

## **National Study of CMO Effectiveness – Request for Initial Proposals**

*October 30, 2007*

### **Overview**

NewSchools Venture Fund, in partnership with the Bill & Melinda Gates Foundation, is commissioning an independent national, longitudinal study of Charter Management Organizations (CMOs). For the purposes of this research effort, CMOs refer to nonprofit organizations that operate and centrally manage, under state charter school laws, systems of multiple schools with a common, aligned instructional design. There are many who believe that CMOs hold great promise as a new and quickly-evolving strategy to create and manage high-quality schools in which all students can achieve at consistently high levels. Yet, the existent research base has not kept pace. To date, most research on charter school effectiveness has employed a wide range of methodologies with mixed results. In addition, most research has often treated “charter” as a monolithic concept and ignored the more nuanced questions regarding the potential role of charter management systems, as well as the factors that may contribute directly or indirectly to positive student academic outcomes.

We intend to carve out a space of study for this new educational entity within the broader landscape of education research. We hope the proposed study, the first of its kind, will produce insights that will help shape the field for years to come. To ensure that the study addresses the most valuable research questions and is ultimately useful to a broad set of stakeholders, we have established a national Stakeholder Advisory Group – a select group of practitioners, researchers, funders and thought leaders – from whom we solicited and guidance to inform the research approach.

We are in the process of seeking one or more evaluation partners to participate in a multi-year research effort beginning in Spring 2008. This document is designed to provide specific guidance that will help enable interested bidders to prepare initial research proposals and, if selected to move to the next phase of the process, to develop full, detailed research proposals. Please refer to Appendix A for additional information on NewSchools Venture Fund, the Bill and Melinda Gates Foundation and the Stakeholder Advisory Group.

### **Study Objectives**

The proposed study is being designed to provide:

1. A ***rigorous and objective assessment*** of the extent to which CMOs contribute to student academic outcomes, especially for low-income and minority students;
2. A ***rich examination of contextual factors*** in CMOs that account for their impact, as well as the similarities and differences within and among CMOs; and
3. A ***common language and fact base*** for all industry stakeholders, providing a basis for ongoing study.

## Working Definitions & Projected Sample Size

Given the spectrum of school management models and the dynamic nature of this fast-evolving market, it is critical that we establish a clear working definition of a charter management organization (CMO), as well as a clear delineation of the organizations we believe fit both within, and outside of, our definition. A charter management organization is a fully-integrated regional network of charter schools under a single nonprofit governance structure that typically shares a common school design and a coherent set of scalable management systems. At their core, CMOs are designed to enable and accelerate charter growth with consistently high quality. By centralizing and sharing certain functions and resources across schools, CMOs aim for greater efficiency and long-term sustainability. Specifically, CMOs share the following characteristics:

- Centrally-organized – there is one management team with a single governing board that is responsible for the academic and fiscal performance of all schools;
- Common school design – there is a clear pedagogic approach and academic model across all schools that supports: goals and standards-setting, teaching and instructional strategies, curriculum and materials, assessment and data, and professional development;
- Designed for scale – the operations and infrastructure of the organization are designed to serve many thousands of students across multiple schools. The network of schools is large enough to have a meaningful impact on, or be an analog to, the local/regional public education system; and
- Non-profit structure – Unlike their for-profit counterparts, Education Management Organizations (EMOs), CMOs are structured as nonprofits so as to minimize political backlash and align incentives singly around academic outcomes (not profitability). In addition, EMOs typically experience materially different access to capital markets.

