

Case Study No. 12

PRINCIPLES FOR EFFECTIVE EDUCATION GRANTMAKING

Investing in Change: The Walton Family Foundation Charts a New Course

by MICHELLE WISDOM

OCTOBER 2015

grantmakers^{for} education

Grantmakers for Education's mission is to strengthen philanthropy's capacity to improve educational outcomes for all learners. We achieve this mission by:

1. Sharing successful strategies, effective practices and lessons that exemplify responsive and responsible grantmaking in education.
2. Creating venues for funders to build and share knowledge, debate strategies, develop leadership, collaborate and advocate for change.
3. Gathering and interpreting data to illustrate trends, highlight innovative or proven educational approaches and support informed grantmaking.

Grantmakers for Education developed its series of case studies on effective education grantmaking as reflection and discussion tools. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of successful or unsuccessful grantmaking. In addition, to help make the case a more effective learning tool, it is deliberately written from one foundation's point of view, even though other foundations may have been involved in similar activities or supported the same grantees.

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INTRODUCTION

We believe it's not about where you start in life but how far you can go. We envision a future where every child has access to high-quality educational choices that prepare him or her for a lifetime of opportunity. Access to high-quality schools is a basic right for all Americans, regardless of their ZIP code, background or income level.¹

The Walton Family Foundation was at a pivotal point in early 2015. After investing \$1.3 billion in K-12 education over the previous two decades, executive and board leadership were reflecting on past work, and charting a course for the Foundation's strategic direction based on key learnings from their investments in education.

The Walton Family Foundation's mission and scope of work in education had been intensely focused on improving the educational outcomes and opportunities of all students, particularly those from high-need populations. The Foundation hoped to achieve this by expanding K-12 educational choice in the district, charter, and private school sectors for families and students as a communitywide catalyst for change. The Foundation's mission and theory of change state:

Our mission is to improve K-12 outcomes for all students, especially those of limited means, by ensuring access to high-quality educational choices that prepare them for a lifetime of opportunity. Since an excellent education is critical for giving all kids a lifetime of opportunities, we believe that if we expand the number of quality schools to choose from, student outcomes across all schools will significantly improve.²

Walton Family Foundation K-12 Program Director Marc Sternberg and Evaluation Unit Director Marc Holley summarized the Foundation's philosophy: "When families have the opportunity to choose among high-quality schools, children benefit, and when high-quality opportunities play out at scale, the whole education ecosystem grows stronger."³

While maintaining its longstanding mission and theory of change, the Foundation was poised to take what it had learned over the past 20 years to refine its investment strategy. The Foundation had a deep and rich history from which to gather lessons learned. It had supported high-quality charter schools and charter management organizations where students experienced larger learning gains⁴ in both reading and math than students from traditional public schools. It also had invested in districts committed to thinking and acting innovatively to create new district-run schools.⁵ Finally, the Foundation had supported private schools, locally-based education non-profits, and national advocacy and school reform groups.

¹ Walton Family Foundation, 2014 Annual Report.

² Ibid.

³ Holley, M. and Sternberg, M. "Three School Reform Lessons." Skoll World Forum, 15 Mar. 2015.

⁴ Gains equivalent to cumulatively receiving an additional 406 days of learning in math and 273 days in reading over three years when compared to students in traditional public schools. NB There is wide variation in performance among the pool of schools and the analysis took place over a seven-year period.

⁵ Carr, M., Holley, M. "Maximizing Return: An Evaluation of the Walton Family Foundation's Approach to Investing in New Charter Schools," *The Foundation Review*: Vol. 6: Iss. 4, 2014.

Now, the Foundation was ready to take those lessons and challenge itself to make more of an impact in several areas, including supporting English language learners and students with special needs; supporting post-secondary success; determining what policies, structures, and supports were needed to catalyze community or citywide improvement; and more effectively supporting local community partners.

Expanding opportunities for all types of students.

The Foundation's leaders asked themselves how they could better support English language learners and students with special needs. Recent research⁶ has shown that African American, Hispanic, low-income, and special education students in charter schools show gains equivalent to months of additional learning per school year in comparison to students in traditional public schools.⁷ The Foundation was also exploring what structures and programs would be necessary to support post-secondary success for students.

Policies, structures, and supports.

Another key learning from the Foundation's grant-making work was that expanding communitywide school choice was necessary, but not sufficient, to improve educational outcomes. The Foundation was now asking what policies, structures, and supports were needed, in addition to school choice, to catalyze community or citywide improvement. "We know that empowering parents and students with options works, but now we want to do more," wrote Walton Family Foundation Executive Director Buddy Philpot. "We have learned that while choice is vital, it is not enough."^{8/9}

Local community partners.

The Walton Family Foundation was also learning from its numerous relationships with non-profits, local foundations, traditional school districts, charter management organizations, and others how to better support local community partners as it expanded efforts to improve educational outcomes for students.

Based on the Foundation's work and the challenges encountered in the pursuit of that work, Sternberg and Holley identified the following school reform lessons:

- All students can succeed, but we still need to do a better job of ensuring variety in high-quality educational options.
- School choice works, but there must be a favorable policy environment for choice to be truly effective.
- Increasing the pipeline of teachers has helped to supply and support new talent for public schools, but we need to do more.

In addition to documenting lessons learned, the Foundation identified the challenges it would face in the next phase of its work. These challenges centered on the gap in opportunities between low-income students

⁶ The Center for Research on Educational Outcomes (CREDO) at Stanford University conducted a study on the performance of charter schools by looking at student performance between 2006-2011 in 41 urban areas, including Washington, D.C. and Denver.

⁷ CREDO, "Urban Charter School Study Report on 41 Regions," Stanford University, 2015.

⁸ Buddy Philpot, Walton Family Foundation Executive Director, Walton Family Foundation, 2014 Annual Report.

⁹ On August 18, 2015, the Foundation announced Buddy Philpot is stepping down as executive director.

and everyone else. Nationwide, 31 out of 100 students entering 9th grade graduate from high school college-ready, and 31 of those 100 go on to graduate from college. Only 17 out of 100 low-income students who start 9th grade graduate from high school college-ready, and only 8 of those 100 students graduate from college.

Additionally, the Foundation saw the U.S.'s middling performance on international tests compared to other industrialized nations as a drag on U.S. competitiveness and economic vitality. The Foundation saw expanding the opportunities of young people as not only crucial to improving their quality of life, but also to solidifying U.S. long-term economic health.

By the summer of 2015, with an eye toward the extraordinary challenges it faced and that are faced by the education reform community at large, the Foundation was prepared to use its lessons learned to launch and execute a new five-year strategic plan that would support its mission to improve K-12 outcomes for all students by ensuring access to high-quality educational choices that prepare them for a lifetime of opportunity.

The Walton Family Foundation was established in 1987 by Walmart founder Sam Walton and his wife, Helen. Sam Walton was committed to education as the focus of the Foundation's efforts. As he wrote in his autobiography, *Made in America*, "[Education] is the single area which causes me the most worry about our country's future." Walton voiced the link between education and national economic prosperity: "As a nation we must compete worldwide with everybody else, and our educational process has more to do with our ability to compete successfully than anything else."¹⁰

With total assets of over \$2.4 billion and total giving of \$336 million for FY 2013, the Foundation focuses its investments in three areas:

- 1) **Education**—improving opportunities for young people by expanding access to high-quality K-12 educational choices for families.
- 2) **Environment**—supporting sustainable resource management and conservation.
- 3) **Home Region**—creating and sustaining economic development in northwest Arkansas and the Arkansas and Mississippi Delta region.

Of the \$373 million the Walton Family Foundation contributed across its three focus areas in 2014, more than half, 54%, went to education. In 2014, funds were disbursed over four education categories: shaping public policy (\$80.1 million); creating quality schools (\$75.7 million); improving existing schools (\$22.6 million); and research and evaluation (\$2.5 million). Other education-related grants totaled an additional \$21.6 million.

The Foundation occupies a unique space in the education philanthropy arena. Its approach is to affect change across an entire city by funding a broad set of groups. The Foundation seeks to create and support high-

¹⁰ Walton, S., with Huey J., *Made in America*, Doubleday, 1992.

quality, autonomous schools of choice through direct grants to charter schools and charter management organizations, innovative and autonomous district schools, and private schools that serve high-need populations. Schools applying for funds typically serve student populations where at least 50% of students are eligible for free or reduced price lunch.¹¹

The Foundation seeks to attract and develop talent to staff teaching, school leadership, district and organizational leadership positions through the support of organizations such as Teach for America. They also fund other organizations that train teachers and principals, identify African American education leaders, and train education organization and advocacy leaders. The Foundation supports national advocacy organizations in order to create policy environments that support reform. Key grantees in this area include the National Association of Charter School Authorizers, Families for Excellent Schools, and Democrats for Education Reform. The Foundation also supports innovative programs, such as the Character Lab—an organization that uses character development to improve student learning—that attempt to solve persistent problems in education.

