. Another participating organization, Uncommon Schools, was similarly frustrated with the existing pipeline in New York – but has taken a different tack. In cooperation with two other school networks, Uncommon has forged a partnership with an existing institution – Hunter College – to create a new teacher preparation program to feed the three networks’ growing demands. Though starting a new institution like High Tech High’s was appealing, noted the participant, “it was faster to do it by partnering with Hunter, and we are able to work within their system to try and change it from the inside too.” (For more information on both systems, see sidebar on page 5, “Entrepreneurial Approaches to Teacher Certification.”)

The breakout group expressed a great deal of interest in generating more such entrepreneurial experiments. One participant wondered, “Could you create a charter-like system to allow other institutions to be credentialing institutions to create competition, and then also get the data out there? What we need is 100 places like [High Tech High’s program]. The need is so huge that we need to expand the supply.”

At the same time, several participants were busy working at the other end of the spectrum, trying to help existing programs adapt in order to meet the need for preparing high-quality teachers to meet certification requirements on a fast track. Teach For America, for example, typically forges partnerships with area colleges or universities to supply what corps members need to earn state licenses. While these partnerships are challenging to get right, they’re certainly easier to establish quickly than building whole new systems from scratch.

Some participants thought there was hope of more radical change within existing institutions. One dreamed big with this idea: “It would be interesting if we could find someone at one of these colleges who’s willing to change the paradigm there and change a teacher college system at scale quickly.” Another argued that the growth of alternative programs may empower more change-minded leadership within existing systems, noting, “If they were losing market share on credentialing, it would allow deans [of education schools] to create major change.” One participant also suggested that policy change could help fuel this kind of movement. “If we didn’t require certification, teacher prep programs would actually have the incentive to do a good job preparing teachers, since they couldn’t expect that people would have to come to them for credentials,” he said.

The group also agreed on the need to start documenting the experiences of these early pioneers, so that lessons learned could spread. Another imperative is to document the results of these alternative programs – alongside better data from traditional providers of teacher education, which is its own significant challenge – in order to determine whether these new approaches produce better teachers. Such data can help build the case for broader change. Working groups of alternative program leaders, as well as conventional institution leaders interested in change, could also help move reform forward by expanding and enhancing the pipeline of teachers.

Still, participants agreed we still have a lot to learn about how to do this work well. “We don’t know enough to know what we’d replace current system with,” summed up one participant. “But the more opportunity we have to build new models, the better equipped we’ll be to show what credible, viable alternatives might look like.”

ENTREPRENEURIAL APPROACHES TO TEACHER CERTIFICATION

High Tech High (HTH) Graduate School of Education.

In response to the No Child Left Behind act requirement that all its teachers be certified, in 2004 High Tech High became the first charter school to gain approval from the California Commission on Teacher Credentialing to certify teachers. The charter management organization now prepares and certifies teachers in its schools in mathematics, science, English, history/social studies, Spanish, and art through a Teacher Intern Program developed by HTH and run in partnership with the University of San Diego. The program is a two-year commitment that includes a two-year teaching practicum, during which interns teach at HTH charter schools using project-based learning and take courses on evenings and weekends. Tuition is free, and courses are taught by HTH teachers and administrators and one adjunct professor from the partner university. According to the program literature, the program aims to “situate teacher training in HTH sites where candidates can experience a 21st century context for teaching and learning.”

“Teacher YOU” Training Institute. In 2007, three networks of charter schools – Uncommon Schools, KIPP and Achievement First – partnered with Hunter College, the New York City (NYC) Department of Education and the Robin Hood Foundation to establish a new teacher training institute. The program is separate from Hunter’s other masters-level teacher preparation tracks. Hunter faculty and central staff from the partnering CMOs design the curriculum, which builds on the effective practices honed in the CMOs successful schools. Both Hunter faculty and CMO staff teach courses. Graduates will receive masters degrees from Hunter, part of the city’s higher education system. Since Hunter already has a license from the state to certify teachers, graduates will also receive that credential. The NYC Department of Education covers the cost of tuition for the program (as it does for other city teacher preparation programs) if students commit to teaching in a NYC public school. Just over 40 teachers went through a pilot program in summer 2007, all of whom were new teachers hired by the partnering CMOs who lacked certification. In future years, non-CMO teachers will be eligible for the program, allowing this innovative program to increase the supply of new teachers citywide.

Human Capital Breakout Group #2: Retaining and Supporting Great People in Public Education.

The central idea that organized this breakout group's discussion was the concept of a "vertically integrated human resources system," one in which all of the parts work together to generate excellent teaching and leadership. "How we get good teaching and good leadership is a system design issue," explained one participant. "People in education don't tend to think that way. It's an inherent weakness in almost all districts." Such a system would include both "mechanical systems," such as hiring and professional development, and "authentic human systems" of culture, collegiality and professional community.