Based on this definition, we have identified 32 CMOs that are currently (or soon will be) operating roughly 180 schools in 12 states. Please refer to Appendix B for additional detail on the current landscape of CMOs. At the same time, three categories of relevant organizations fall outside of our working definition: 1) independent charter schools; 2) for-profit education management organizations (EMOs); and 3) school networks/portfolio managers. While these entities will be excluded from the main focus of this study, it is possible that they may be appropriate to include as part of key comparison groups. It is important to note that the last category – school networks and portfolio managers – most closely resemble CMOs, but important differences exist. With regard to school networks such as KIPP<sup>1</sup>, the lack of a tight central management and accountability structure permits a greater degree of school autonomy than CMO-managed schools. Portfolio managers own and operate schools, but individual schools within the network can implement different school designs. In comparison, a CMO such as Aspire has a tight management model, one governing board and a highly specified school design consistent across all sites

Although we expect that both the above definitions and the number of organization that meet them will continue to evolve significantly in the coming years, we hope this information will help enable bidders to craft appropriate proposals to address research priorities.

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<sup>1</sup> While KIPP's strong commitment to the autonomy of its school leaders precludes it from truly owning affiliated schools, the KIPP Foundation has begun to deepen its support and engagement with them in many ways. Additionally, regional clusters of KIPP schools, such as KIPP DC, also have now organized into CMO structures.

## CMOs As Aligned Instructional Systems

This study is being designed to examine the ability of charter management organizations to create and manage high-quality schools in which all students achieve at consistently high levels. Before we can turn to a discussion of the specific research questions we believe are of the greatest interest and highest priority, it is important to explicate our thinking about why we believe CMOs may have a positive effect on student academic outcomes. In partnership with our advisors, we generated a number of viable hypotheses regarding the potential roles of CMOs. While we would expect a relationship with one or more evaluation partners to help sharpen and refine our thinking, we would like the role of aligned instructional systems to represent a priority for this research effort. We do not intend to prematurely limit inquiry into other aspects of CMOs that may be responsible for driving positive student academic outcomes, however, we felt it was helpful to elaborate on our thinking in this area to facilitate common working definitions for all parties.

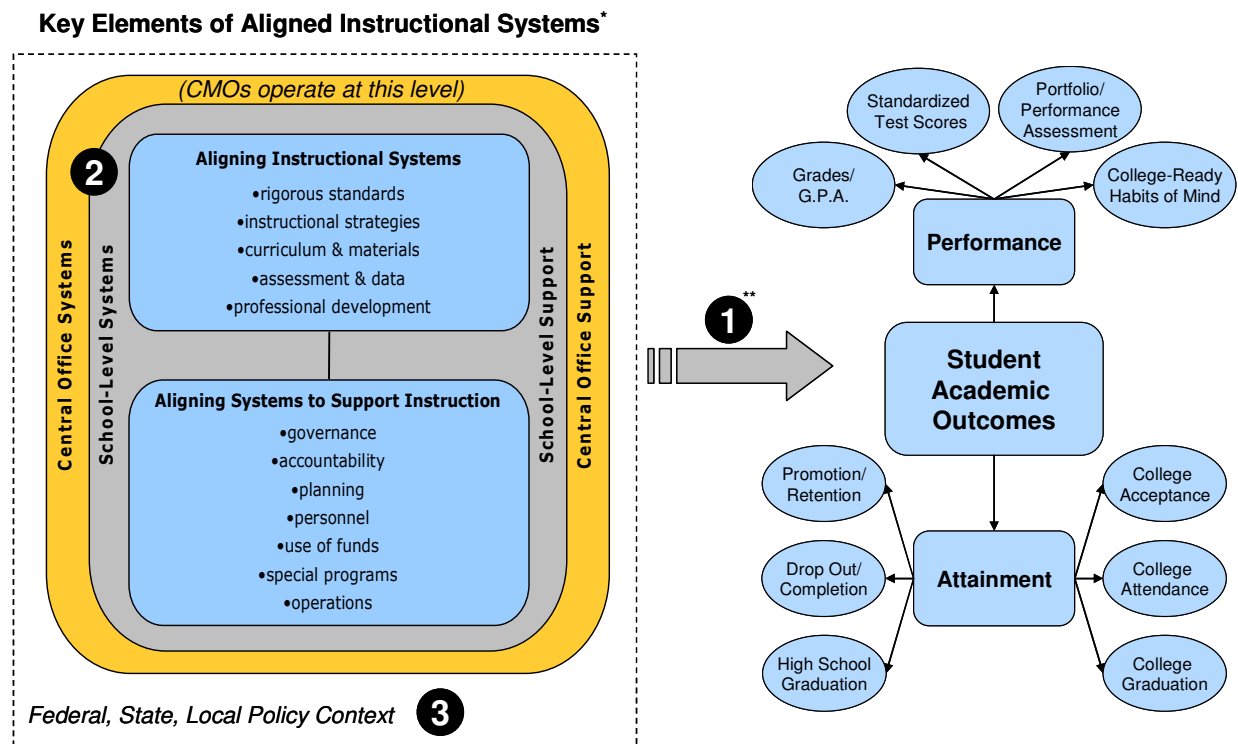
We believe that reform strategies that focus on only one system component (e.g., assessment, curriculum, professional development, accountability, etc.) have little likelihood of sustained impact because they are so easily overwhelmed by the dysfunction of the larger system context within which they operate. Similarly, reforms focused primarily at either the central office or classroom level seldom achieve broad success because there are few mechanisms to disseminate effective reforms across the system. We believe the development of a comprehensive aligned instructional system – a system in which all parts are coherently designed around the end goal of student learning – is essential to articulating a reform vertically from policy to classroom practice, and horizontally across the many sub-systems of the whole. As such, an aligned instructional approach represents systems change as much, if not more, than it does instructional change. Because of its unique management structure – which itself builds upon the unique structural elements of charter status – we believe the CMO represents a powerful opportunity to implement an aligned instructional approach.