The Walton Family Foundation funds research to improve educational practices and systems in schools across the country. It has funded research on the effectiveness of charter schools by the Center for Research on Educational Outcomes (CREDO) at Stanford. The Foundation has also supported the University of Washington’s Center for Reinventing Public Education’s (CRPE) research on a variety of school reform issues, including common enrollment systems for charter and district schools. CRPE’s Betheny Gross describes working with the Walton Family Foundation, “They are incredibly thoughtful and reflective on work they have supported. Knowing that is their approach makes you unafraid to try things. They think of this as iterative funding. They are among the best funders to conduct research for.”¹²

Compared to its education philanthropy peers, the Foundation has typically kept a lower public profile and prefers to amplify the work of its grantees and drive awareness of the issues it supports over building brand or name recognition. The Foundation does recognize the need to be transparent about its work and the impact the Walton name can have when affiliated with the issues and efforts it supports, and does engage in what it calls strategic communications to spread these messages.

The Foundation has a comparatively small staff of around 18 in four offices: Bentonville, Arkansas; Denver, Colorado; Washington, D.C.; and Jersey City, New Jersey. When hiring, the Foundation seeks program staff with a broad understanding of the policy design of choice-focused, citywide education systems. The Foundation’s board is made up exclusively of Walton family members.¹³

The Foundation’s approach—expanding families’ access to high-quality school choice to achieve city and communitywide improvement in educational outcomes—contrasts with its peers as well. While the Walton

¹¹ 84% of students at Walton-supported charter schools, 86% of students at Walton-supported district schools, and 79% of students at Walton-supported private schools qualify for free and reduced price lunch.

¹² Interview with Christine Campbell and Betheny Gross, 8 Jul. 2015. Unless otherwise indicated, all quotations from Ms. Campbell and Ms. Gross are from this interview.

¹³ Preston, C. “A quiet family fund creates a big buzz.” *Chronicle of Philanthropy*, 20 Feb. 2011.

Family Foundation directly funds school start up and systems, tools, and organizations that enable choice, its mission explicitly focuses on families, the choices that are available to them, and the citywide impact of choice expansion.

WALTON FAMILY FOUNDATION THEORY OF CHANGE

The Walton Family Foundation’s theory of change is focused on improving student outcomes by expanding the number of quality school options for families in a given community, thereby improving educational outcomes across a city. As Foundation K-12 Program Director Marc Sternberg states:

The Walton Family Foundation has been deeply committed to a theory of change, which is that we have a moral obligation to provide families with high quality choices. We believe that in providing choices we are also compelling the other schools in an ecosystem to raise their game.¹⁴

There are a lot of similarities between the Walton Family Foundation’s approach and what has come to be called a “Portfolio Strategy”—a concept researched and supported by the Center for Reinventing Public Education (CRPE). Portfolio Strategy identifies the entire city as the unit of change with respect to school reform, and tasks education and civic leaders with developing a citywide system of high-quality, diverse, autonomous public schools. These systems prioritize school autonomy, parental empowerment, and system leader oversight and responsibility for accountability.

The Walton Family Foundation theory of change has led it to support innovative and autonomous traditional public schools, new and existing individual charter schools and charter management organizations, private schools, locally-based education non-profits, and national advocacy and school reform groups across the United States.

The Foundation sees its strategy as agnostic with regard to sector (public charter schools, traditional public schools, private schools). “The Foundation’s investment strategy is clear: schools thrive when they have autonomy, are chosen by parents, and are embedded in systems of good governance and accountability,” says Senior Program Officer Fawzia Ahmed. “When we invest in citywide systems, we invest regardless of sector.”¹⁵ The Foundation’s funding history includes a significant amount of support for charter schools, however. In fact, roughly two-thirds of the Education Program’s investments support the growth of a high-quality charter sector in some way. This seeming preference for charter schools is in line with the Foundation’s theory of change that requires change agents, like new, high-quality charter schools, to increase competition in citywide school systems and to raise community expectations of what is possible in high need areas and with students who face significant challenges.

¹⁴ Rich, M. “A Walmart fortune, spreading charter schools.” *New York Times*, 25 Apr. 2014.

¹⁵ Interview with Fawzia Ahmed, 21 Jul. 2015. Unless otherwise indicated, all quotations from Ms. Ahmed are from this interview.

STRATEGIC APPROACH TO FUNDING

The Foundation employs strategic philanthropy to guide its approach to grant making and program support. Strategic philanthropy:

... refers to philanthropy where donors seek to achieve clearly defined goals; where they and their grantees pursue evidence-based strategies for achieving those goals; and where both parties monitor progress toward outcomes and assess their success in achieving them in order to make appropriate course corrections.¹⁶

Strategic philanthropy involves 1) developing a theory of change, 2) identifying partners and developing performance measures that support the theory of change, 3) evaluating progress toward goals using performance measures, and 4) facilitating continuous organizational improvement using the lessons learned and best practices pulled from the evaluation process.

The Foundation has developed a guide, “How to Construct Performance Measures 2.0,” and a video for grantees to help them develop their own performance measures (see Attachment 1 for Performance Measures). As grantee Van Schoales of A+ Denver notes, “Their focus on metrics and outcomes has been very helpful to us to be clearer than we otherwise would have been.”¹⁷ The guide and video describe what performance measures are, why they are useful, and how to write them in a series of four steps.¹⁸

STEP 1—Identify Program Outputs and Outcomes: Outputs are what the organization will do in order to effect change. Outcomes are the changes in knowledge, capacity, opinions, or behavior that will result from the outputs.

STEP 2—Identify Measurement Strategies: Measurement strategies describe how outputs and outcomes are measured.

STEP 3—Identify Quantitative Targets for Each Outcome and Output: Set numerical goals of how much improvement should take place as a result of program outputs.

STEP 4—Write Performance Measures for Each Outcome and Output: Performance measures outline who and what will be measured, how much change is anticipated to occur by when, and how change will be measured.

The Foundation uses the information gleaned from the ongoing monitoring of performance measures to track individual grant performance, and to track city or strategy wide progress across clusters of grants. The Foundation’s staff uses the measures not only to track progress, but, as Walton Family Foundation K-12 Education Senior Advisor Bruno Manno states, “The performance measures help us learn internally and help us to develop a shared vision of success of what’s gone well, and can give us insight into what to do next.”

¹⁶ Brest, P. “A decade of outcome oriented philanthropy.” *Stanford Social Innovation Review*, Spring 2012.

¹⁷ Interview with Van Schoales 13 Jul. 2015. Unless otherwise indicated, all quotations from Mr. Schoales are from this interview.

¹⁸ Holley, M. Carr, C., King, M., “How to construct performance measures 2.0.” Walton Family Foundation.

The Foundation’s evaluation approach is guided by five principles. Evaluations must be actionable and result in lessons learned to revise current strategies and guide new grant making. They must be objective and conducted or directed by the Foundation’s Evaluation Unit. They must be collaborative and involve the Foundation’s program staff to inform the process. They must be rigorous and cost-effective, using publicly available data and in-house resources whenever possible. Evaluations and performance measure tracking must be used to continuously improve investment decisions and program support.¹⁹

WALTON FAMILY FOUNDATION’S THEORY OF CHANGE IN ACTION

To more closely examine the Foundation’s theory of change and highlight key learnings and the expansion of its theory of change, we turn our attention to two cities where the Foundation has invested significantly over an extended period of time: Denver and Washington, D.C. (see Attachment 2 for a timeline on Denver and Washington D.C.)

Washington, D.C. has a large number of charter operators, and District of Columbia Public Schools (DCPS) has leadership supportive of choice and policies that support open enrollment. In Washington, D.C., the charter authorizer is separate and distinct from the district and over 40% of D.C. area students attend charter schools.

Like D.C., Denver’s open enrollment policy and strong charter operators provide an ideal environment to demonstrate the Foundation’s theory of change. There is a trifecta in Denver—strong charter operators have shown what is possible with disadvantaged students; the state policy environment is conducive to district innovation; and the Foundation has developed a long-term working relationship with Denver Public Schools (DPS), the sole authorizer of charter schools in the city.

Washington, D.C.