While there was some disagreement in the group about whether such systems should be grafted onto existing district structures or built from scratch within charter management organizations, the conversation quickly turned to scoping out the key elements of such a system (see diagram). Some of the main elements discussed included:

- **Compensation** – competitive, differentiated, performance-based, aligned to goals
- **Career ladders** – the ability to move from novice to master/lead teacher, coach, assistant principal, leader within the system
- **Professional development** – induction in first 3 years, targeted supports throughout career, efforts to keep people engaged in their own learning (what one participant called "boosters"), master classes for getting better at the craft of teaching
- **Performance management** – retention of high performers, removing barriers to getting the ineffective people out
- **Supportive tools and resources** for increased effectiveness (e.g., instructional and assessment technology)
- **Context** – personal and professional community that makes effective people want to stay

Several threads emerged from the ensuing conversation about how to make progress on developing and implementing this kind of aligned systems. One was the importance of "middle management" in making these systems function well. "In most organizations, middle management is the key to getting productivity, but we don't talk about that," one participant pointed out. "We have to talk about it because that's one of the things that will allow us to innovate faster."

Another theme in the development of such systems was the critical role of "tools" – the technologies and processes that enable people in school systems to do their work more efficiently and effectively. For example, technology can make it dramatically easier for teachers to assess students' needs, find resources to meet those needs, and chart progress over time. Such tools are vital "so that everyone doesn't have to be a superstar to deliver great performance," as one participant put it. One point of tension centered around how context-specific such tools must be. Would each school system or charter school organization need its own student assessment and data management system, for example, or is there enough commonality of "specs" that joint development would be possible? This question was of particular concern to the entrepreneurs seeking to develop such tools, because joint development would allow them to reach a scale of implementation that justifies the investment necessary to build such sophisticated tools in the first place. The group agreed to further explore such potential collaboration.

Next Steps: Opportunities for Action on Human Capital.

After coming back together to share the key findings from each breakout group, the participants agreed on two key ideas for action. The first was to hone in on better approaches for understanding teacher effectiveness. All other components of human capital discussed at the meeting – from recruitment to preparation to professional development to compensation – hinge on the ability of schools and school systems to assess the effectiveness of their teachers in ensuring student achievement. Several participants agreed to participate in a working group on understanding teacher effectiveness, and NewSchools agreed to convene on or more meetings on the topic in the fall.

Secondly, participants acknowledged that it was worth learning from efforts already underway in a number of charter management organizations and school districts to create the kind of vertically integrated human resources systems under discussion at the Gathering. These "test kitchens" have already led to the creation of tools and methods that could be more

broadly useful, but much more research and development work is needed. As a preliminary step in this direction, participants agreed that it would be helpful to create a “map” of this work across the country. What elements of such a system have already been developed, and by whom? What remains to be done? A second working group was formed to create this map in conjunction with efforts already taking place among the education grantmakers in the room.

IDENTIFYING AND ADDRESSING PUBLIC POLICY BARRIERS

As the discussion shifted to state policy, facilitators began by asking participants to share their perspectives on why state policy was important for their work as education entrepreneurs. A wide range of “inhibiting factors” emerged, making it clear that participants viewed state policy as a critical element as they grow their organizations to scale. At the same time, several participants noted that their presence in cities and states could sometimes itself be a catalyst for policy change. “There is a role we play by focusing on what it takes to run great schools and being clear on what we need,” noted the leader of one charter school organization. “We become a very supportive and productive partner to policymakers who want to do things differently.”

Importantly, the changes that result help the education entrepreneurs who championed them, but they can also have broader effects, such as by altering teacher certification policies in ways that open the door to more high-potential teachers generally, not just those coming through a specific program like Teach For America. This role of change agent can be particularly potent when an entrepreneurial organization is in a position to exert some leverage. For example, both New Leaders for New Schools and Teach For America have greater demand from districts for their services than they can meet. Their resulting ability to be selective puts them in a position to request policy changes, such as easing credentialing requirements or broadening principals’ autonomy. Participants also noted that the policy-changing effects of entrepreneurs could be even greater in the long-term if entrepreneurs conduct rigorous evaluations of their work that ultimately provide evidence of their effectiveness – evidence that can serve as the basis for broader policy shifts.