Building on this premise, we further hypothesize that CMOs are uniquely capable of effectively implementing an aligned instructional approach for at least two reasons:

- Scale – by definition, CMOs enjoy the potential to extract the benefits and efficiencies of scale by working across multiple schools, in ways that are not available to independent charter schools. At the same time, CMOs are not burdened to the same level of scale and complexities typical in traditional school districts; and
- Flexibility – by virtue of the fact that CMOs operate in charter-based policy environment, they typically enjoy greater flexibility than traditional school districts over key decisions regarding instructional strategies, personnel, resource allocation, operations, etc.

Figure 1 on the next page provides a graphical representation of the hypothesized role of CMOs in implementing an aligned instructional system, as well as the potential link to improved student academic outcomes.

Figure 1: Hypothesized Relationship Between CMOs & Student Academic Outcomes



## Prioritized Research Questions

Because the charter/CMO movement itself is still relatively young – and the existing research base focused on examining CMOs in particular remains quite limited – we have surfaced a long list of questions that will need to be determined over time. Only a small subset of these research questions can be addressed by an initial research effort. As such, we offer the following three categories of research questions or “elements” – which correspond with the numbers in Figure 1– as our highest research priorities:

### 1. **CMO Effectiveness** – To what extent, and in what ways, do CMOs positively influence student academic outcomes?

- To what extent, and for which student subgroups, are schools managed by CMOs effective at increasing and sustaining student academic achievement? Specifically, how do students perform on standardized tests over time?
- How does student academic achievement in schools managed by CMOs compare with achievement of similar students in host districts and independent charter schools? Do individual students attending schools managed by CMOs demonstrate greater academic achievement and progress than they would have had they attended a non-CMO school?
- To what extent and along what key dimensions do CMOs vary in their ability to drive student academic achievement (e.g., size, geography, degree of school-level control)?
- What characteristics are common among the highest performing CMOs?

2. **Structure & Practice** – What factors help explain variation in CMO impact on student academic outcomes? Specifically, what characteristics of CMOs (e.g., human capital strategies, instructional practices, resource allocation, community engagement strategies, etc.) are correlated with CMO effectiveness?