Success Story—‘100 Reasons’ in Washington, D.C.’s Ward 8

One of the Walton Family Foundation’s early charter school investments in Washington, D.C. was in the Thurgood Marshall Academy Public Charter High School (TMA). Located in the Anacostia neighborhood of Southeast Washington, D.C.’s high-poverty Ward 8, TMA operates in a community where, in 2012, only 1 in 3 students graduated from high school in 5 years, and only 1 in 20 earned a college diploma.²⁰ TMA opened in 2001, and currently serves grades 9-12. It has a student population that is 99% African American and 70% economically disadvantaged. The average student enters TMA 3 to 4 grade levels behind in both reading and math. A student at nearby Anacostia High School describes how outsiders view his community: “I think they expect less of us. They don’t see us going nowhere. We come from a hard environment, so we’ve got to

¹⁹ Walton Family Foundation, *Evaluation and Learning*. <http://www.waltonfamilyfoundation.org/our-impact/evaluation-and-learning>

work extra hard, unlike a lot of other people from different places. We've got extra struggles, so that means we've got to work extra hard."²¹

In 2013-14, TMA showed that students growing up in challenging circumstances can perform at high levels given the time, attention, and support they need. TMA's 5-year graduation rate was 92%, and TMA was in the top performance tier of the DC-PCSB's Performance Management Framework. Students find that TMA is a place where they are supported no matter what their background. "It's not just where you come from, it's where you're going," says TMA student Elcid Johnson. "They don't focus on what background you have, whether you can afford a uniform or not. They make sure you have all the things that you need for success."²²

Markus Batchelor, a TMA graduate and George Washington University student, describes how TMA offers something not available at other schools in the area. He says, "When I tell people, 'I'm from Ward 8, and I went to high school in Ward 8,' they are like, 'What's your school like?' 'Well, it's the highest performing open enrollment school in the city.' 'Really? I didn't know that, this school sounds great.' 'Well, it is!' TMA really gives a lot of kids in Ward 8 a great opportunity that they may never have, if the school wasn't there."²³

TMA's Executive Director, Alexandra Pardo, acknowledges the challenges her students face, while taking responsibility for making sure those challenges don't hold them back. She says, "The reality is there are 100 reasons students should not be successful because they grew up east of the [Anacostia] River. TMA isn't here to dwell on any of those reasons. We're here to make sure there are 100 reasons why they are successful."²⁴

The United States Congress passed charter school legislation for Washington, D.C. with the District of Columbia School Reform Act of 1995. Subsequent legislation created the Public Charter School Board (PCSB) in 1996, imbuing it, along with the District of Columbia Board of Education, with the authority to open, monitor, and close public charter schools in D.C. In 2007, the District of Columbia Public Education Reform Amendment Act transferred sole authorizing responsibility to the PCSB.

With a theory of change focused on increasing educational choice for families, the Walton Family Foundation was able to capitalize on the charter school environment in Washington, D.C. and began investing significantly in charter school startup. Since 1998, the Foundation has provided over \$17 million in charter startup grants to expand high quality schooling options for Washington, D.C.'s students and their families (see Attachment 3 for Washington D.C. area grantees 2010-15). As of 2015, 44% of students in Washington,

²⁰ *Thurgood Marshall Academy Public Charter video* <https://www.youtube.com/watch?v=1KmgobeH4xk>

²¹ "I Am Anacostia" student video <https://www.youtube.com/watch?v=aNsX4wDmbnM>

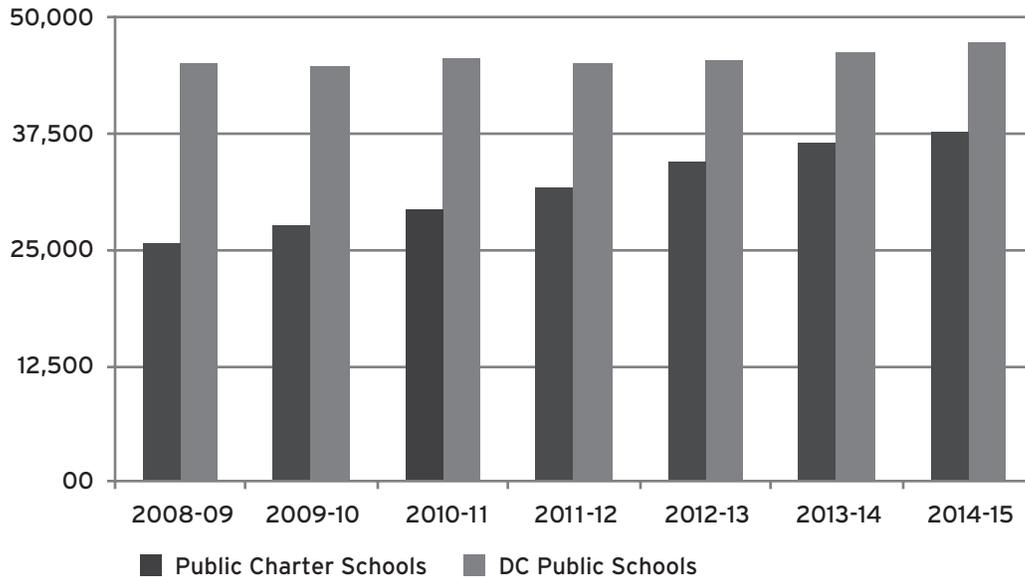
²² *Thurgood Marshall Academy Public Charter video* <https://www.youtube.com/watch?v=1KmgobeH4xk>

²³ *Ibid.*

²⁴ *Ibid.*

D.C. attend charter schools. Washington, D.C. now has one of the highest percentages of students attending public charter schools in the United States (see Figure 1).

Figure 1: DC Public Schools and Public Charter School Enrollment 2008-2015²⁵



After assuming all authorization responsibilities in the District of Columbia in 2007, PCSB was overseeing the performance of 76 charter campuses serving 21,000 students. As an unintended consequence of this growth, PCSB’s capacity was taxed, which left it struggling with issues around poor data quality, inefficient data practices, and technological capacity. Naomi Rubin DeVeaux, PCSB Deputy Director recalls, “The state (i.e. District of Columbia) didn’t have a data collection system so we were working with a deficit—without having student attendance, discipline and other data.”²⁶

Expanding school options and increasing the quality of those options in Washington, D.C. was a priority in the Foundation’s 2008 strategic plan. As Foundation Senior Advisor Bruno Manno remembers,

We have a commitment to quality and that led us to ask and answer the question for ourselves, ‘what do we mean by quality and how do we monitor and support its expansion?’ In a charter school setting, the school authorizer is responsible for licensing and monitoring schools and determining whether they are fulfilling their mission and the objectives they set out for themselves. We wanted to support the work of the authorizer in D.C. [the PCSB] in accomplishing that objective.²⁷

²⁵ DC Public Charter School Board, *Facts and Figures: Market Share*. <http://www.dcpsb.org/facts-and-figures-market-share>

²⁶ Interview with Naomi Rubin DeVeaux 26 Aug. 2015. Unless otherwise indicated, all quotations from Ms. DeVeaux are from this interview.

²⁷ Interview with Bruno Manno, 7 Jul. 2015. Unless otherwise indicated, all quotations from Mr. Manno are from this interview.

PCSB submitted a proposal to the Foundation for \$3.4 million over four years to support the development of a performance management system which would allow PCSB to develop and use growth model metrics, redesign its accountability model, refine the process for identifying underperforming charter schools for closure, and define quality measures of student performance. The end result was the Performance Management Framework (PMF) that measures public charter school performance in Washington, D.C. with a single score (1-100) based on multiple indicators (see Figure 2). The scores are then arranged into tiers: Tier 1--high-performing, (65-100), Tier 2--mid-performing (35-64.9), and Tier 3--low-performing (0-34.9).

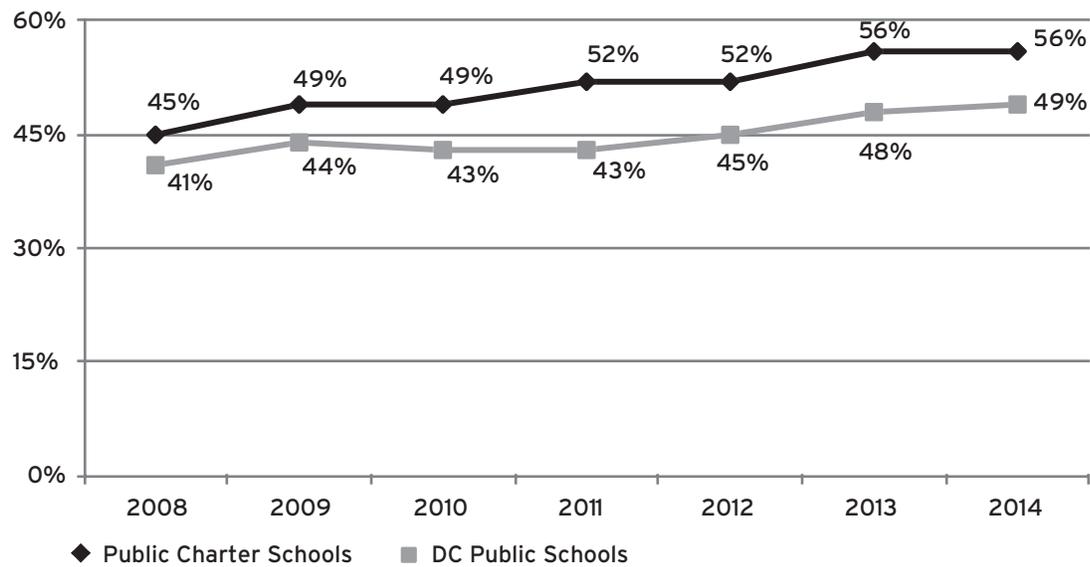
Figure 2: DC-PCSB Performance Management Framework Measures

Measure	Description
Student Progress	Growth on state reading and math assessments
Student Achievement	Proficient and advanced performance on state reading and math assessments
Parent Satisfaction	Based on re-enrollment
Attendance	% of students at school each day
High School <i>(In addition to the above)</i>	<ul style="list-style-type: none"> • 9th grade credits on track to graduate • 11th grade PSAT performance • 12th grade SAT performance • College acceptance • Graduation • Performance on Advanced Placement (AP) and International Baccalaureate (IB)

Naomi Rubin DeVaux attributes the PCSB’s ability to collect and use student level data to the Foundation: “Because of Walton funding the work, we were able to start collecting data and we were able to create dashboards and use the data to help us make decisions. Then, the final piece, which Walton wanted all along, was that schools were able to use data to make decisions.” Since the implementation of the Framework, PCSB has leveraged it to increase oversight of charter schools. Oversight data from PCSB show that for the 2014-15 school year, 83% of Tier 3 (lowest rated) schools were either closed or improved, while 94% of Tier 1 (highest rated) schools increased their enrollment or expanded.

