

Chapter 2

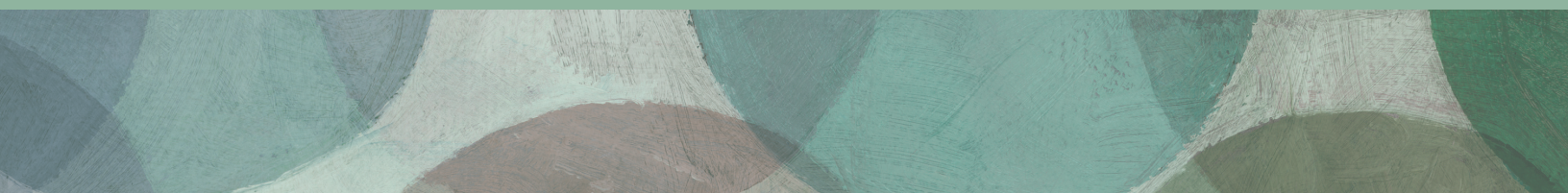
# Incubate for America?

*Ethan Gray*



## Hopes, Fears, & Reality

A BALANCED LOOK AT AMERICAN CHARTER SCHOOLS IN 2012



National **Charter School**  
**Resource** Center

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**CRPE**  
REINVENTING  
PUBLIC EDUCATION

## Chapter 2

# Incubate for America?

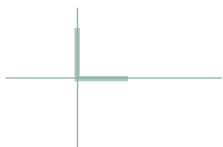
**Ethan Gray**

The growth of the charter school sector in its first few decades has been defined by two stages. In the first stage, individual “mom-and-pop” schools dominated the landscape. More recently, the most successful of those single-site schools replicated and grew into charter management organizations (CMOs). Although the rise of CMOs has enabled a few school networks—such as the Knowledge Is Power Program (KIPP), Achievement First, and Aspire Public Schools—to achieve some scale and national renown, many charter markets, especially in noncoastal cities, are still dominated by single-site, mom-and-pop schools.

Those who frequent education reform conferences often hear how much leaders in city X want to recruit KIPP to their city or funders in city Y want to invest in a replication of YES Prep (in Houston) in their city. But the reality is that for most cities, a CMO replication strategy is unlikely to either be successful or meet the demand in their communities for high-quality seats. Simply put, it is challenging to recruit national CMOs to new markets, and there are far too few CMOs to meet the growing demand. As a result, some enterprising cities have embraced a new strategy for intentionally building the supply of high-quality new schools: charter school incubation.

Charter school incubators are organizations that seek to improve the odds that new schools will succeed. They bring some order to the often chaotic, random growth of the mom-and-pop–dominated charter scene. Incubators recruit, competitively select, and support high-quality school founders as they design and build new schools in specific communities. By investing in or developing talented school leaders and connecting them with local networks of support, incubators are betting that they can increase the likelihood that new schools will succeed.

Unlike other charter support organizations, incubators do not serve all who apply; they rigorously screen applicants, taking on only the very best. Most incubators offer some financial support—usually a salary and a benefits package for school founders—to woo top talent. In addition, incubators, whose staffs are expert in



the charter start-up process, provide training or support for leaders as they build charter boards, locate and develop facilities, recruit great teachers, and make connections with other local funders and stakeholders.

## WHY WE NEED INCUBATORS

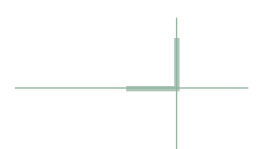
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The Cities for Education Entrepreneurship Trust (CEE-Trust), the initiative I lead, is a network of city-based education reform organizations. During the past couple of years, we have built the Charter Incubation Working Group, which includes nearly every geographically focused incubator across the United States, including the following:

- New Schools for New Orleans (NSNO)
- New Schools for Baton Rouge
- The Mind Trust in Indianapolis
- Get Smart Schools in Denver
- Charter School Partners in Minneapolis–St. Paul
- E3 Rochester in New York
- The Tennessee Charter School Incubator in Nashville and Memphis
- The Teaching Trust in Dallas
- Rhode Island Mayoral Academies

A few other organizations also are involved in incubation. The New York Center for Charter School Excellence has helped build the charter market in the largest city in the United States. Boston-based Building Excellent Schools has partnered with some CEE-Trust incubators to recruit, select, and train their school leaders. In addition, many of the top CMOs in the United States incubate their own leaders, through in-house development programs such as the KIPP Fisher Fellows Program.