- a. What key elements of CMOs' instructional systems – e.g., pedagogy, rigor of standards, curriculum, use of data and assessments, etc. – are correlated with gains in student academic achievement? To what extent do CMOs represent aligned instructional systems?
- b. What human capital strategies (e.g., teacher and leader recruitment, hiring, development, assessment, etc.) are employed by CMOs? Which strategies are most effective, and why? How do these strategies compare with those of host districts and/or independent charters? Do CMOs employ effective strategies to respond and adapt to variable labor availability and needs?
- c. In what ways do CMOs allocate resources (i.e., time, people, materials, funding)? How do they align and leverage these resources to support student achievement? How do these practices vary within and among CMOs? Which among these strategies and practices are most effective, and why? To what extent are these practices correlated with CMO effectiveness? How do CMO practices compare with host districts?
- d. What is the specific role of school culture and parental involvement in CMO's school management approach? Are these factors correlated with gains in student academic achievement?

3. **Policy Context & Systemic Impact** – What contextual factors contribute to CMO effectiveness and their ability to exert positive influence on other systems?

- In what contexts (e.g., policy environment, geography) are CMOs most effective? Why?
- To what extent and under what conditions do CMOs exert direct or indirect influence on other systems, including independent charter schools and public school districts?
- What factors enable or constrain potential efforts to enhance the positive impacts of CMOs?
- What lessons can we learn from the experience of CMOs that are extensible to schools and districts nationally?

In addition to the above three categories of core research priorities, we would be eager to identify opportunities to capture descriptive data and insights regarding a few additional topics. Although of considerable interest, we do not anticipate that exploration of these topics will receive a significant portion of available resources at this time. However, we would like researchers to be watching for these questions and to discuss any findings that come up in the course of other study.

- Community Engagement Strategies – What strategies and practices do CMOs employ for engaging parents, families and communities? Which among these strategies and practices are most effective, and why? Which appear to be most closely associated with gains in student achievement?

- Size/Scale – What do we know about the relationship between size/scale and effectiveness? At what point do the bureaucratic dangers of scale begin to outweigh the benefits of seeking efficiencies through scale?
  - Note: although the importance of scale is a key hypothesis regarding CMO’s ability to establish aligned instructional systems, we enter this project with a bias that the field may not yet have matured to the point at which this question can be rigorously studied.
- Unintended Consequences – For example, to what extent might growth in CMOs negatively impact access to capital for independent charter schools?
- Role of EMOs – While for-profit education management organizations (EMOs) do not meet our working definition of CMOs, what can be learned about similarities and/or differences in the role(s) EMOs play in the school management segment of the education industry?

## Key Parameters

Although many important study parameters will be determined through interaction with potential bidders through the balance of the proposed selection process, we offer the following as guidance to assist bidders during the development of their initial proposals:

- Individual Roles/Partnerships – we are deliberately inviting interested researchers to ***bid either on the entire study or on individual elements of the study***. While we envision that a single evaluation partner will be responsible for each of research elements #1 (effectiveness) and #2 (policy context/systemic impact), we welcome specific proposals that focus on one or more of the four sub-questions in research element #2 (structure/practice). We are open to – in fact, we enthusiastically support – bidders’ efforts to establish partnerships with individuals and/or other firms that will enhance the overall quality of the proposed research design(s). In order to ensure essential coordination, integration and alignment across the study elements, either NewSchools and/or an independent third party will likely be responsible to play a “lead” role to help facilitate this integrative process over time.
- Budget – we assume a total ***base case budget of \$3.3-4.1 million over three years***, where the ultimate budget may rise or fall based on specific choices regarding scope, design and methodology. Within this range, we anticipate the following ratio of relative investment across each of the stated research elements:
  1. Effectiveness – approximately 50%
  2. Structure/Practice – approximately 35-40%; although we intend to address all four sub-questions within this category, we anticipate that relative investment is likely to be somewhat higher for examination of instructional practices (#2a) and human capital strategies (#2b) than for resource allocation (#2c) and role of school culture (#2d)
  3. Policy Context/Systemic Impact – approximately 10-15%