Still, examples of such victories were swamped by talk of the barriers that remain in place. A vigorous brainstorming effort produced a long list of key state policy issues, which can be usefully grouped into the set of categories below:

- **Education Funding:** building a system that is more transparent and flexible, in which funding follows students to the school they attend and is weighted based on their characteristics; ensuring equity in funding between charter schools and district schools, and also among district schools; creating flexible funding streams for innovation and research, outside of the categorical or other formula-driven streams of public money.
- **Performance Data and Accountability:** strengthening student information systems so they allow for longitudinal and value-added analysis and provide metrics for evaluating schools, teachers, service providers, and reform initiatives; enhancing responses to chronic low performance, including school closures.
- **Governance:** expanding mayoral control where needed to spur reform; widening districts’ use of a multi-provider “portfolio” approach; granting “earned autonomy” to schools that demonstrate strong results and sufficient capacity.
- **Charter Laws and Policies:** raising caps on the number of charter schools; allowing for multiple types of charter school authorizers; allowing organizations to operate multiple campuses under a single charter; ensuring equitable funding that includes facilities financing; incentivizing districts to provide facilities to charters, perhaps by allowing them to “count” charter school test scores as their own.
- **Teacher Policy:** streamlining alternative certification; experimenting with alternative compensation systems; revising teacher contract terms to allow more sensible hiring, assignment and firing practices; reforming unviable pension systems.
- **Curriculum and Instruction:** aligning curriculum for pre-K through college (and generally supporting more high-quality pre-K); opening up state adoption process for textbooks and other materials to reduce barriers to entry for new providers.

- **Special Education:** creating alternative special education providers that serve charter schools and charter management organizations; providing insurance pools to address the highest cost special needs students; advancing techniques to reduce referrals to special education through earlier and better intervention.

Discussions of policy naturally lead to discussions of politics, and specifically to the necessity of more political muscle to help enact many of the policy reforms under discussion. This question led to a wide-ranging exploration of different strategies for boosting political support: supporting more grassroots activism on the part of parents and communities who stand to gain from change; building coalitions with like-minded organizations; backing or even replicating organizations like EdVoice in California that carry a similar policy agenda.

Progress on this front is hindered by several complicating factors. One of these is that “even in the world we think of as ‘one world,’ there can be a fundamental breakdown when it comes to state policy,” as one participant pointed out. For example, there are significant differences of opinion within the charter school sector over whether and how to close low-performing charter schools. In addition, the participants in the Gathering are primarily engaged in building entrepreneurial organizations that are seeking to play some immediate education role in districts and states, and may not have the skills, capacity or resources to drive changes to the policy agenda. At the same time, there was a recognition that these entrepreneurs also cannot afford to ignore these critical issues.

A small working group was formed to sort out these critical policy issues according to their short-term and long-term importance, and how feasible it is to accomplish them.

CONTINUE WORKING TOWARD GEOGRAPHIC CONCENTRATION

The Gathering also returned to its 2006 theme – the question of how to concentrate entrepreneurial energy in certain high-potential cities and states. A core idea from the 2006 Gathering was that of “harbormasters” – entities in those geographies that provide a focal point for entrepreneurial activity. “Harbormasters would guide entrepreneurs as they made their way into new markets, making introductions and pointing out the reefs and shoals that could cause a new venture to run aground,” explained NewSchools Partner Jim Peyser in his explanation of this role. Examples from among the Gathering’s participants include New Schools for New Orleans, an organization engaged in a range of activities designed to support the emerging portfolio of public schools in post-Katrina New Orleans; and The Mind Trust, an Indianapolis-based initiative to invest in promising entrepreneurial ventures through a two-year paid “fellowship” and attract already successful education organizations to Indianapolis.

Because local contexts are so different, harbormasters are bound to look quite different in different places. Yet, they share enough common focus to spur Gathering participants to agree there would on the value of a national network of support. Peyser outlined a potential three-pronged approach to such a national effort:

- **Providing financial and strategic support** for the development of strong, sustainable harbormaster organizations in various target markets, including help with business planning, funding, and building viable boards of directors;
- **Establishing a “virtual community”** to facilitate regular communication among harbormasters and education entrepreneurs, perhaps complemented by in-person meetings; and,
- **Commissioning a multi-year research and development (R&D) project** to map this activity in each target market, report on local developments, gather information about the impact of education entrepreneurship on student outcomes and systems change, and document successful practices for use elsewhere.

NewSchools agreed to continue exploring these ideas in the coming months. On the research and development point specifically, participants pointed out that a great deal of R&D work of this nature was already underway. A small working group of participants formed to map out the R&D work already taking place related to these geographies (and the Gathering’s focal topics as well) and develop a framework that might foster some coordination across otherwise diffuse efforts.

NEXT STEPS FOR THE ASPEN GATHERING

As noted above, several working groups formed during the 2007 event to carry work forward between Gatherings on topics ranging from human capital and state policy to “harbormasters” and research and development efforts. In addition, the convening’s closing session generated numerous ideas for future Gatherings, including suggested changes to format and structure for the Fourth Annual Gathering of Education Entrepreneurs, currently slated for July 2008.

This report was prepared by Bryan C. Hassel with assistance from Julie Koval, both of Public Impact, a national education policy and management consulting firm.