

# Building a 21<sup>st</sup> Century Public School System

## Strategic Overview



THE  
OPPORTUNITY  
TRUST

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# Executive Summary

- ▶ St. Louis is among the slowest improving regions in the nation in educational outcomes, and the academic performance of public schools serving more than 50% of children remains staggering low. Graduates aren't qualified for today's job market and will increasingly be left behind by the future of work, undermining the region's economic vitality, social vibrancy, and safety.
- ▶ Comparable cities across the country have undertaken fundamental change of their education systems to prepare students for a 21<sup>st</sup> century workforce. These efforts have significantly improved the performance of public schools and are attracting and retaining families and businesses at higher rates.
  - Denver has created a dynamic system of diverse schools where low performers are replaced with better alternatives.
  - Indianapolis has made aggressive investments in talent, innovation, new schools and policy change.
- ▶ Driving the change in these regions are nonprofit intermediaries charged with developing and implementing a blueprint for system change with a time horizon of a decade or more. In addition to housing the expertise needed to create and implement a sound plan, these organizations aggregate philanthropic resources locally, recruit additional financial and human resources nationally, and coordinate investment and learning across the region ensuring the maximization of both public and private investments.
- ▶ Learning from successful efforts, civic leaders have come together to launch The Opportunity Trust for St. Louis, a nonprofit intermediary organization dedicated to ensuring every child born in St. Louis is prepared to lead a life of choice and dignity as an adult. The organization facilitated a year-long process with many constituents locally and consulted with leaders from fast improving regions nationally to develop a plan to begin building a 21<sup>st</sup> century public education system in St. Louis.
- ▶ The goal of the plan is to grow the percentage of children attending world-class schools in St. Louis City from 10% to over 40% and ensure another 3,000 students in targeted districts of St. Louis County are in world-class schools. Our strategy focuses on four levers proven vital to accelerating and sustaining change in public education:
  1. Building the vision and capacity of education entrepreneurs to scale, transform and launch world class schools in St. Louis;
  2. Growing talent pipelines for the education sector and deploying talent to the highest impact interventions;
  3. Providing tools and resources for parents to help them advocate for higher quality school options and place their children in the best-fit school; and,
  4. Building awareness among leaders in business and government about the conditions that enable world class schools at the local and state level.
- ▶ The effort requires an initial operating capital raise of \$38m over five years. More than \$30m has been committed to-date by leading local and national philanthropists.

# St. Louis students aren't qualified for today's job market and will increasingly be left behind by the future of work, undermining the region's economic vitality

## ▶ Graduates in St. Louis are **not career or college ready**.



7%

By grade 8, just 7% of students are **proficient in mathematics** compared to 31% of students statewide.



48%

Almost half of 9<sup>th</sup> graders do not graduate **on-time** and 24% do not graduate within 5 years.



13%

Those who do graduate are **unprepared for career or college**, as only 13% of St. Louis City's graduates score at or above the national ACT average (behind 34% statewide).

17

St. Louis students' composite ACT score is 17, **more than 4 points short** of the college readiness composite score of 21.3 and **8 points below** the University of Missouri threshold of 24.

41%

Among these graduates, **nearly half do not pursue any post-secondary training**.

## ▶ Success in a 21<sup>st</sup> century economy and democracy **requires strong literacy and math skills and post-secondary training**.

- Among those without a high school degree or GED, the St. Louis unemployment rate (18%) is **double that of the national average** (9%).

“Educational attainment is still a significant factor keeping unemployment rates high and wages low for those without adequate levels of education. For those without a high school degree or GED, the unemployment rate actually increased from 15.1% in 2013 to 18.1% in 2014, the only educational attainment cohort to do so.