- Term – overall, we expect proposals to describe **research activities conducted over a three-year period**, but we do not assume that all research elements will begin at the same time or last for the same duration. For example, the effectiveness study will require a minimum of three years, but we will remain open to designs that propose an additional 1-2 years with compelling rationale. We assume all other research elements will require 1-2 years, but we are also open to proposals that extend beyond this term with compelling rationale. In cases where an additional 1-2 years is proposed, bidders should be explicit about the implications this design consideration has on budget assumptions.
- Methodology/Design – while we clearly do not intend to impose premature constraints on the research designs bidders might propose to answer the prioritized research questions, we are **committed to applying the most rigorous approaches** that are both feasible and appropriate, including well-structured qualitative investigation and analysis.
- Study Population – because this study intends to be national in scope, we expect that **all CMOs meeting the working definition will be included in the study** in some manner (e.g., to be included in descriptive statistics at a minimum). We hope that as many CMOs as possible will be directly addressed in each element of the study, however, we recognize that various sampling strategies may be proposed for specific elements of the study. Please include a rationale for your recommended approach.
- Communication of Findings – although a specific reporting schedule will need to be negotiated, we expect that our evaluation partner will produce **both interim and final reports**, and will be open to playing a direct role in our efforts to disseminate key findings at the conclusion of the study. We favor reports that are written in a clear, articulate and concise manner that will make them accessible to broad general audiences.

## Evaluator Selection Criteria, Process & Timeline

### Selection Criteria:

Proposals from interested bidders will be assessed against the following criteria:

#### **Expertise**

What are the individuals' and firm's primary areas of substantive expertise? To what extent does previous work include research on charter schools and/or CMOs? What are the samples of the firm's work in relevant areas? Have the individuals/firm developed proprietary tools and instruments that may be relevant to this study?

#### **Team**

Who, specifically, will be the principal investigators of this evaluation? How much time of key individuals will be dedicated to the study? Who will play key supporting roles?

#### **Credibility**

Are the firm and/or key individuals widely respected as industry leaders in conducting objective, high-quality educational research? In the charter/CMO domain? To what extent have previous research efforts influenced policy dialogue?

<b>Proposed Design</b>	How thoughtful and thorough is the overall design for the evaluation? To what extent does it respond to the priorities articulated in this RFP?
<b>Capacity</b>	Does the firm/individual possess the capacity to execute reliably against the proposed research design? What is the capacity to perform necessary analyses? What is internal capacity to simultaneously collect data via different methods from multiple CMOs, school districts and other sources?
<b>Access to Data</b>	Does the firm already possess relevant data sets through existing relationships? What is the firm’s track record in efficiently accessing school performance data with minimal negotiation and delay?
<b>Flexibility/ Collaboration</b>	To what extent is the potential partner willing to collaborate closely with the NewSchools on the design and implementation of the study? On the presentation of key findings to industry stakeholders?
<b>Communicating Findings</b>	Can the evaluator communicate findings clearly, succinctly, and in a timely manner? How skilled are they at communicating findings to different audiences and in a variety of formats? What are their strategies to deliver both interim results that can inform stakeholder decisions, as well as final results? What examples of other reports and other materials could be shared to help us understand their proposed reporting/communications style?
<b>Quality of Proposal</b>	How well does the proposal address and integrate the central interests and research questions driving the evaluation? How comprehensive and rigorous a methodological approach is recommended? How thorough and clear are the proposed strategies for multi-year implementation?
<b>Cost</b>	What are the projected total costs for this evaluation?