The performance of students in charter schools has improved, and DCPS performance has improved as well (see Figure 3). For the 2013-14 school year, charter school students outperformed DCPS students’ median growth percentiles in reading, 53% to 49%, and in math 53% to 47%. Public charter school students outperformed DCPS students in the four-year graduation rate, 69% to 61%. Both DCPS and charter school performance has increased since 2008.

Figure 3: DC Public School and Public Charter School Composite Proficiency 2008-2014²⁸



Increasing charter seats and defining and improving charter quality has led to improvements in both district and charter schools in Washington, D.C. In a report commissioned by the Michael and Susan Dell Foundation, researchers found that, “The competition from charter schools has contributed to dramatic improvements at DCPS, where two strong Chancellors have made that system one of the fastest improving large urban districts in the country. D.C. is now in the enviable position of seeing both its public charter schools and traditional public schools adding students and improving proficiency rates each year.”²⁹

DeVeaux credits the Walton Family Foundation with focusing education reform efforts in Washington, D.C. on school quality, and thinks they are an integral part of ongoing education reform conversations in the District. She says, “Without Walton, we would not have had this focus on school quality, and when talking about education reform from a D.C. perspective, Walton needs to be at the table to keep the focus on increasing school quality for students in D.C.” Finally, DeVeaux notes the Foundation’s commitment to the city as a whole, “They care about D.C. A relationship with Walton goes beyond being a grantee; it’s about making sure the city succeeds.”

²⁸ DC Public Charter School Board, *Facts and Figures: Proficiency*. <http://www.dcpsb.org/facts-and-figures-proficiency>.

²⁹ Cohen, J., Doty, A., Schalliol, F., “Transforming public education in the nation’s capital.” FSG, 22 Oct. 2014.

Success Story—Community Transformation in West Denver

The Walton Family Foundation has provided significant, long-term support for STRIVE Preparatory Schools, a Denver charter management organization. Founded in 2005, STRIVE Prep schools are located in high-poverty areas in Far Northeast, Northwest, and Southwest Denver. STRIVE serves approximately 3,000 students in grades K-2 and 6-12, 91% of whom are economically disadvantaged, 97% of whom are students of color, and 42% of whom are English language learners. In 2014, STRIVE's school performance put them in the top three of five performance categories of the School Performance Framework—Denver Public Schools' comprehensive accountability system.³⁰

STRIVE's mission is explicitly community focused: "Our vision is to make a college preparatory education for all students in our community the norm, not the exception. STRIVE Prep clears a path for all families to have access to a high-quality school that's just down the street, not across town. By building great schools in Far Northeast, Northwest and Southwest Denver, we will create depth of impact and long-lasting community change."³¹ Colorado State Senator Mike Johnston explains why STRIVE's creation of quality schools in high need communities can raise expectations. "It gives hope and belief to everybody, to policy makers, to parents, to community members who never were sure that a kid from their neighborhood, on their block would have the opportunity to attend a great school, but when they can walk into the door of a STRIVE school and make it a reality they begin to expect that from all their schools."³²

Parents recognize what STRIVE is bringing to their communities. STRIVE parent Tomeka Reeves says, "This is a poverty stricken area. STRIVE Prep gives kids the opportunity to get a better education no matter what their economic issues may be." Another parent, Judith Garcia, agrees, "Our neighborhood needed this school. I talk to other parents a lot and they are so happy we have this school in our community." Non-profit leaders who work with the same populations STRIVE does see how their schools are changing communities. Dusty Teng of the Colorado I Have a Dream Foundation says, "STRIVE just being in the neighborhood and the coming together of the community, has totally changed the landscape for school options in Northwest Denver."³³

In Colorado, the Public Schools of Choice Act of 1990 opened the door for students to choose to attend a school outside of their neighborhood school attendance boundaries. Three years later, the Charter Schools Act allowed for public charter schools to be authorized by local school districts or by the state-run Charter School Institute. And in 2008, the Innovation Schools Act granted greater school autonomy and flexibility

³⁰ STRIVE 2014 Annual Report.

³¹ STRIVE Prep, *Community Vision*, <http://www.striveprep.org/about-us/>

³² STRIVE Prep: *Change Reaction*, <https://www.youtube.com/watch?v=48V4CW0FQ4Y>

³³ STRIVE Prep: *Community Transformation*, <https://www.youtube.com/watch?v=X0Scu6818KU>

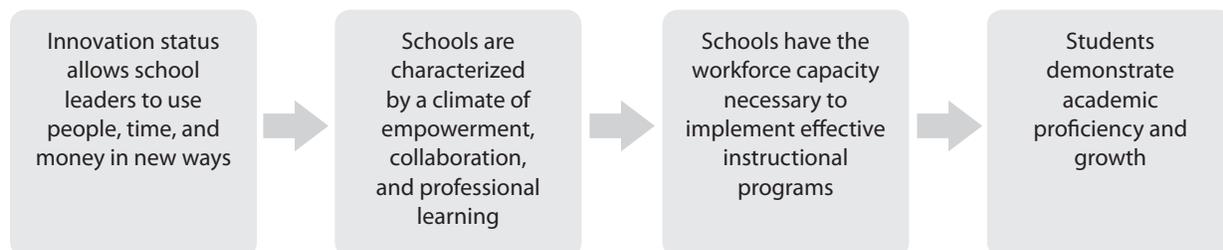
in academic and operational decision-making to existing public schools and districts, allowing them to forgo certain state laws and collective bargaining agreements. More than 20 Colorado schools—mostly in Denver—have secured innovation status from the State Board of Education.

The Foundation’s funding of a little over \$12 million in startup grants has helped expand the number of charter schools in Denver. As A+ Denver President Van Scholes notes, “The Walton Family Foundation has done very well supporting the expansion of high-quality choice seats in Denver.” To support innovation, the Foundation has provided nearly \$5 million directly to DPS Innovation Schools and over \$1.5 million for general and staffing support of the Innovation Schools work. Foundation staff conducts extensive in-person interviews with eligible schools’ staff as part of the application review and approval process. The Foundation has provided between one and five \$250,000 startup grants per year for the past five years for qualifying DPS Innovation Schools (see Attachment 3 for Denver grantees 2010-15).

Innovation Schools

The Foundation’s support of DPS’s Innovation Schools aligns with its efforts to support more autonomy at the campus level and with its desire to support innovative and autonomous schools regardless of sector. The theory of change for Innovation Schools is presented in Figure 4:

Figure 4: Theory of Change for Innovation Schools



A study of DPS’s Innovation Schools showed mixed results and some interesting differences between traditional district schools and the Innovation Schools.³⁴ Generally, teachers at Innovation Schools indicated higher levels of empowerment and slightly higher levels of job satisfaction. Teachers and principals at Innovation Schools are less experienced than their counterparts at traditional district schools. The study also found that there was a positive correlation between teachers’ sense of empowerment and student achievement, i.e. increased student achievement occurred in schools where teachers felt more empowered. However, this finding held in the traditional district schools as well. The study found wide variation in the Innovation School group in student academic proficiency and growth. Because of that, the authors note, “it is difficult to draw conclusions about any influence Innovation status may have on student achievement.”³⁵

³⁴ Connors, S. C., Moldow, E., Challender, A., & Walters, B. *Innovation Schools in DPS: Year three of an evaluation study*. University of Colorado Denver: The Evaluation Center, School of Education and Human Development. 2013.

³⁵ The report’s authors stated: As noted in the evaluation report submitted in November 2012, it is hopeful that some Innovation Schools are demonstrating high rates of growth as compared to the state median, higher than the median growth rate for DPS overall (i.e., 54 percentile in reading and writing, and 55 in math) and higher than the DPS summed growth score. However, because some Comparison and Charter schools showed similar patterns of growth, it is likely that factors other than Innovation status are influencing student academic growth.”

School quality is key in the funding of the Innovation Schools, according to Foundation Program Officer Sabrina Skinner Lehmann. “We have seen varying levels of quality of Innovation School startup grant applications,” Lehmann says. “In fact, in 2013 we didn’t fund any Innovation startups because the quality just wasn’t there in the applications.”³⁶ The Foundation has identified school leadership as a key factor in assessing the quality it looks for in its applicants. Lehmann notes that, “The strongest leaders of Innovation Schools that we have seen have spent a year as a resident in a high performing charter school.” She goes on to note that DPS is investing in more principal leadership training and residencies to build the capacity of its campus leaders. Since the Foundation is investing in these schools because of their ability to be autonomous and innovative, Lehmann says the Foundation is paying close attention to how much and in what ways these Innovation Schools use their autonomy, and are monitoring that going forward.