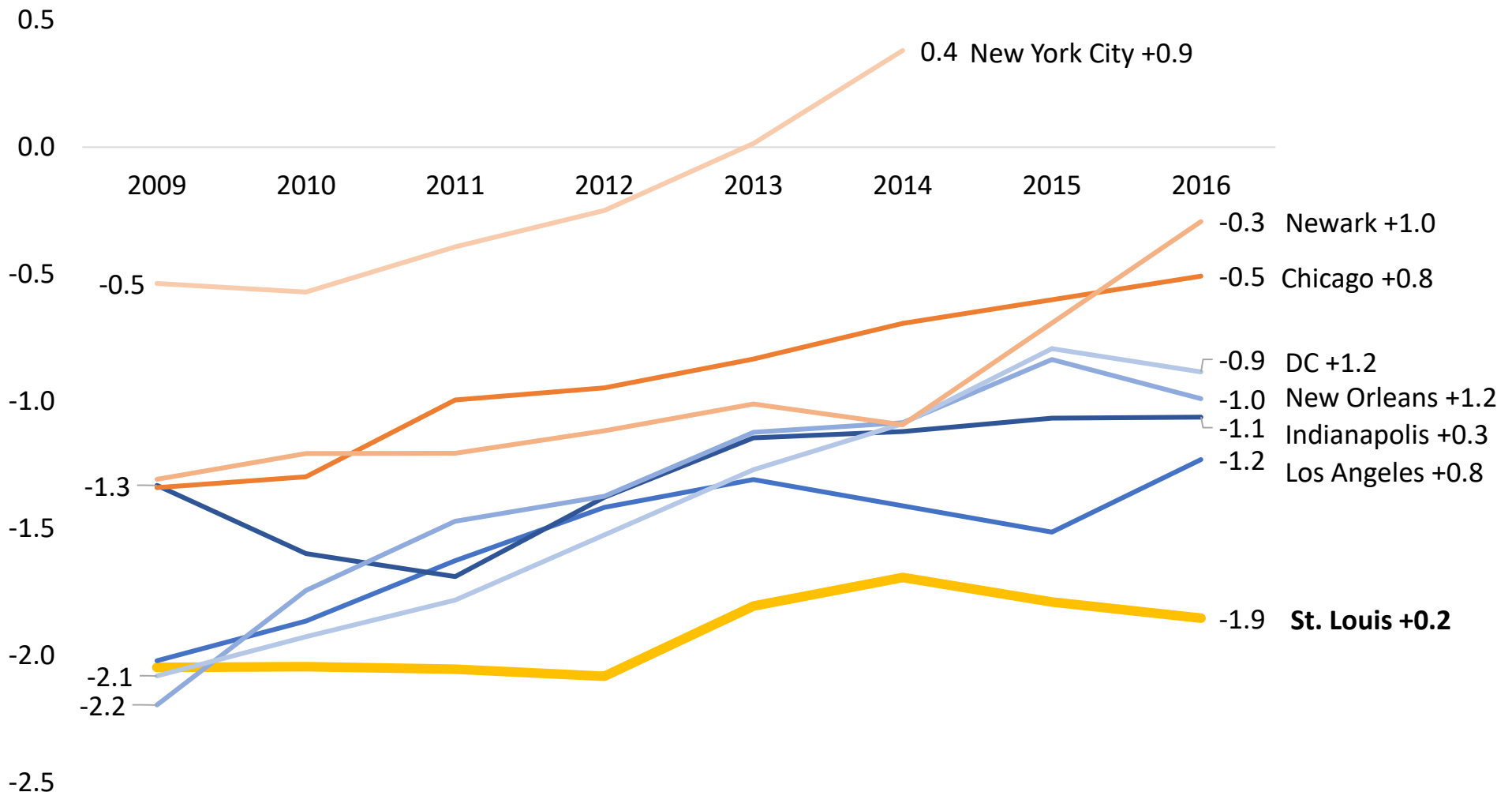
—State of St. Louis Workforce 2016

- Half (49%) of St. Louis regional employers signal that a **shortage of workers with the knowledge and skills required** for the job are available in the labor market.
- Looking ahead, **nearly 30% of existing U.S. jobs will experience a rapid change in their skills requirements**. An estimated 65% of children entering elementary school today will work in job types that do not yet exist.

# Achievement growth in St. Louis has been largely stagnant in the last decade while other cities have seen large improvements

Even districts that had similar levels of achievement to St. Louis in 2009, such as Washington, DC and New Orleans have seen meaningful improvement.

## ELA Years Above/Below Grade Level



# Faster improving regions have established a nonprofit intermediary charged with developing and coordinating a system-level plan for change

Civic leadership in these regions recognize that neither the public sector nor private sector have the capacity or focus to steward the transformation of a public institution. This work requires a dedicated organization with meaningful financial resources and a long-term view.

► Education intermediaries have pursued a variety of change strategies nationwide, but all include:

- Building the expertise required to develop a system-level plan;
- Aggregating local philanthropy;
- Investing in the creation of new schools;
- Strengthening the school leader and teacher talent pipelines; and
- Amplifying research, evaluation and continuous improvement activities.

## Spotlight on Indianapolis



The Mind Trust



- Aggressive investments in **talent, innovation, new schools** and **policy change** in Indianapolis
- Recruits and supports local school board members and **advises district leadership on system-level changes**, including increasing principal and teacher autonomy
- **Supports high performing charter sector** with charter students gaining an additional 2 months in reading and 3 months in math compared to students in traditional public schools
- From 2013 to 2016, the **share of schools receiving an A or B rating increased 15% points to 50%**
- \$14M budget in 2017

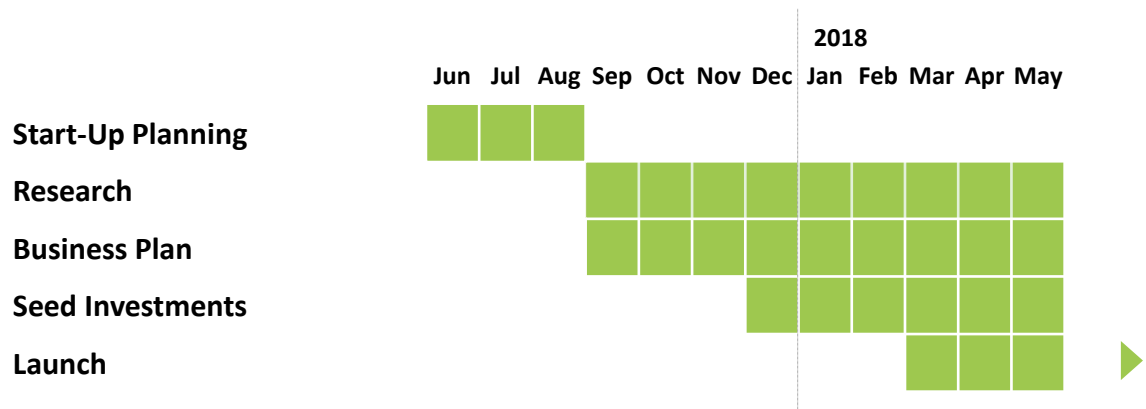
# Based on these successes, civic leaders launched The Opportunity Trust to support the transformation of public education in the St. Louis region

A combination of leading local philanthropic and civic organizations and national philanthropic organizations invested \$1M in the year-long process to develop the plan for the organization.

In our planning year, we:

- Learned from fast-improving regions, notably Indianapolis, Denver, New Orleans, and Chicago;
- Engaged parents; community organizers; advocates; and business, civic, district and school leaders to understand barriers, opportunities, and to enlist support;
- Developed a business plan; and
- Piloted mini-grants to test and develop ideas in the St. Louis region.

Initial funders included:



The Trust **launched in June 2018** with an initial commitment of \$10M from local and national funders