A 2011 policy brief, called *Better Choices*, explored how charter school incubators were accelerating the smart growth of the charter sector (Ableidinger & Kowal, 2011). The brief profiled many of the leading incubators and discussed the ways that policymakers at state and federal levels could create better conditions for incubators to help start more schools. The authors found that in 2011–12, schools operated by the five CMOs that were “widely regarded as among the sector’s best” served only 61,000 pupils, and in 2009–10, all the CMOs put together served only 14 percent of all charter school students.



Although civic leaders in the United States would like nothing more than to be able to replicate the schools of KIPP, Achievement First, Rocketship Education, or YES Prep, the reality is that there are not enough high-quality CMOs with the massive scaling plans required to meet that demand. CMOs will continue to play an important role in driving the growth of the charter sector, but civic leaders would be wise to consider other ways of driving smart growth.

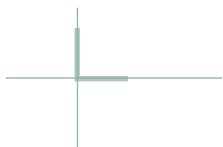
## HOW INCUBATORS WORK

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Incubators have different theories of change and thus different approaches to incubation. The Mind Trust's theory of change is that a combination of major funding, a landscape filled with top education reform and human capital organizations, and a pro-charter state policy environment will attract top talent to Indianapolis. The Mind Trust is not interested in developing new leaders as much as it is interested in recruiting the best and brightest from across the United States. Most of its emphasis, then, is placed on designing and implementing an extremely selective up-front quality screen. On their applications, aspiring school leaders go into great detail about past leadership experience, student achievement results at the schools they have worked at, and personal qualities and leadership characteristics. A panel of national experts helps interview and evaluate the applicants and select the winners.

In addition to its fellowship program to launch new charter schools, the Tennessee Charter School Incubator has developed an incubation program for turnaround leaders because of the market opportunity created by the emergence of the new Tennessee Achievement School District (ASD). ASD provides buildings, students, and charter-like freedom; the incubator recruits, selects, and trains the turnaround leaders.

Get Smart Schools and Charter School Partners (CSP) focus more on leadership development. With more limited funding but a strong university partner, Get Smart is tapping into a different talent pool and market segment to develop the next generation of charter leaders in Denver. CSP in Minneapolis–St. Paul, meanwhile, is focusing its recruiting on identifying educators who show the potential to develop into great school leaders. CSP recruits its fellows both locally and nationally by partnering with Teach For America, CEE-Trust, and other organizations. Its intensive two-year training program for prospective school leaders clearly illustrates the intensity of support an incubator can provide aspiring leaders.

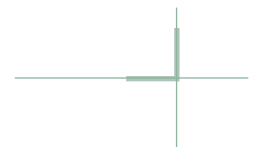


The program begins with an intensive summer session that, CSP says, “is designed to immerse the Fellows in educational philosophy and design while also giving them the foundation in charter school law and operations necessary to begin their school creation work in earnest” (Charter Schools Program, 2010). In the first year of the fellowship, during which fellows earn a salary, each fellow is placed in a high-performing charter school in the role of “school improvement coordinator” and is responsible for helping to improve the academic growth of students. The fellows spend the year learning about several areas of importance, such as how to design coursework, apply for grants, and build boards. The fellows visit high-performing charters across the United States; recruit and develop members for their future schools’ boards, with assistance from CSP; and seek input from and build relationships with community members “in order that they might build authentic bonds with the families their school will serve” (Charter Schools Program, 2010).

In the summer, fellows interview with their boards, which make the ultimate decision whether to hire them. If they are hired and receive a charter and grant money from certain sources, CSP supports them through a second year as they secure facilities, hire and train staff, enroll students, and take university courses in school law and finance. Fellows also receive help in growing as leaders, developing their boards, strengthening their community ties, and enrolling enough students. All told, CSP spends \$350,000 per fellow in salary, training, and in-kind services.

The costs of incubation vary by both location and program. The Mind Trust offers up to \$1 million and significant local support to competitively selected leadership teams that commit to starting new charter school networks in Indianapolis. Other incubators that offer funding make investments between \$200,000 and \$500,000 in individual leaders or teams (Ableidinger, 2011). Some incubators, such as Get Smart, do not offer money but maintain university affiliations and offer leadership degrees for new school founders or significant in-kind support.