SchoolChoice-Common Enrollment In Denver

In 2009, DPS had 160 district schools, including 29 charter campuses that enrolled 10% of the total district population. Some portion of enrollment at every DPS school was comprised of students who participated in choice processes.³⁷ As DPS Chief Academic and Innovation Officer Alyssa Whitehead Bust states, “Denver has enrollment zones, shared boundaries, neighborhood boundary schools, and choice prioritization systems which make the enrollment landscape uniquely complex.”³⁸

In 2010, the Foundation supported DPS efforts to develop a common enrollment system in a number of ways. One was by funding the Colorado Nonprofit Development Center’s work to research, design and market the citywide common enrollment system. Another way the Foundation supported the common enrollment work was through Program Officer Cathy Lund serving on the Enrollment Study Group Steering Committee. The Study Group commissioned a report on the status of enrollment and choice in Denver. The report found that DPS’s choice system and enrollment landscape at the time had inefficiencies and inequities that negatively affected low-income and minority students. Among the study group’s key findings were that:

- There were over 60 different procedures for school choice. Students received multiple offers from schools, which left schools waiting for students to make selections and then reshuffling their waitlists. This created an overload on district staff and uncertainty for families over the summer.
- A large proportion of DPS students did not attend a home/neighborhood school, but most of them didn’t participate in the formal school choice process. These were identified as “unexplained students.” These unexplained students were more likely to be white and less likely to be eligible for free and reduced price lunch.
- The match mechanism allowed families who were satisfied with their neighborhood schools to take more risk in choosing a high-demand school as a first choice, while families who were not satisfied with their neighborhood schools were less likely to select their preferred high-demand school for fear of “wasting” their first choice on a school into which they would not be accepted.

³⁶ Interview with Sabrina Skinner Lehmann 8 Jul. 2015. Unless otherwise indicated, all quotations from Ms. Lehmann are from this interview.

³⁷ Institute for Innovation in Public School Choice, “An assessment of enrollment and choice in Denver Public Schools.” May 2010.

³⁸ Interview with Alyssa Whitehead Bust, 6 Aug. 2015. Unless otherwise indicated, all quotations from Ms. Whitehead Bust are from this interview.

Betheny Gross, research director at the Center for Reinventing Public Education (CRPE), notes that, “Common enrollment was a huge pivot for the district. It functionally and symbolically signaled the shift to portfolio strategy [for DPS]. Walton supported DPS’s move forward with an all-in approach to enrollment.”

Another way the Walton Family Foundation supported DPS was through thought partnership. Researchers studying the portfolio approach at CRPE noted that they had not seen districts implement common enrollment without philanthropic support. They note the unique role philanthropy can play in the process—it’s about more than money. As Christine Campbell of CRPE states,

With Walton, it’s not just about the money, it’s also about really thoughtful partnership. They can help bring people to the table to share learnings from other places. [Working with the Walton Family Foundation] you get access to incredibly knowledgeable program officers; it’s like having a loaned executive to help you think through the work.

Joe Siedlecki is the Education Program and Policy Officer for the Michael and Susan Dell Foundation, a frequent collaborator with the Walton Family Foundation. Siedlecki echoes Campbell’s assessment that the Foundation’s national reach and scope of knowledge is a valuable resource for cities, civic leaders, and education leaders, not just for grantees. “Civic leaders value the strategic thought Walton can offer because they are doing work in a number of places and they can share those lessons,” Siedlecki says. “For example, they have seen unified enrollment play out in multiple cities. They can say, ‘here are the missteps that were made in other cities, let’s not make them here.’”³⁹

After three years (2012, 2013, 2014) of SchoolChoice in Denver, CRPE published a report indicating both inequities and inefficiencies in school choice that had been adequately addressed as well as persisting gaps. Key findings included:

- Between 55-80% of students enrolling in kindergarten, 6th and 9th grades participated in DPS SchoolChoice. Over one quarter (20,000) of DPS students in each year participated in SchoolChoice.
- Low income, African American, and Hispanic students participated in SchoolChoice at lower rates than non-low-income and white students.
- Special education and English language learners participated in SchoolChoice at higher rates than non-special education and English speakers.
- In grades K, 6, and 9, roughly 90% of students were matched to one of their choices.
- The proportion of seats in highly rated schools has grown over time.
- Quality seats are not evenly distributed across the city and there aren’t currently enough of them to meet demand.

It is because of that lack of equitably distributed quality seats that the Foundation remains heavily invested in Denver today and for the long-term to build the supply of innovative, autonomous, and high quality schools to meet the demand of Denver families.

³⁹Interview with Joe Siedlecki 4 Sept. 2015. Unless otherwise indicated, all quotations from Mr. Siedlecki are from this interview.

LESSON LEARNED: CHOICE IS A NECESSARY BUT NOT SUFFICIENT COMPONENT TO DRIVE CHANGE.

The Walton Family Foundation’s original theory of change was that expanding choice would spur competition, and consequently create system-wide improvements. The Foundation thought that once choice options reached a critical mass or sufficient “market share,” transformational, system-wide change would begin to occur.⁴⁰ With over 20 years of learning from grantees and their communities, the Foundation’s theory of change is evolving and expanding. As Marc Holley describes it, “We have come to the realization that choice in and of itself is necessary but not sufficient to drive change at scale. We are more deliberate in thinking about what needs to be in place in order to promote functioning choice.”

The Walton Family Foundation will place a heightened emphasis in the years ahead on supporting system-wide quality choice in cities, ensuring that far-reaching and sustainable change is locally owned and driven, and testing novel but promising ideas and organizations to broaden educational opportunity.⁴¹

One grantee notices the Foundation is already demonstrating this shift. A+ Denver’s Van Schoales says, “They are more interested in other aspects of the system, not just in choice and charters. That’s helpful for us. There are other aspects of the system that can get at the goal of improving student outcomes.”

By 2014, the Foundation was at the end of its five-year plan. The board was taking a look at where the Foundation had been, and charting a path forward. The Foundation engaged McKinsey & Company to guide its 2015-20 strategic plan development, and began by interviewing board members on their priorities. The Foundation also sought input from grantees about what they thought the Foundation’s priorities should be moving forward. The Foundation reviewed past results, gathered input from board members, and listened to the people doing the work on the ground to develop its new strategic plan.

The Walton Family Foundation Board also wanted the strategic plan to expand the Foundation’s thinking and definition of school quality. The Foundation is moving beyond looking at test scores as a sole measure of success and is exploring ways to expand its framing, measurement, and grant making to include non-cognitive measures of school quality, such as grit and determination. As Marc Holley put it, “We are defining success as preparing students to have a wide range of opportunities in order to be successful. We are also looking at college matriculation, persistence, and graduation. And ideally, we will be looking at workforce outcomes as well.”

While choice remains the Foundation’s cornerstone approach to grant making, it acknowledges that there are certain additional conditions and mechanisms necessary for its successful implementation. The Foundation has identified what it calls “choice enablers”—other conditions or supports necessary for choice—including open enrollment platforms, portable and weighted student-funding, and the provision of more readily-accessible real-time data on schools for parents. These enablers will help eliminate barriers to expanding educational choice options for families and increase the quality of those choices for everyone.

⁴⁰Walton Family Foundation, *External Summary of 2015-20 Strategic Plan*

⁴¹ *Ibid.*

The Foundation is expanding its definition of choice. The Foundation describes it as “choice + quality + innovation.” The Walton Family Foundation has fully immersed itself in increasing capacity for choice through funding the expansion of individual schools—charters, traditional public schools that have significant operational autonomy, and private schools that serve low-income students. It has shown a commitment to quality and innovation through the support of tools such as the Performance Management Framework in Washington, D.C., and the SchoolChoice system in Denver.

With a new strategic plan in place, the Foundation is also looking to increase support of efforts in some areas such as: 1) subgroups of children with special needs; 2) diverse, locally-driven solutions to educational inequality; 3) exploring new school models for high school and CTE (career and technical education); and 4) finding new ways to reliably assess and develop critical non-cognitive skills.

LESSON LEARNED: POWERFUL AND SUSTAINABLE CHANGE MUST BE LOCALLY OWNED AND DRIVEN OVER TIME.⁴²

One area where the Foundation has received criticism is in the area of community engagement. It has been accused of having a top-down approach that does not adequately address the needs and desires of parents, local advocacy groups, and community groups. This is an issue the Foundation is grappling with. “The provision of choice, and the publication of data on school performance, has sometimes had little impact, especially in districts where reform lacks adequate local ownership, community and wider civic involvement, and parent engagement,” Bruno Manno notes. He identifies two levers in engaging local partners and communities more thoroughly: 1) building an active coalition of supporters, and 2) cultivating local advocacy partners. “We need a local and civic base of support for the work that’s going on. The work we support requires a stable constituency to be advocates for schools over time. There is a political dimension as well, the community and families need to understand what options are available.”

But insufficient community and parent engagement is not solely a Walton Family Foundation challenge. CRPE’s Betheny Gross notes, “There is a lot more we need to know about how to truly engage families, by using technology driven strategies, for example. We are asking, ‘How do we work with families to be powerful advocates for their kids?’ This is the next stage for the national portfolio movement.”