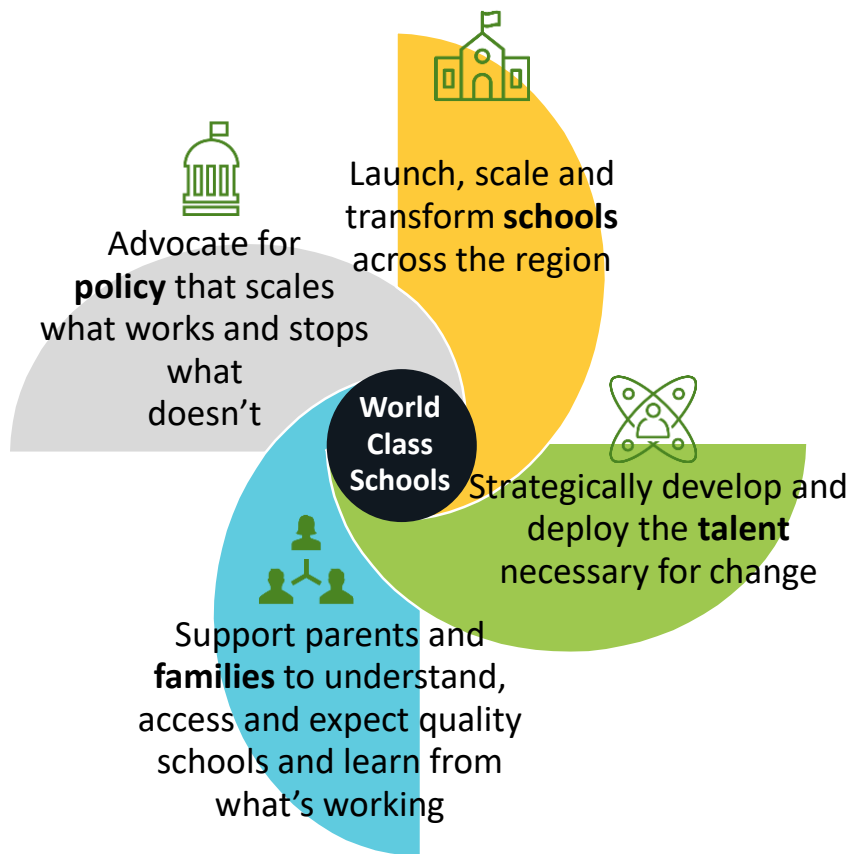
Pictured: [www.theopportunitytrust.org](http://www.theopportunitytrust.org)



# We assessed ongoing work in St. Louis and engaged national experts to develop a strategy based on four mutually reinforcing levers for change

Together, these levers will enable us to increase the percentage of children attending world-class schools in St. Louis City from 10% to over 40% over ten years and ensure another 3,000 students are enrolled in world-class schools in targeted districts of St. Louis County.

## Our Strategy



## Our Strategic Priorities

- SP 1**  Invest in growing the capacity of our most successful schools, launching new and innovative schools, strengthening existing schools with strong leadership, and helping districts transform approaches.
- SP 2**  Ensure the region has the necessary teacher and school leadership talent and that talent is strategically deployed to transform schools.
- SP 3**  Catalyze and sustain family and community demand for more diverse, quality school options and help the system as a whole learn from what's working.
- SP 4**  Support the development of local and state policies that grow what is working, encourage innovation, and maintain high standards and fair accountability.

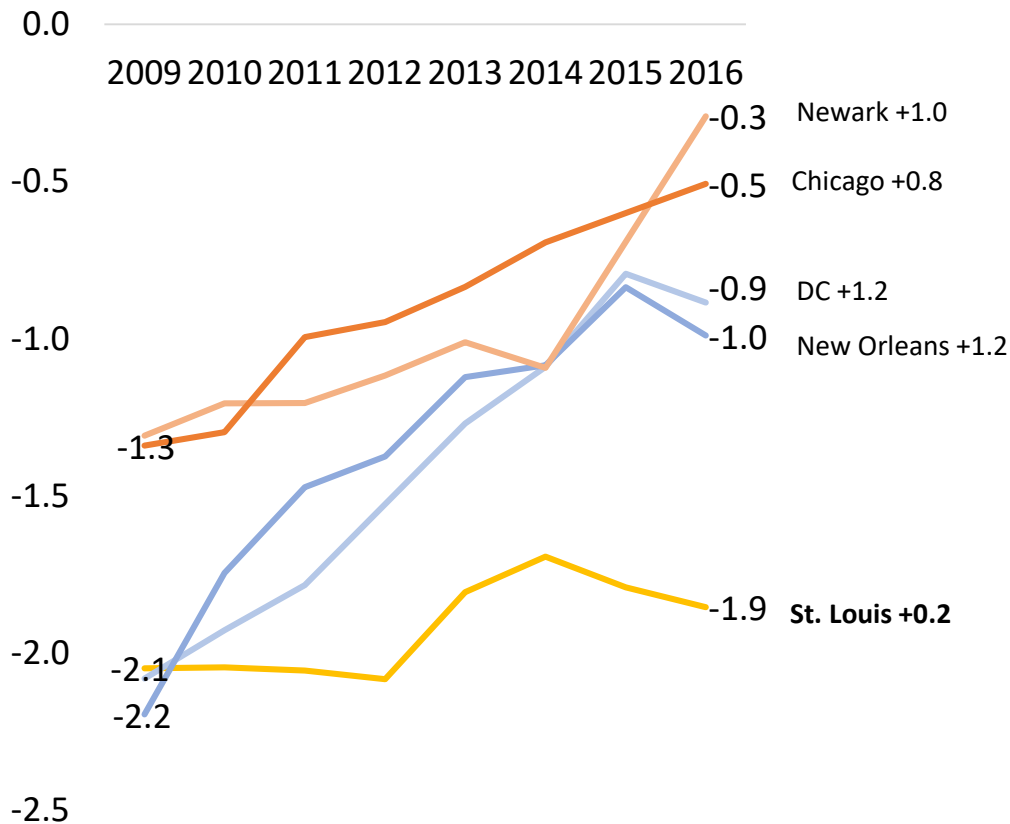


# The four strategic priorities that guide our investments draw from lessons learned across the country over 25 years of effort to expand opportunity

Several improving cities have a common commitment to school autonomy and accountability known as the “portfolio approach”.

## ELA performance of 8<sup>th</sup> grade students, 2009-2016

By number of years below grade-level expectations



Common elements of the “**portfolio approach**” include:

- Expanding choices for all families
- Increasing the autonomy of school leaders to budget and make decisions
- Linking funding to student enrollment
- Creating a talent-seeking strategy
- Increasing sources of support for schools
- Holding schools accountable for performance
- Broadly engaging parents and families

Source: Seven Components of a Portfolio Strategy, Center for Reinventing Public Education, University of Washington, January 2013.

- ▶ School systems seeing rising improvement have pursued these strategies comprehensively, as any one strategy in isolation has limited impact on system-wide improvement.

# School improvement is not easy and results can be mixed, but a proven package of reforms is making impact across the country

“School improvement is not an easy task. Clearly, many school turnaround efforts have not been successful. Closing low-performing schools and reopening new schools or sending students to other, higher-performing schools has shown positive outcomes...and recent intensive efforts at improving low-performing schools...have shown promise.”

Source: Loeb, S. (2017). Continued Support for Improving the Lowest-Performing Schools (Evidence Speaks, 2, 8). Washington, DC: Brookings Institution.