Selection Process & Timeline:

While we are open to the notion that a single research partner may possess the skills and experience to address all three of the priority research elements identified above, we enter the process with an inclination that we are at least as likely to engage two or more organizations and/or individuals whose strengths are aligned around the questions to be answered by this study. To assist in this process, we are inviting initial proposals from a number of interested bidders. After reviewing these proposals against the above criteria, a smaller number of bidders will be asked to submit full, detailed proposals. From this group, a small number of finalists will be invited to participate in in-person interviews with key staff from NewSchools, the Gates Foundation and one or more external advisors. Throughout this process, we will seek opportunities to identify and help facilitate potentially production partnerships. Once a research partner has been identified for each of the three categories of research, we intend to host a collaborative “design charrette” to better understand interdependencies and ensure strong alignment across the various elements of the research effort.

Key dates in the planned evaluator selection process include:

October 30, 2007	Full RFP distributed to invited bidders
November 15, 2007	Initial proposals due from interested bidders
November 30, 2007 (no later than)	Full proposals invited from select bidders – including detailed guidance and a list of bidders’ areas of interest/expertise to facilitate potential collaboration
December 21, 2007	Full proposals due
January 16-18, 2008	In-person finalist interviews
Late January – mid-February, 2008	Evaluation partner(s) selected
March 2008	Collaborative “Design Charrette” to develop integrated workplan
April 2008	Research effort commences

## Proposal Requirements

### Initial Proposals:

Interested bidders are asked to submit – by ***no later than 5p PST on Thursday, November 15<sup>th</sup>*** – a brief proposal describing key elements of their intended approach. In general, we expect proposals focused on only one research element to be no more than five pages in length; proposals addressing two or more research elements should be no more than eight pages in length. Initial proposals should clearly address each of the following elements:

- Focus – specify which among the three priority research elements your team is bidding on, including (if applicable) which sub-questions in research element #2 (structure/practice) – e.g., “we are bidding on research elements #1 (effectiveness), #2a (instructional practices) and #2d (school culture)”;
- Design/Methodology – describe the key design elements of your proposed approach, including description of at least the following: primary research methods; data sources; analyses; and justification for the proposed approach;
- Team – who, specifically, are the individuals (and partner organizations) who would be working directly on this project, including a description of key roles and time commitments;
- Strategies for Communicating Interim/Final Results – please describe your overall philosophy and approach for communicating findings to various audiences, as well as any specific strategies you have found to be effective;
- Term – describe the intended start, duration and conclusion of each major component of your proposed design;
- Cost – specify the projected total cost for the approach you recommend, including a detailed breakdown for each major element (e.g., \$1.6mm for #1 and \$375k for #2b). Please also describe any key elements that inform your approach to cost structure (e.g., rate for key personnel, overhead). While this information will be valuable for us in assessing overall cost

structure and relative prioritization within integrated proposals, we do not intend to hold bidders to the budget figures detailed in initial proposals. If applicable, a more detailed explication of costs will be required for full proposals;

- Trade-offs – describe any key choices or trade-offs your team made in arriving at your recommended approach. What elements would you add to your approach if you could increase your proposed cost structure by ~25%?
- Relevant Projects – list any of your team’s recent or ongoing research efforts that are directly relevant to the research elements on which you intend to focus;

#### Full Proposals:

Based on review and assessment of initial proposals, selected research teams will be invited to prepare and submit a more thorough proposal, which will be due no later than 5pm PST on Friday, December 21<sup>st</sup>. The full proposal will enable a more comprehensive description of all key elements of the proposed research design. Specific guidance for completing full proposals will be shared with selected bidders.

**All proposals should be submitted electronically to the attention of Jennifer Carolan ([jcarolan@newschools.org](mailto:jcarolan@newschools.org)).**

#### **Contact Information**

Please contact Todd Kern, Consultant to NewSchools, at [tvkern@optonline.net](mailto:tvkern@optonline.net) or 917.640.7608, with any comments, questions or concerns during the proposal drafting process.