Joe Siedlecki notes that the Foundation has engaged community and family members in a variety of ways, but there is still additional work to do. “First, there is educating parents on choices and the quality of those choices,” he says. “Walton has done a great deal on that front. Then there is mobilizing communities to fight for specific changes, programs, or systems, for something like charter schools. Here, again, Walton has been a leader. Finally, there is empowering communities, which is going into communities, and asking ‘what do you want in your community?’ and then saying, ‘we will help you advocate for that’ even if it is not exactly on our agenda. Nobody has figured out exactly how to do that. That may be the next stage for Walton.”

⁴² Walton Family Foundation, *K-12 Education Strategic Plan 2015-20*, Nov. 2014

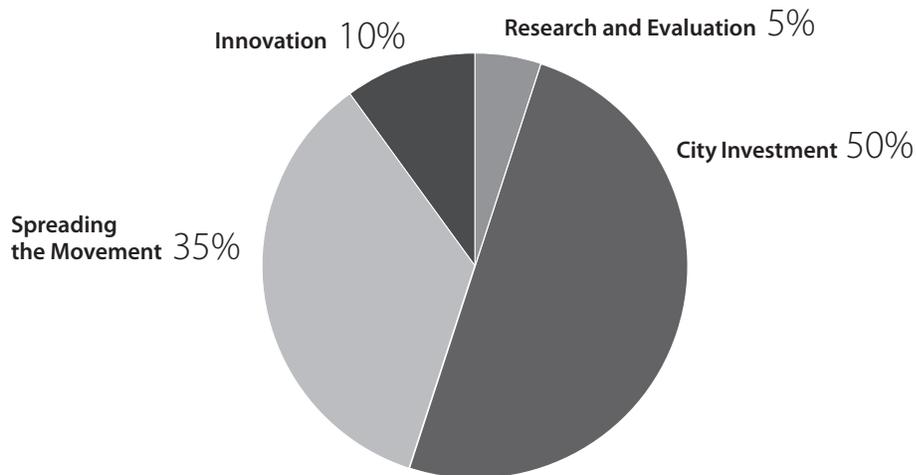
The Walton Family Foundation is thoughtfully addressing the issue of local engagement, attempting to identify what authentic engagement looks like in the communities where it invests. It is working at involving local partners and funding them. “We are exploring new opportunities to deeply understand the communities we are involved in,” says Deputy Director Caleb Offley. He goes on to say, “The communities we serve are complex. We want to lead a strong national discussion on community engagement. We will be reliant on local partners to do that.”⁴³

Taking its lessons learned on community engagement, the Foundation acknowledges that to achieve its goals it needs to build coalitions of engaged supporters at the local level, creating and sharing an authentic and compelling narrative and ground-up effort that brings together partners, grantees, families, and communities.

LOOKING AHEAD

Under its new strategic plan, the Foundation is working more deeply in fewer cities. It will be making direct investments of \$500 million in 13 cities over the next five years, with another \$500 million going to indirect support for the work in these cities (see Figure 5). The Foundation’s investments are spread across four strategies: city-level investments, spreading the movement, innovation, and research and evaluation.

Figure 5: Walton Family Foundation Investment Strategy Percentage Shares



Half of the Foundation’s projected investment will be targeted directly at cities. It has identified a continuum of city categories to prioritize these investments. At the highest level of engagement are the Proof Point Cities. In these three cities—New Orleans, Washington, D.C., and Denver—the Walton Family Foundation’s goal is for low-income students to achieve the same college and career-readiness rates citywide as those achieved by the Knowledge Is Power Program (KIPP), where historically roughly 35% of students complete

⁴³ Interview with Caleb Offley 8 Jul. 2015. Unless otherwise indicated, all quotations from Mr. Offley are from this interview.

college. Meeting this benchmark would raise the college completion rates at scale for an entire city by more than 300%. These Proof Point Cities will serve as exemplars of the Walton Family Foundation’s theory of change.

Emerging Cities make up the next level. Emerging Cities are not quite ready to be Proof Points, but are making progress toward becoming fully-fledged choice ecosystems. The third level of city engagement is Big Cities. These are cities with populations larger than 250,000 where any improvements can have significant impact due to the size of the city. Finally, the last level of city engagement is Jumpstart Cities that are early in their development into mature choice ecosystems, but have the potential, with time and investment, to progress to Emerging and eventually Proof Point Cities.

The Foundation has developed criteria by which they will identify cities for each engagement category (see Figure 6).

Figure 6: Walton Family Foundation Investment Criteria

Longer-term investment criteria (<i>Proof Point and Emerging Cities</i>)	Short-term investment criteria (<i>Jumpstart Cities</i>)
<ul style="list-style-type: none"> • Presence of significant numbers of high-quality choice options. • Existence of ecosystem enablers (e.g. common enrollment systems, student based budgeting, transportation). • Favorable policy environment. • State and local political leadership aligned with choice and reform goals. • Groups and systems with ability to organize and build support for choice and reform goals. • Availability of strong human capital. 	<ul style="list-style-type: none"> • City leaders aligned to the WFF theory of change. • Potential to develop an educational choice ecosystem in a limited timeframe. • Favorable policy environments. • Presence of other funders. • Willingness of proven charter operators to enter the city. • Limited education infrastructure.

The Walton Family Foundation’s re-prioritizing of its city-based strategy also required them to address community engagement with a new set of goals:

- Identify and support local groups best positioned to help coordinate the city’s reform efforts;
- Convene stakeholders, including national and local funders, to build and carry out citywide reform;
- Communicate successes and failures, holding all accountable to the higher goal of changing the lives and opportunities of the city’s families, especially those most in need;
- Lead when necessary, but act humbly, seeking first and always to empower local leadership in the city;

⁴⁴ Walton Family Foundation, *K-12 Education Strategic Plan 2015-20*, Nov. 2014

- Demonstrate a willingness to engage and work with all stakeholders, even if not completely aligned on all the Foundation's strategic priorities, who are willing to work together on a shared vision for change; and
- Bring a national perspective and expertise that helps to improve and sustain commitment to the work.⁴⁴

These community engagement priorities highlight multiple roles for the Foundation to play in its investment cities. The priorities indicate a willingness to serve as a convener, supporter, and thought partner, not necessarily as the driver. The Foundation also plans to capitalize on its experience and expertise to serve in an advisory capacity to the city-based coalitions it aims to support.

These ambitious priorities driving the Foundation's new strategic direction set a clear vision for what an ideal city looks like. It is one where a mature choice ecosystem boosts citywide student outcomes. It is one where students across the entire city graduate from high school, college ready at the same rates as students at the highest performing schools in the nation. And it is one where families have a wide variety of high-quality schools to choose from, and where families have access to the resources and tools necessary to choose the right school for them. With this vision in mind, the Walton Family Foundation is poised to continue to change the conversation and ensure that all students, regardless of zip code, have access to high-quality schools.

Attachment 1

Walton Family Foundation: How to Construct Performance Measures 2.0

How to Construct Performance Measures 2.0

**A Brief Guide for Education Reform Grant
Applicants to the Walton Family Foundation by
M.J. Holley, M.J. Carr, and M.H. King**



This guide is designed to help program officers and grantees as they work together to establish good performance measures. Please be sure to review the following information prior to developing and/or revising performance measures. At the bottom of this guide is a list of sample performance measures, which may provide a helpful starting point. We have also produced a video guide that you may find useful: <http://www.waltonfamilyfoundation.org/about/evaluation-unit>.

I. What are performance measures?

Performance measures are statements that quantitatively describe the direct products and services delivered by a program (outputs), as well as the impact of those products and services (outcomes). Most importantly, performance measurement is a tool to help understand, manage, and improve what organizations and programs do—and they signify how we know if goals are met.¹

II. Why are performance measures useful?

Performance measures can offer a number of benefits for programs. They provide a structured approach to focusing on a program's strategic plan, goals, and accomplishments, and they encourage organizations to concentrate time, resources, and energy on certain specified programmatic aspects. Performance measures can also improve both internal communication at an organization and external communication between organizations and their stakeholders (including funders). The demonstration of good practice and sustainable impacts can help justify continuing or even expanding effective programs.

¹ Performance-Based Management Special Interest Group. 2001. *The Performance-Based management handbook: A six volume compilation of techniques and tools for implementing the Government Performance and Results Act of 1993 (GPRA), Volume 2: Establishing an Integrated Performance Measurement System.*

[<http://www.ora.gov/pbm/pbmhandbook/Volume%202.pdf>]

III. How are performance measures written?

For WFF grant applicants, performance measures need to have five elements:

1. **WHO** will achieve the change or accomplish the task?
2. **WHAT** is going to change or be accomplished through the program?
3. **BY WHEN** will the change or accomplishment occur?
4. **HOW MUCH** change will occur? What will the level of accomplishment be?
5. **HOW WE WILL KNOW** the change occurred?

As noted above, there are two types of performance measures: output measures and outcome measures. Ideally programs should identify and measure both outputs (i.e., those related to program operation and implementation) and outcomes (i.e., those related to the impact of the program).

- **Output Measures** address what organizations or programs will do to effect change in targeted constituencies (e.g., teachers, parents, students, schools, policies). Output measures do not include administrative activities that are internal to the organization (e.g., hiring an executive director or developing internal procedures and policies), but rather refer to implementation activities that connect the program to the targeted external constituencies (e.g., workshops, technical assistance, dissemination grants).