## Focus on New Orleans



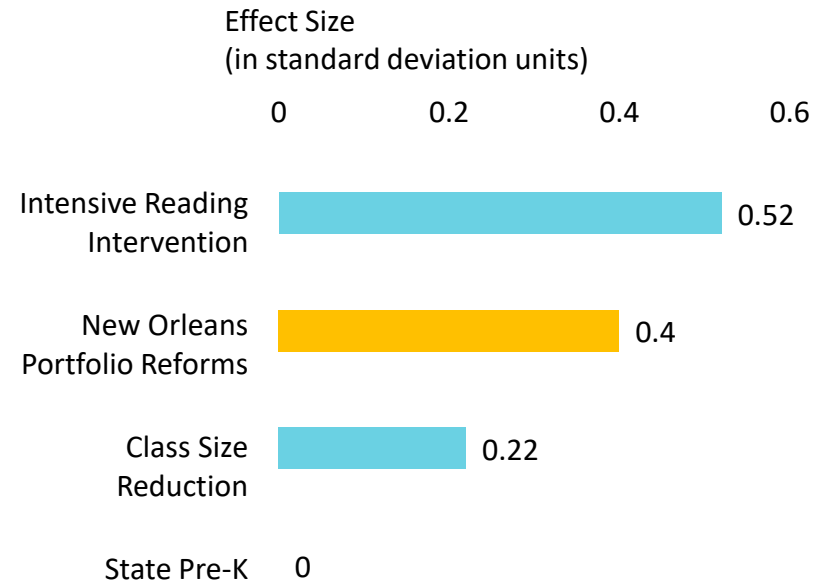
The nation’s largest experiment with this package of improvement strategies is New Orleans. The results are dramatic, as identified in a rigorous, quasi-experimental evaluation conducted by the Education Research Alliance of New Orleans:

“We find that the package of reforms improved the quantity, quality, and equity of schooling in the city on almost every available measure, increasing average test scores by 0.28-0.40 standard deviations, high school graduation by 3-9 percentage points, college attendance by 8-15 percentage points, college persistence by 4-7 percentage points, and college graduation by 3-5 percentage points.”

Source: Douglas N. Harris and Matthew F. Larsen. “The Effects of the New Orleans Post-Katrina Market-Based School Reforms on Student Achievement, High School Graduation, and College Outcomes.” Education Research Alliance for New Orleans, 2018.

## New Orleans Effects in Context

System-wide reform is possible and can produce achievement gains that are more sizable and, likely, more cost-effective than specific, programmatic interventions.



Source for Reading Recovery estimate: Boulay, B., Goodson, B., Olsen, R., McCormick, R., Darrow, C., Frye, M., Gan, K., Harvill, H., & Sarna, M. (2018). The Investing in Innovation Fund: Summary of 67 Evaluations: Final Report (NCEE 2018-4013). Washington, DC: National Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education. Source for class size estimate: Alan B. Krueger, “Experimental Estimates of Education Production Functions,” Quarterly Journal of Economics, 115(2): 497-532 (1999). Source for pre-K estimate: “Does state pre-K improve children’s achievement?” by Grover J. “Russ” Whitehurst, Brookings Institution, July 2018.

# Our school start-up and transformation strategy is anchored in empirical research on the effects of starting, scaling and supporting schools with proven records of success

A growing body of comparative school effectiveness research over the past decade has made clear that **there are significant differences in school quality**, both within and across districts, and that **school quality can be improved and replicated**.



## Starting and Replicating High Performing Schools

High quality **models can be replicated to improve quality across the system** and doing so **can have positive effects on traditional schools**, as well.

“Replication charter schools generate large achievement gains on par with those produced by their parent campuses” – MIT School Effectiveness & Inequality Initiative

Source: “Can Successful Schools Replicate? Scaling Up Boston’s Charter School Sector” by Sarah Cohodes, Elizabeth Setren, and Christopher Walters, SEII Discussion Paper #2016.06, March 2018.

“Greater charter attendance increases per-pupil expenditures in traditional public schools and induces them to shift expenditure from support services to instruction and salaries. At the same time, charter expansion has a small positive effect on non-charter students’ achievement.” – MIT School Effectiveness & Inequality Initiative

Source: “Fiscal and Education Spillovers from Charter School Expansion” by Matt Ridley and Camille Terrier, SEII Discussion Paper #2018.02, July 2018.



## Improving Schools with Promise

While school improvement is hard, **whole-scale school improvement is possible, particularly when talent is in-focus**.

“Two studies from California show not only that schools improved student learning outcomes as a result of participating in the [School Improvement Grant] program, but...in one of the studies...schools improved both by differentially retaining their most effective teachers and by providing teachers with increased supports for instructional improvement such as opportunities to visit each other’s classrooms and to receive meaningful feedback on their teaching practice from school leaders.” – Brookings Institution

Source: Loeb, S. (2017). Continued Support for Improving the Lowest-Performing Schools (Evidence Speaks, 2, 8). Washington, DC: Brookings Institution.