As communities develop their own plans for incubation, they need to carefully consider their core theory of change and determine whether (1) their market demands the intensive support structure of a CSP-style training program, or (2) they would be better served by raising the resources necessary to follow the more expensive route of attracting seasoned national talent.



## PRIME AREAS OF FOCUS: LESSONS LEARNED

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The pioneers of charter incubation have learned some important lessons that communities interested in incubation should consider. Among existing incubators, there is broad agreement that recruitment and selection is—by far—the most important (and most difficult) activity. In a September 21, 2012, interview, Greg Thompson, the chief executive officer of the Tennessee Charter School Incubator, said that “it’s all about identifying the best leaders.”

Beyond recruitment and selection, incubators also can act as advocates in the charter space, freeing leaders to focus on what matters most. Maggie Runyan-Shefa, the chief schools officer of NSNO, argued in an interview on September 20, 2012, that “it’s a value-add when incubators can mitigate against anything that takes away from a principal’s ability to focus on staff, students, and families.”

Incubators also can play a role in strengthening the policy climate for the charter sector. Thompson said that in Tennessee, “the policy environment was not fertile for so long that it was hard to attract talent and grow charters in any significant way. We’ve seen charter growth in other states—both good and bad—and we saw that those markets were doing well because there were charter support organizations in those cities that were training entrepreneurs and providing support systems.”

In Indianapolis, The Mind Trust has supported a stronger charter policy climate to make the city and the state more attractive to top charter networks and aspiring school leaders. Recent reforms include improved funding, stronger authorizer accountability, and the launch of a new statewide authorizer that can approve multiple schools under a single charter. The Mind Trust’s Charter School Incubator touts this improved policy environment in its recruiting efforts for new applicants.

## RESULTS SO FAR: A SNAPSHOT FROM NEW ORLEANS

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The literature on incubation is quite limited. In September 2011, Public Impact produced a paper for the National Charter School Resource Center on charter incubation that included snapshots of many incubators affiliated with CEE-Trust (Public Impact, 2011). Public Impact’s Joe Ableidinger and I also led an interactive webinar in September 2011 on the topic for the Resource Center (Gray & Ableidinger, 2011). But there have not been any studies of the impact of incubators. Incubation is a classic example of why education is a difficult

social science. There is really no way to do a double-blind study to prove that incubation actually increases the likelihood that new schools succeed. Several incubators, including The Mind Trust, CSP, and E3 Rochester, are too new to have data to analyze.

But early evidence suggests that incubation is a promising strategy. In Colorado, each of the 11 schools incubated by Get Smart Schools for which there are student growth data have outperformed their district averages. Eight of these schools had higher student proficiency rates than their corresponding local public districts (Get Smart Schools, 2011). In New Orleans, one of the only charter markets that has had an incubator in place for at least five years, NSNO has incubated the highest performing high school and elementary school in the city's Recovery School District (NSNO, 2010).

After Hurricane Katrina obliterated the public school system, New Orleans faced an urgent need to open a significant number of new schools. Many of the highest performing district schools converted to charter schools in the aftermath of the storm, but neither the newly formed Recovery School District nor those existing stand-alone schools could meet the city's need in short order.

"This was an opportunity to transform the education landscape in New Orleans," Runyan-Shefa noted in an interview. Matt Candler, NSNO's first chief executive officer, had done work related to school incubation at KIPP and the New York Center for Charter School Excellence. Nancy Euske, who had designed the KIPP Fisher Fellows Program, was brought in to design a year-long incubation program for New Orleans charters.

In its first several years, NSNO helped incubate nine new schools, attracted several national CMOs to New Orleans, and supported the expansion of teacher pipeline programs, such as Teach For America and TNTP. As the market share of city charters has increased, to three in five public school students, the gap between city students overall and their peers statewide has narrowed significantly. In 2012, 58 percent of New Orleans students scored at grade level or better compared with 35 percent the year before Hurricane Katrina (Vanacore, 2012).