This distinction is important because output measures that only describe administrative activities provide an incomplete picture of a program's potential to effect change. An organization may wish to report that it hired parent trainers (an administrative activity). However, that alone is not the aspect of program performance that leads to change. Instead, it is what those new parent trainers do that truly matters (implementation activities). The following example illustrates how planned administrative activities can be used as the basis for output measures around implementation activities of a program:

ADMINISTRATIVE ACTIVITY: Hire parent trainers.

IMPLEMENTATION ACTIVITY: Parent trainers will conduct outreach sessions in collaboration with community groups.

OUTPUT MEASURE: Parent trainers (WHO) will conduct at least 15 (**HOW MUCH**) parent outreach sessions (WHAT) in collaboration with community groups during the second year of the program (BY WHEN), as recorded in program management files (**HOW WE WILL KNOW**).

In this example, the administrative activity is the precondition for the more important Output Measure, which states what will be accomplished. The Output Measure is more important because the “WHAT” (parent outreach sessions) defines what needs to be done to reach the program’s targeted constituency for change (parents). The “HOW MUCH” (15), defines how many parent outreach sessions are needed to demonstrate successful engagement of this targeted constituency.

- **Outcome Measures** always involve some level of change related to knowledge, attitudes, capacity, opinions, or behavior that results, at least in part, from the outputs of the program.

For example, outcome measures describe changes in public opinion, student performance, or school quality. Outcomes can be difficult to measure, especially if programs are short-term in nature. Therefore, specification of shorter-term and intermediate outcomes that are related to longer-term impacts can be useful to include as performance measures.

EXAMPLE: “Ninety percent (HOW MUCH) of parents who participate in community outreach sessions (WHO) will report in a survey (HOW WE WILL KNOW) that they will choose a school for their child based on academic performance information (WHAT) immediately following their participation in each outreach session (BY WHEN).”

To reinforce the distinction between output and outcome performance measures, note these two related output and outcome measures:

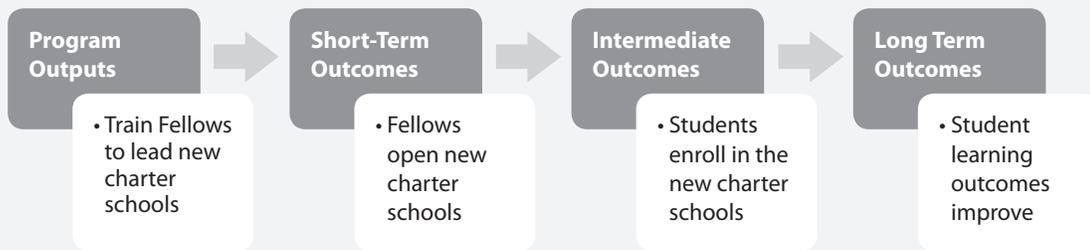
OUTPUT MEASURE: At least 90% (HOW MUCH) of state charter association member schools (WHO) will participate in performance management workshops (WHAT) by spring 2012 (BY WHEN), as recorded in workshop attendance records (HOW WE WILL KNOW).”

OUTCOME MEASURE: As a result of participation in performance management workshops, 70% (HOW MUCH) of member schools (WHO) will have increased data usage knowledge and skills (WHAT), as indicated by the implementation of new teacher evaluation systems that include the use of student test scores (HOW WE WILL KNOW), by spring 2013 (WHEN).”

IV. Putting it all together – 4 Steps for constructing good performance measures.

STEP 1 – IDENTIFY PROGRAM OUTPUTS AND OUTCOMES

Before writing performance measures, grantees should define their organization’s important program outputs and outcomes, paying particular attention to the intended causal linkages between the short-, intermediate-, and long-term outcomes. The following diagram displays program outputs and a series of related outcomes for a program intended to create new charter school leaders. The diagram establishes the series of causes and effects that are expected for a program (i.e. what will happen first, as a result this will happen next, and so forth).



STEP 2 – IDENTIFY MEASUREMENT STRATEGIES

Once the important outputs and outcomes are identified, grantees should identify how each can be measured. In some cases, measurement of outcomes may be difficult (e.g., organization staff may not have access to certain groups targeted for change). Although the outcome may still be relevant, performance measures cannot be easily developed. When this happens, grantees should attempt to find proxy measures or other indicators to confirm that intended outcomes of a program have occurred.

The following list identifies potential measurement strategies for each of the outputs and outcomes included in the diagram above.

OUTPUT:	Train Fellows to lead new charter schools.
MEASUREMENT STRATEGY:	Organization staff record the number of Fellows enrolled in the program.
SHORT-TERM OUTCOME:	Fellows open new charter schools.
MEASUREMENT STRATEGY:	Official records on new charter school authorizations.
INTERMEDIATE OUTCOME:	Students enroll in the new charter schools.
MEASUREMENT STRATEGY:	State department of education enrollment data.
LONG-TERM OUTCOME:	Student learning outcomes improve.
MEASUREMENT STRATEGY:	State department of education test score data.

Attachment 1, continued

STEP 3 – IDENTIFY QUANTITATIVE TARGETS FOR EACH OUTPUT/OUTCOME OF INTEREST

Once the important outputs and outcomes and their measurement strategies are identified, grantees need to determine HOW MUCH of a particular accomplishment (for output measures) or change (for outcome measures) will constitute success. Targets should be ambitious, but achievable. The merit of a program is not always judged by the program’s ability to meet each and every target, but the extent to which progress is made towards the proposed targets. The following table includes targets for each of the program outputs and outcomes identified above.

Output / Outcome	Target
Train Fellows to lead new charter schools.	At least eight Fellows will be trained to lead new charter schools.
Fellows open new charter schools.	75% of Fellows will open a new charter school.
Students enroll in the new charter schools.	At least 250 students will enroll in each new charter school.
Student learning outcomes improve.	Student achievement will be at least 10 percentage points higher than the local district on state reading and math exams.

STEP 4 – WRITE PERFORMANCE MEASURES FOR EACH OUTPUT AND OUTCOME

Using the information developed during the first three steps, grantees are now ready to write performance measures for each output and outcome of interest. Particular attention should be paid to ensuring that each performance measure statement includes: **WHO, WHAT, HOW MUCH, WHEN,** and **HOW WE WILL KNOW.** Sample performance measures are provided below for the program outputs and outcomes identified earlier.

OUTPUT:	Train Fellows to lead new charter schools.
PERFORMANCE MEASURE:	By October 2012, staff will train at least 8 Fellows to lead new charter schools, as recorded by the grantee.
SHORT-TERM OUTCOME:	Fellows open new charter schools.
PERFORMANCE MEASURE:	By July 2013, at least 75% of Fellows will open a new charter school, as measured by official records on new charter school authorizations.
INTERMEDIATE OUTCOME:	Students enroll in the new charter schools.
PERFORMANCE MEASURE:	By August 2013, at least 250 students will enroll in each new charter school, as measured by state department of education enrollment data.
LONG-TERM OUTCOME:	Student learning outcomes improve.
PERFORMANCE MEASURE:	By August 2014, student achievement in every new school will be at least 10 percentage points higher than the local district on state reading and math exams, as measured by state department of education test score data.

V. Additional Considerations

HOW MANY PERFORMANCE MEASURES ARE ENOUGH?

The number of performance measures should be commensurate with the level of funding, the length of the grant period, and the type and complexity of work being conducted. Grantees should consider the following guidelines (the figures represent a suggested number of output measures and outcome measures, respectively):

Grant Amount Per Year	Time		
	1 year	2 years	3 years
Less than \$100K	3 & 1	4 & 2	5 & 3
Between \$100K and \$500K	4 & 2	5 & 3	6 & 4
More than \$500K	5 & 3	6 & 4	7 & 5

Note: these are guidelines; it is likely that some grants will require more or fewer performance measures, depending on the nature of a particular project.

WHAT SHOULD BE THE CONTENT OF THE ESSENTIAL PERFORMANCE MEASURES?

Grantees should include performance measures which address: 1) key services or products delivered to constituents (outputs); 2) key impacts of those services that will occur during the timeframe of the grant (programmatic outcomes); and 3) important targets regarding fundraising or financial sustainability (operational outcomes).

Please Note: Program officers may request that a grantee develop additional metrics to track and report on beyond the key performance measures developed for evaluation purposes.

VI. Conclusion

Although the process of developing performance measures has been presented here in a formulaic manner, it is not always as straightforward. Sometimes earlier steps need to be revisited, based on the information generated in subsequent steps. However, it is important to work through each step of the process, beginning by developing statements of expected outputs and outcomes (short, intermediate, and long-term) and then methodically move toward specific performance measures for each of those statements. Some outputs and outcomes are more readily amenable to measurement than others, and a good measure in some contexts could be inappropriate in others. By having a solid understanding of what grantees hope to accomplish and how they hope to accomplish it, performance measures can be designed to best fit the context and goals of each program.

Attachment 2

Walton Family Foundation Case Study: Washington, D.C. and Denver Timeline

Washington, D.C.