## Closing Low Performing Schools

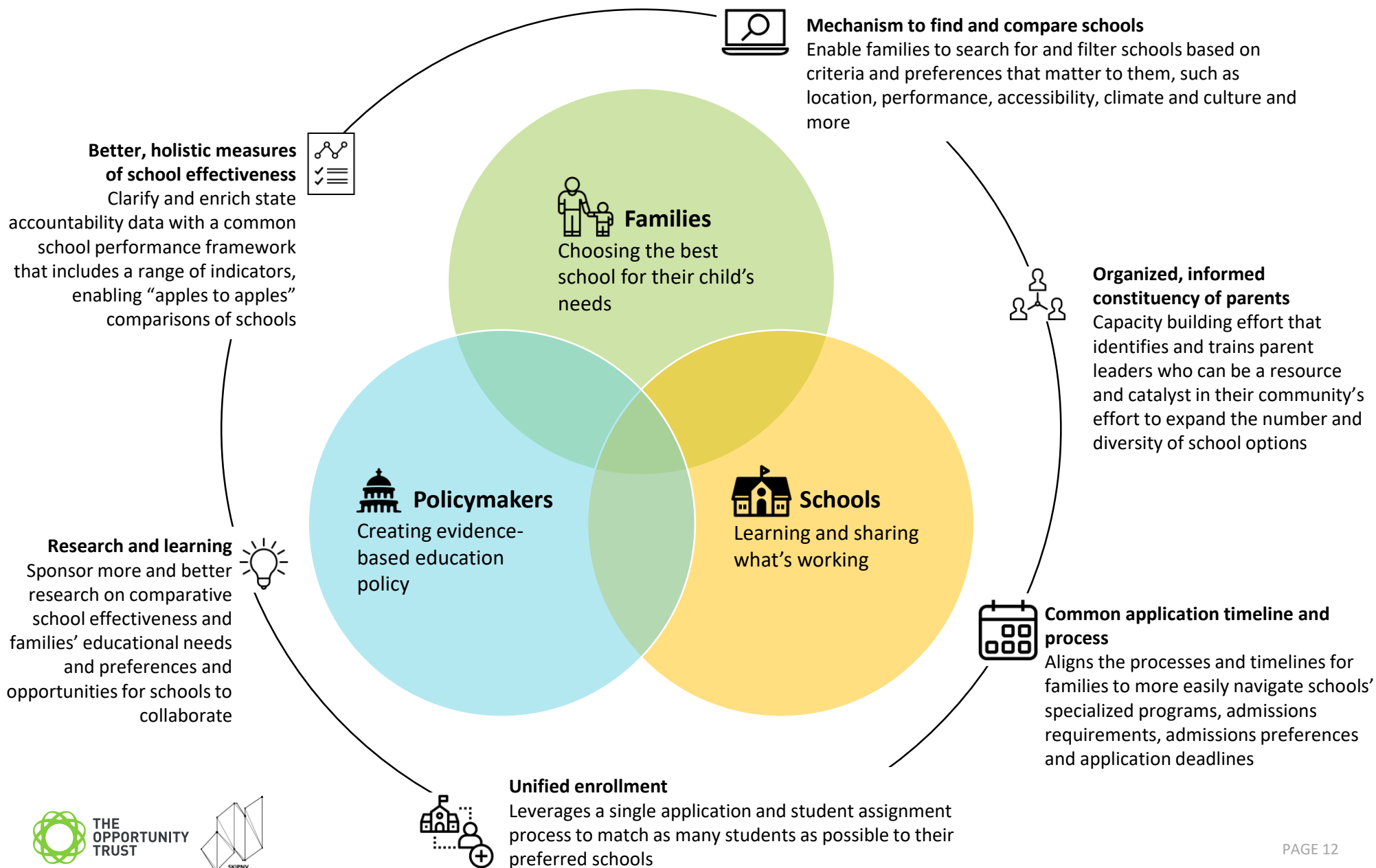
System-wide improvement can also be achieved by **moving students from low-performing to higher-performing schools**.

“Aided by the closure of low value-added schools, much of the improvement was due to shifting enrollment from lower- to higher-growth district and charter schools. Shifting enrollment accounted for 62 percent of the improvement in English. In math, such shifts offset what would have been a decline in achievement growth.” – Harvard Center for Education Policy Research





Source: Chin, M., Kane, T., Kozakowski, W., Schueler, B., & Staiger, D. (Working Paper). School District Reform in Newark: Within- and Between- School Changes in Achievement Growth. NBER Working Paper 23922

# For St. Louis families to make informed decisions and for schools to learn and improve upon their practices, we must put into place an infrastructure that measures and meets the unique needs of the community

Families, schools and policymakers all have a stake in this civic infrastructure



# We have distilled these insights into a set of initiatives with 5-year goals and intermediate benchmarks requiring \$38M in philanthropic capital

Priority	Initiatives	Intermediate Outcomes	5-Year Investment
<b>1</b>  <b>SP1. World-class Schools</b>	<ul style="list-style-type: none"> <li>SP1a: New School Start-Up</li> <li>SP1b: High-Performing School Expansion</li> <li>SP1c: Existing School Improvements</li> <li>SP1d: Autonomous District School Expansion</li> </ul>	<ul style="list-style-type: none"> <li>Identify and incubate 10 entrepreneurs who launch 8 new schools leading to 700 seats and another 500 seeded*</li> <li>Fund planning and expansion of top 3 performing schools leading to 1,700 seats and another 780 seeded</li> <li>Recruit best-in-class capacity building supports for to improve 10 high potential schools with 60% success rate leading to 2,250 seats</li> <li>Support district level transformation in SLPS, University City, and one other target district</li> </ul>	\$17.7M
<b>2</b>  <b>SP2. Talent</b>	<ul style="list-style-type: none"> <li>SP2a: Establish New Teacher Pipelines</li> <li>SP2b: Scale Up Existing Pipelines</li> <li>SP2c: Recruit Best-in-Class Teacher Development Supports</li> </ul>	<ul style="list-style-type: none"> <li>200 St. Louis Teacher Residency teachers</li> <li>100 new Teach For America teachers</li> <li>Best-in-class national teacher development supports launch in St. Louis to support school improvement</li> </ul>	\$4.0M
<b>3</b>  <b>SP3. Family and Community Demand</b>	<ul style="list-style-type: none"> <li>SP3a: Research Infrastructure</li> <li>SP3b: Parent Leadership</li> <li>SP3c: Transparent School Performance Framework</li> <li>SP3d: Unified Enrollment</li> </ul>	<ul style="list-style-type: none"> <li>Data warehouse and research reports</li> <li>Incubate parent leader groups</li> <li>Launch school finder online and establish a unified enrollment system</li> <li>Support schools in collecting, analyzing, and sharing more wholistic measures of student success</li> </ul>	\$13.0M
<b>4</b>  <b>SP4. Policy</b>	<ul style="list-style-type: none"> <li>SP4a: Policy</li> </ul>	<ul style="list-style-type: none"> <li>Continue advocacy for principal and teacher autonomy and accountability; support equitable funding efforts</li> </ul>	\$1.1M
<b>Building an Effective Organization</b>	<ul style="list-style-type: none"> <li>Fundraising</li> <li>Team</li> <li>Board</li> <li>Operating Systems</li> </ul>	<ul style="list-style-type: none"> <li>Raise \$38M to capitalize the fund</li> <li>Build a staff of 6-8 FTEs</li> <li>Recruit 7 governing board members</li> <li>Launch diverse community advisory board</li> </ul>	\$3.0M



\*Note: "Seeded" school seats have active investments within the five year fund but won't be realized until FY26.