## **Appendix A: Background Information on Key Partners**

### **NewSchools 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. Through its first two funds, NewSchools has invested more than \$70 million in 25 for-profit and nonprofit entrepreneurial organizations that have made a measurable difference in the lives of millions of students across the country. Its third fund will focus 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. For more information, please visit <http://www.newschools.org/>

### **Bill and Melinda Gates Foundation**

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, the foundation is led by CEO Patty Stonesifer and co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett. For more information, please visit [www.gatesfoundation.org](http://www.gatesfoundation.org).

### **Stakeholder Advisory Group**

Early in the design planning phase of this study, NewSchools Venture Fund assembled a stakeholder advisory group to provide expertise and guidance to help formulate our research approach. In September, this diverse mix of funders, CMO leaders, community advocates, policymakers, researchers and other charter school experts, convened in Washington D.C. and San Francisco for two, very productive, full-day meetings resulting in an abundance of general advice and research questions. Shortly following these meetings, NewSchools reconciled the feedback with their own internal goals and distributed a Synthesis Report back to the advisory group. Another round of responses and comments from the advisory group laid the groundwork for this request for proposal. Advisors will participate in the review of finalist proposals, and one or more individuals may participate in in-person interviews. At the conclusion of evaluator selection, the stakeholder advisory group will be officially dissolved.

## Appendix B: Existing CMOs and Potential Sample Size

Based upon the working definition of charter management organization defined on page 2, there are a total of 32 CMOs serving 180 schools in 12 different states. We anticipate that this list may continue to grow as we become aware of additional organizations that meet the definition.

#	CMO	Grades	Students Served (2007-2008)	By Specific Geography												TOTAL (by CMO)	
				AZ	CA	CT	DC	IL	IN	NJ	NY	OH	PA	OR	TX		
1	Achievement First, K-10	K-10	2,485			6					6						12
2	Alliance for College-Ready Schools	K-12	3,500		10												10
3	Aspire Public Schools, K-12	K-12	6,356		21												21
4	The Beginning with Children Foundation, K-8	K-8	750								2						2
5	The Cesar Chavez Public Charter Schools for Public Policy	6-12	1,220				3										3
6	DC Prep	K-8	638				2										2
7	Education For Change	K-5	1,306		3												3
8	Envision Schools	9-12			4												4
9	Friendship Public Charter Schools	K-12	3,830				5										5
10	Galapagos Charters	K-6	120					1									1
11	Great Hearts Academies	7-12	483	2													2
12	Green Dot	9-12	4,155		12												12
13	High Tech High	K-12	2,500		6												6
14	IDEA Public Schools	PK-12	2,072													3	3
15	Inner City Education Foundation	K-12	1,886		9												9
16	KIPP DC	5-8	822				4										4
17	KIPP Houston	K-12	2,365													6	6
18	Leadership Public Schools	9-12	1,371		5												5
19	Lighthouse Academies	K-8	3,514				1	1	6		1	2					11
20	Mastery Charter Schools	6-12	1,390										4				4
21	Mastery Learning Institute	K-5	445												4		4
22	New City Public Schools	K-8	196		1												1*
23	Noble Network of Charter Schools	9-12	1,318					5									5
24	Partnerships to Uplift Communities	K-12	2,744		8												8
25	Perspectives Charter Schools	6-12	1,150					4									4
26	Propel Schools	K-8	1,440										4				4
27	SEE Forever Foundation	6-12	455				3										3
28	The SEED Foundation	7-12	320				1										1
29	Uncommon Schools	K-12	1,349							9							9
30	UNO Charter School Network	K-8	2,659					6									6
31	Uplift Education	K-12	2,500													5	5
32	YES Preparatory Public Schools	6-12	2,021													5	5
	<b>TOTAL</b>		<b>57,360</b>	<b>2</b>	<b>79</b>	<b>6</b>	<b>19</b>	<b>17</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>2</b>	<b>8</b>	<b>4</b>	<b>19</b>		<b>180</b>

\* Have secured additional charters and will open additional school(s) within the next year