- 1995 Passage of District of Columbia School Reform Act
- 1996 Creation of Public Charter School Board (PCSB)
- 1998 Walton Family Foundation begins investing in charter school start up in D.C.
- 2007 Public Charter School Board becomes sole charter authorizer in D.C.
- 2008 Walton approves grant to PCSB to design and implement a new performance management and accountability system

Denver

- 1990 Passage of Colorado Public Schools Choice Act
- 1993 Passage of Colorado Charter Schools Act
- 1998 Walton Family Foundation begins investing in charter school start up in Denver
- 2008 Innovation Schools Act
- 2009 Walton Family Foundation begins investing in Innovation schools in Denver
- 2010 Walton Family Foundation provides support for development of the common enrollment system in Denver
- 2012 SchoolChoice, the common enrollment system for all Denver's students launches

Attachment 3**Walton Family Foundation: Grantees, Washington, D.C. and Denver, 2010-2015****Washington, D.C.—Charter Schools/CMOs**

Bridges Public Charter School	\$30,000
City of Trees Public Charter School	\$30,000
DC Prep Benning Middle Campus	\$297,000
DC Prep Ward 8 Campus	\$250,000
DC Scholars Academy	\$250,000
Excel Academy Public Charter School	\$250,000
Ingenuity Prep	\$250,000
KIPP DC Arts and Technology Academy	\$83,334
KIPP DC Northeast Academy	\$83,334
KIPP DC Quest Academy	\$83,334
KIPP DC: Connect Academy	\$114,500
KIPP DC: Grow Academy	\$250,000
KIPP DC: Lead Academy	\$154,000
KIPP DC: Spring Academy	\$154,000
LAYC Career Academy Public Charter School	\$250,000
Lee Montessori Public Charter School	\$250,000
Mundo Verde Bilingual Public Charter School	\$250,000
Paul Public Charter School	\$250,000
Richard Wright Public Charter High School	\$250,000
The Inspired Teaching Demonstration Public Charter School	\$250,000
Washington Global Public Charter School	\$250,000

Washington, D.C.—Other

Alliance for School Choice, Inc.	\$500,000
Bellwether Education Partners	\$13,334
Building Hope	\$3,536,000
Charter Board Partners	\$518,200
DC Public Charter School Board	\$310,000
DC Public Education Fund	\$25,108,459
DC School Reform Now	\$100,000
Education Reform Now, Inc.	\$10,000
Expectations Project, Inc.	\$175,000
Friends of Choice in Urban Schools (FOCUS)	\$2,725,000
NewSchools Venture Fund-DC Schools	\$5,000,000
Teach for America	\$3,955,000

Denver—District Innovation Schools/Denver Public Schools

Ashley Elementary School	\$250,000
Cole Arts and Science Academy	\$100,000
Denver Center for International Studies at Fairmont	\$250,000
Denver Center for International Studies at Ford Elementary	\$300,000
Denver Center for International Studies at Montbello	\$300,000
Denver Green School	\$300,000
Denver Montessori Junior-Senior High School	\$250,000
Denver Public Schools	\$1,578,125
Generation Schools Network	\$20,000
Grant Beacon Middle School	\$20,000
Green Valley Elementary	\$300,000
Greenwood K-8	\$20,000
High Tech Early College	\$300,000
Lena Lovato Archuleta Elementary School	\$20,000
McGlone Elementary	\$300,000
Noel Community Arts School	\$300,000
Trevista ECE-8th Grade at Horace Mann	\$249,811
West Generation Academy	\$20,000
West Leadership Academy	\$20,000

Denver—Charter Schools/CMOs

Academy 360	\$250,000
Compass Academy	\$250,000
Downtown Denver Expeditionary School	\$250,000
Denver School of Science and Technology	\$625,838
DSST: Byers Middle School	\$250,000
DSST: Cole High School	\$250,000
DSST: Cole Middle School	\$250,000
DSST: College View High School	\$250,000
DSST: College View Middle School	\$250,000
DSST: Conservatory Green Middle School	\$250,000
DSST: Green Valley Ranch High School	\$250,000
Elements Academy	\$2,374
Girls Athletic Leadership High School	\$250,000
Highline Academy Northeast Campus	\$250,000
KIPP Colorado	\$150,000
KIPP Montbello College Prep	\$250,000
Monarch Montessori of Denver	\$30,000
REACH Charter School	\$250,000

Rise Up Community School	\$250,000
Rocky Mountain Prep 2	\$250,000
Rocky Mountain Preparatory School	\$250,000
Roots Elementary	\$250,000
Sims-Fayola International Academy Denver	\$30,000
SOAR II Charter School	\$250,000
STRIVE Prep	\$850,000
STRIVE Prep - Excel	\$250,000
STRIVE Prep - Green Valley Ranch	\$250,000
STRIVE Prep - Montbello	\$250,000
STRIVE Prep - Ruby Hill	\$250,000
STRIVE Prep - SMART Academy	\$250,000
University Preparatory School	\$270,000
Denver—Other	
Alliance for Choice in Education	\$50,000
Building Excellent Schools, Inc (BES)	\$40,000
Catapult, Inc.	\$245,000
Civic Canopy	\$65,000
Colorado Nonprofit Development Center	\$1,425,980
Colorado Succeeds	\$60,000
Denver Scholarship Foundation	\$403,411
Donnell-Kay Foundation, Inc.	\$80,000
PICO National Network	\$400,000
Rocky Mountain Preparatory School	\$168,110
Stand for Children Leadership Center	\$577,907
Teach for America	\$2,100,000
The Achievement Network, LTD	\$150,000
Together Colorado	\$400,000
University of Southern California, Rossier School of Education	\$115,991
University Preparatory School	\$216,000

Self-Study Questions

Questions to consider while reading this case about effective education grantmaking:

1. According to this case study, the Walton Family Foundation shifted its theory of change. Why was this necessary? How is what the Foundation is aiming to achieve now and how it is approaching its work, changed? What role has strategic philanthropy played in the Foundation's shifts in strategy or theory of change? What about its approach proved useful in helping it adjust course?
2. What evidence did you see in the case that supporting the effectiveness of grantees, one of GFE's principles for Effective Education Grantmaking, was part of the Walton Family Foundation's strategy? What role did it play in the Foundation's strategy?
3. The Walton Family Foundation's approach to affect change across an entire city or community involves funding a broad set of groups. Are there other plausible ways for philanthropy to create a citywide movement?
4. Denver and Washington, D.C. received significant financial support from the Walton Family Foundation, and these resources helped enable the partnership that is at the heart of the Walton Family Foundation's theory of change. Not all funders, however, can offer this level of financial commitment. What were the less resource-intensive supports that the Walton Family Foundation provided that partners with fewer resources could replicate?
5. What role does collaboration and engagement play in the Walton Family Foundation's theory of change? How has the Foundation effectively utilized partnerships to achieve its desired outcomes? What specific issues might prevent the Foundation from entering into a particular partnership?
6. What challenges does the Walton Family Foundation face in authentically engaging parents, local stakeholders, and other local foundations when investing in a city? Are there fundamental aspects of community engagement the Foundation should apply?
7. What advice would you give to the Walton Family Foundation as it charts a course forward? What would you recommend the Walton Family Foundation do next as it grapples with the realization that choice in and of itself is necessary but not sufficient to drive change at scale?
8. What specific lessons and insights did you gain from this case and how might they apply to your grantmaking work in education?

PRINCIPLES FOR

Effective Education Grantmaking

- principle
no. **1** **Discipline and Focus**
In education, where public dollars dwarf private investments, a funder has greater impact when grantmaking is carefully planned and targeted.
- principle
no. **2** **Knowledge**
Information, ideas and advice from diverse sources, as well as openness to criticism and feedback, can help a funder make wise choices.
- principle
no. **3** **Resources Linked to Results**
A logic-driven “theory of change” helps a grantmaker think clearly about how specific actions will lead to desired outcomes, thus linking resources with results.
- principle
no. **4** **Effective Grantees**
A grantmaker is effective only when its grantees are effective. Especially in education, schools and systems lack capacity and grantees (both inside and outside the system) may require deeper support.
- principle
no. **5** **Engaged Partners**
A funder succeeds by actively engaging its partners – the individuals, institutions and communities connected with an issue – to ensure “ownership” of education problems and their solutions.
- principle
no. **6** **Leverage, Influence and Collaboration**
The depth and range of problems in education make it difficult to achieve meaningful change in isolation or by funding programs without changing public policies or opinions. A grantmaker is more effective when working with others to mobilize and deploy as many resources as possible in order to advance solutions.
- principle
no. **7** **Persistence**
The most important problems in education are often the most complex and intractable, and will take time to solve.
- principle
no. **8** **Innovation and Constant Learning**
Even while acting on the best available information – as in Principle #2 – a grantmaker can create new knowledge about ways to promote educational success. Tracking outcomes, understanding costs and identifying what works—and what doesn’t—are essential to helping grantmakers and their partners achieve results.

Grantmakers for Education (GFE) is a national network of hundreds of education philanthropies, united by a passion and commitment to improve public education and learning for all students of all ages, cradle to career. GFE is a force multiplier, harnessing the collective power of education grantmakers to increase momentum, impact, and outcomes for this nation's learners. We are proud to promote a culture of learning among education funders and provide a forum for interaction and engagement that builds upon and deepens the impact of our member's individual investments. Grantmakers for Education and its members believe in the power of what we can all achieve when we work together and learn from each other's successes and challenges.