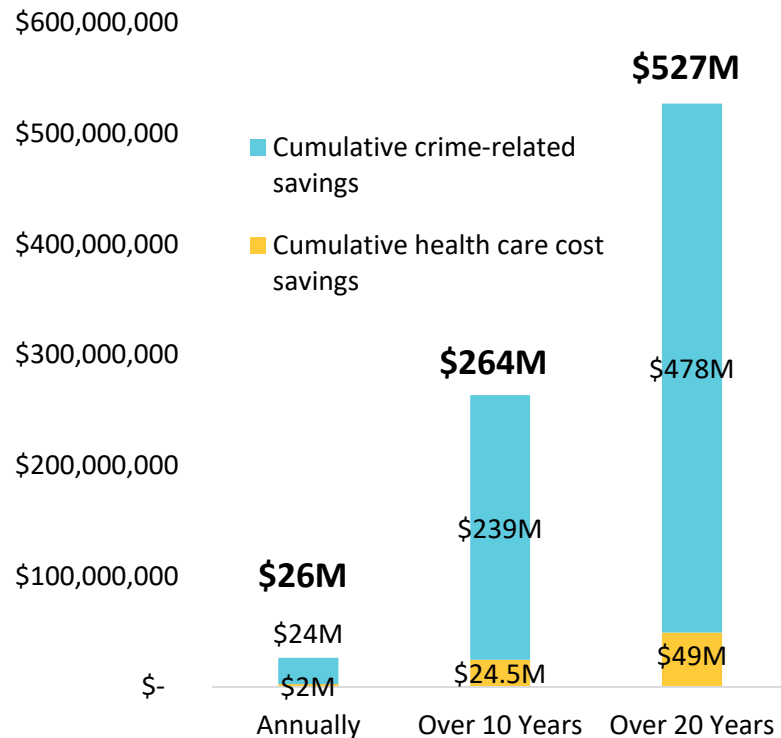
# In addition to financial resources, we are directly building the capacity of our grantees, connecting them to best-in-class resources, and playing a coordinator and accountability role in the ecosystem

Weak accountability structures in Missouri and limited capacity of our educational institutions requires us to be more engaged to ensure the success of our investments.

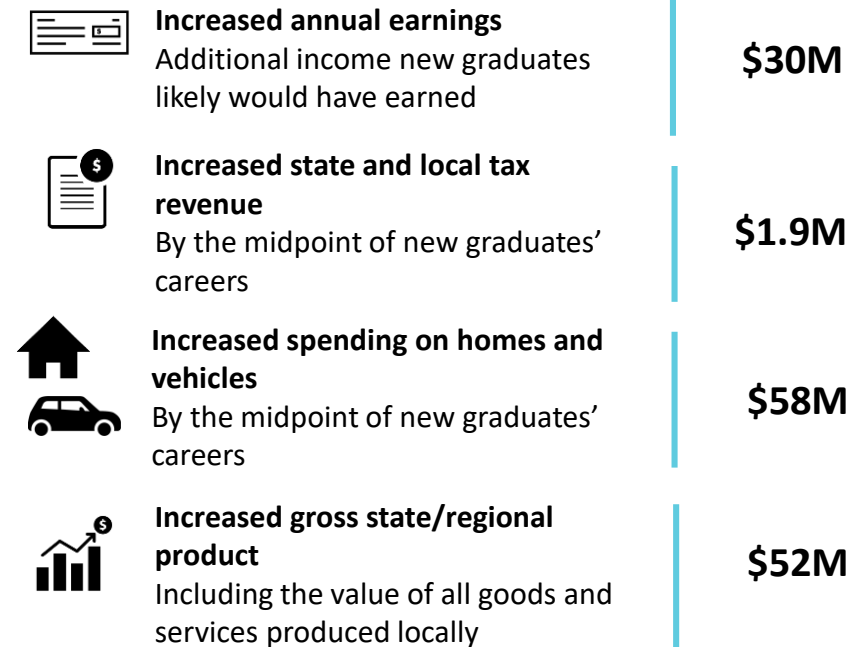
<b>Coaching</b>	<ul style="list-style-type: none"><li>• Problem-solving with senior leadership of schools, districts, elected boards, and related nonprofits throughout strategic plan creation and implementation</li><li>• Targeted observation and feedback in areas where leaders otherwise lack support or capacity in organizations</li></ul>
<b>Connecting</b>	<ul style="list-style-type: none"><li>• Ensuring new school entrepreneurs are connected with program officers at NewSchools Venture Fund and the Charter School Growth Fund, resulting in significant additional funding from leading national philanthropies in education</li><li>• Recruiting and facilitating the first-ever cohorts of consultancies with Success Academy and Achievement First out of NYC</li></ul>
<b>Coordinating</b>	<ul style="list-style-type: none"><li>• Promoting aligned placement of talent through both Teach For America and STL Teacher Residency</li><li>• Working with sponsors and school board members to push for restart or closure of low-performing schools and transfer of real estate and other assets</li></ul>
<b>Accountability</b>	<ul style="list-style-type: none"><li>• Building data fluency of district and charter school board members</li><li>• Aligning investments to student outcomes</li><li>• Working with media outlets to publicize state list of persistently failing schools</li></ul>

# Achieving our world class schools target will save a half of a billion dollars in crime and healthcare expenses and increase regional GDP by \$52 million