## THE IMPORTANCE OF SELECTION

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Recently, NSNO decided to shift its strategy away from incubating and toward supporting the replication of existing schools and recruiting national CMOs. As the charter market in New Orleans has matured and a few very high-performing, single-site schools have developed aspirations to grow into CMOs, there is less

of an urgent need to support the launch of significant numbers of new schools. But NSNO also has been disappointed with the quality of some of the nine schools it has incubated. Of those, NSNO reports that three have been outstanding, one has closed, and the rest are somewhere in the middle. Interestingly, two of the high-performing schools have started to expand, and two others have merged with existing CMOs.

Runyan-Shefa said that in its early years, NSNO's selection procedures were not as rigorous. "We didn't have an influx of talent like we do now. If we still did incubation now, we would really beef up the rigor of our selection process, because it's all about finding the right person. The right person grows the right teachers" (M. Runyan-Shefa, personal communication, September 20, 2012).

Given NSNO's limited success with recruitment and selection, Runyan-Shefa said, "We weren't sure that we could compensate and offer enough support to ensure that new schools would be high performing. Whereas investing in CMOs and replication of high-performing single-site schools—those folks could offer what schools need."

Runyan-Shefa still believes that incubation can be a good strategy for other communities, if the selection process is rigorous. "When you design your incubator," she says, "be sure you have a clear sense of what leadership skills and experiences you need prospective school leaders to demonstrate before you bring them into the program."

## INCUBATORS AND FUTURE TRENDS

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As cities such as New Orleans prove that vibrant charter districts can drastically improve student outcomes, civic leaders and funders in other cities will consider ramping up their support for burgeoning charter sectors. Existing CMOs will help meet some of that demand. But if the first generation of incubators can prove that incubation ups the chances that new schools will succeed, then incubation represents an additional way smart funders will turn dollars into better life outcomes for students.

We expect to see more incubators crop up in cities across the United States. CEE-Trust has advised several new city-based groups on incubator design, and we plan to continue offering these services to interested organizations. But a confluence of reform trends is emerging that could shake up the incubation landscape before it even has a chance to mature.



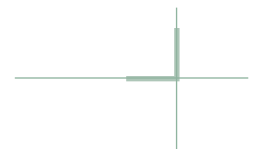


The rise of blended-learning schools, which use a mix of technology and face-to-face instruction to personalize learning for every student, could force incubators to rethink their approaches to recruitment, selection, training, and support. Schools run by Rocketship Education, KIPP LA, Aspire Public Schools, and Carpe Diem Schools are demonstrating dramatically new academic and economic models that have drawn extensive attention in the past couple of years.

If blended learning lives up to its promise to improve student outcomes, personalize learning, free teachers to focus on higher-order thinking skills, and lower schools' operating costs, then incubators will have to quickly retool and determine how they can support the launch of new blended-school models.

CEE-Trust will be developing some blended-learning supports for its incubation partners in the coming year. And we plan to host six city-based blended-learning design workshops in cities that are part of our network. As both blended learning and charter school incubation become more ingrained in the education ecosystem, we will begin to see a new generation of innovative school models crop up in cities across the United States.

Without incubators, it will likely be impossible to meet the demand for high-quality new schools. That is why civic leaders should take a page from the private sector playbook. In the private sector, business incubators have long played a critical role in developing innovative new businesses. Cities interested in building a strong supply of new schools should consider developing locally based incubators as an investment in the future of their cities. When done right, incubators can help launch new schools that will leverage public funding and deliver great results for students in perpetuity—a double bottom line any education reformer will love.



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## Author Biography

**Ethan Gray** is the executive director of CEE-Trust, a national network of 29 city-based nonprofit organizations, foundations, and mayors' offices across the United States that support education reform. CEE-Trust acts as a convener, a collaborator, and a consultant, helping its member organizations accelerate the pace of education innovation and reform in their cities. Before leading CEE-Trust, Gray was vice-president of The Mind Trust in Indianapolis. He also worked as the policy director at Be the Change Inc. in Cambridge, Massachusetts, where he helped craft a policy agenda to expand national and community service opportunities that strongly influenced the introduction of the Edward M. Kennedy Serve America Act of 2009.

Gray is an honors graduate of Harvard College and holds a master's degree in educational policy and management from the Harvard Graduate School of Education. He serves on the advisory board of Innovative Schools in Wilmington, Delaware, and was a special advisor to the Kauffman Foundation's Education Ventures Lab.