## Estimated Regional Savings 1-, 10- and 20-Year Projections



## Estimated Regional Revenue Generation



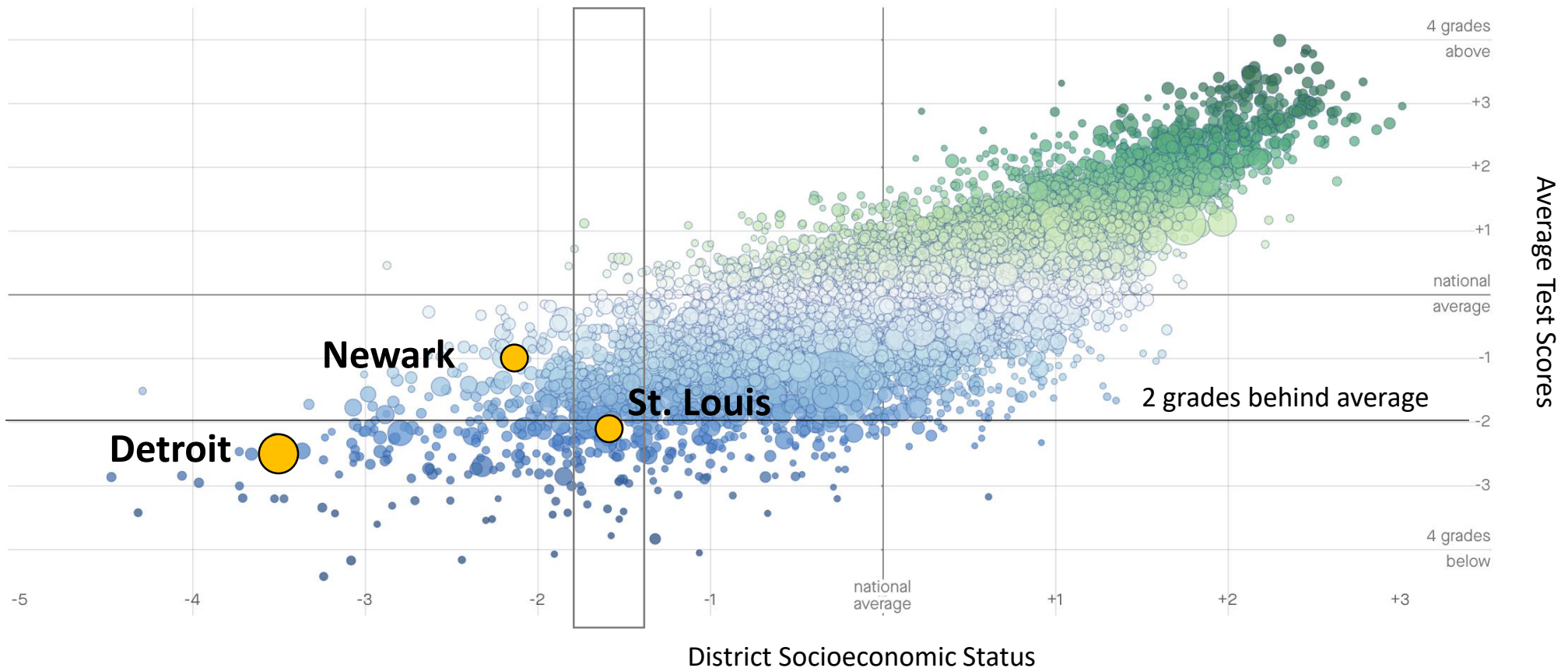
Notes: Economic impacts extrapolated from the Alliance for Excellent Education's "Saving Futures, Saving Dollars: The Impact of Education on Crime Reduction and Earnings" (2013) and "The Graduation Effect" (accessed 2018). Annual health care cost savings are over graduates' lifetimes and estimated based on decreased Medicaid enrollment. Crime-related savings estimated by incidents from the 2009 FBI Uniform Crime Report and McCollister, French, and Fang, "The Cost of Crime to Society" (2010).

# Appendix



Looking at nationally comparable data, St. Louis students are, on average, 2 grade levels behind overall and 1 grade level behind students facing similar challenges of poverty and trauma

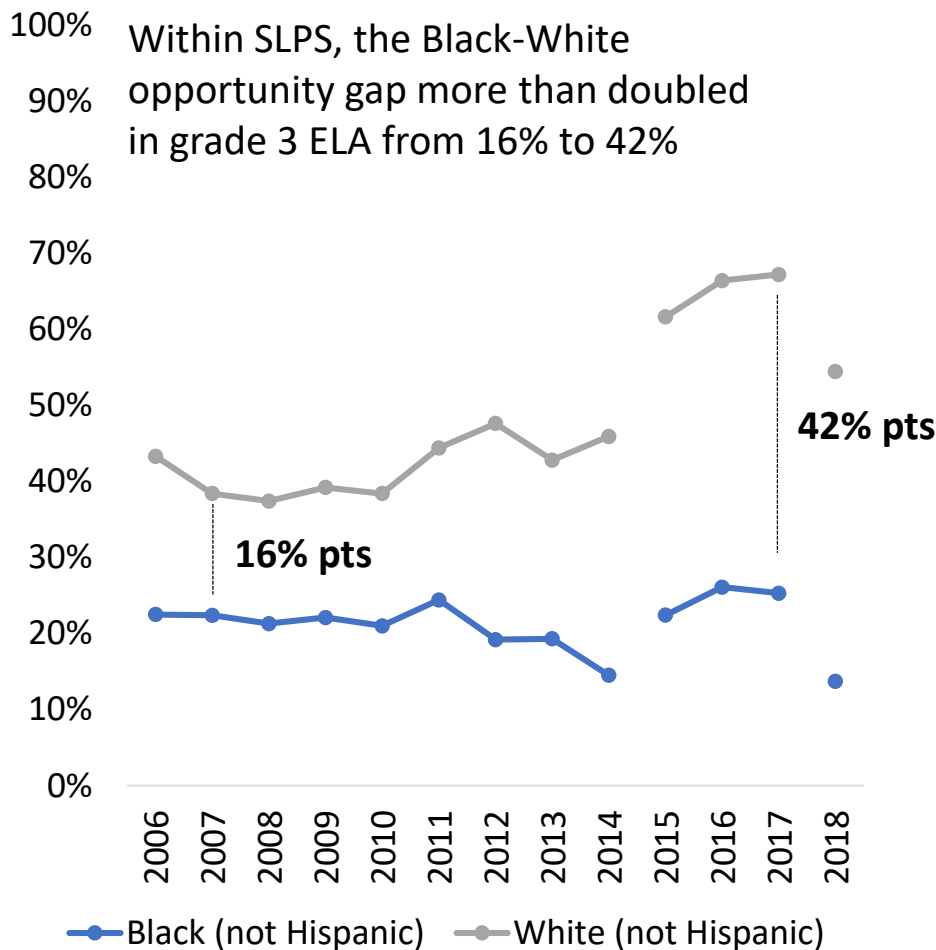
Newark is one example of a district with greater poverty and substantially higher performance.



Third grade reading proficiency, an essential milestone for long term success, has seen racial opportunity gaps widen significantly in both Missouri and SLPS, with inequity in the district increasing at a faster rate than the overall state

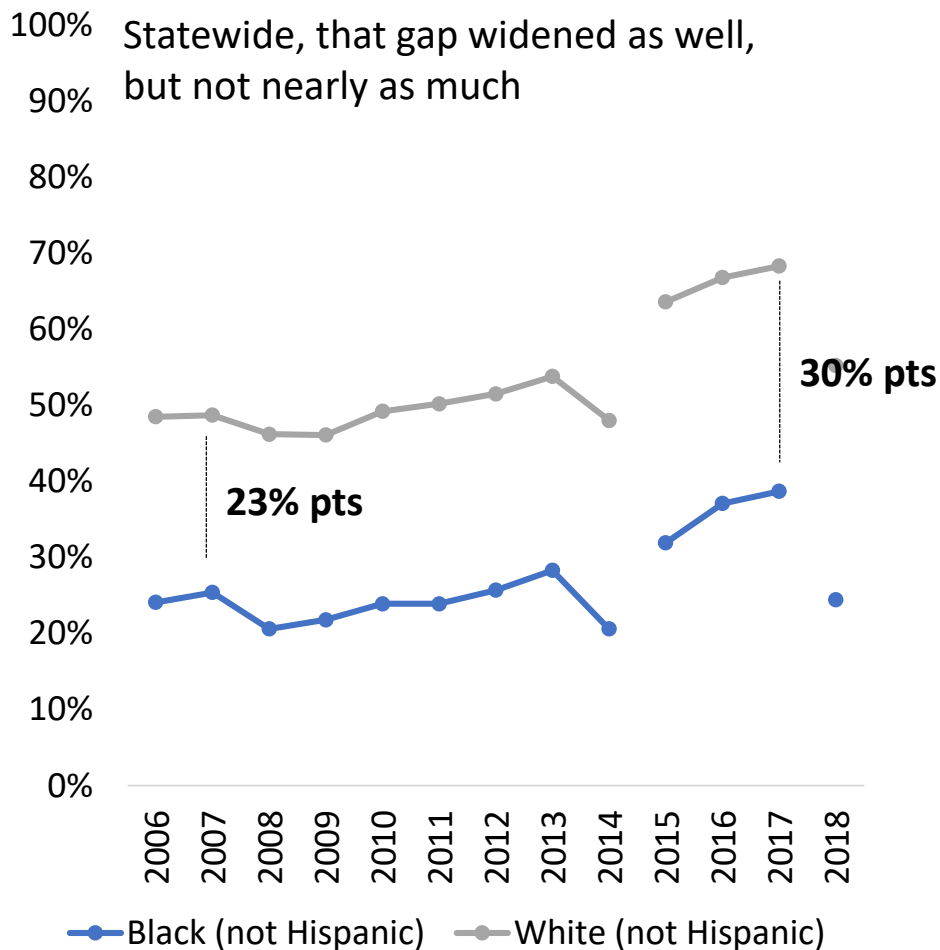
### SLPS Black-White Proficiency Gap

ELA Grade 3



### State Black-White Proficiency Gap

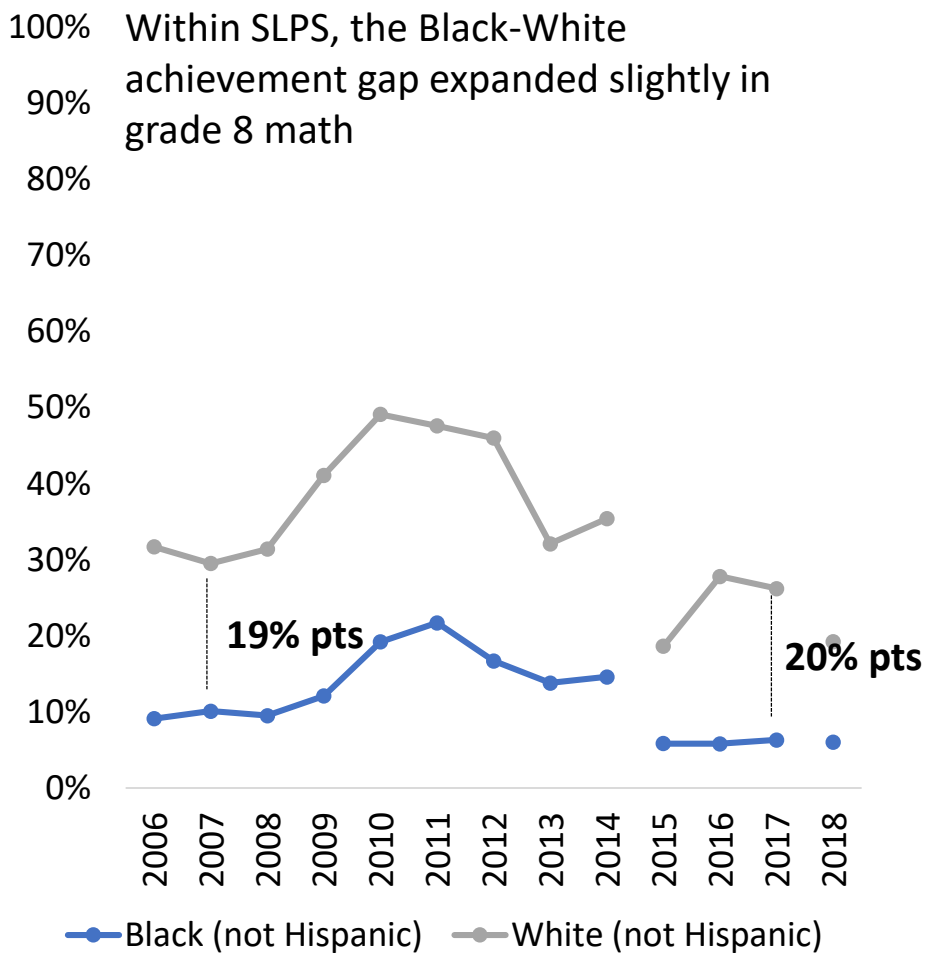
ELA Grade 3



Eighth grade mathematics proficiency, an essential milestone for high school completion and workforce readiness, has seen opportunity gaps remain constant in SLPS while statewide there was a meaningful decrease in the gap

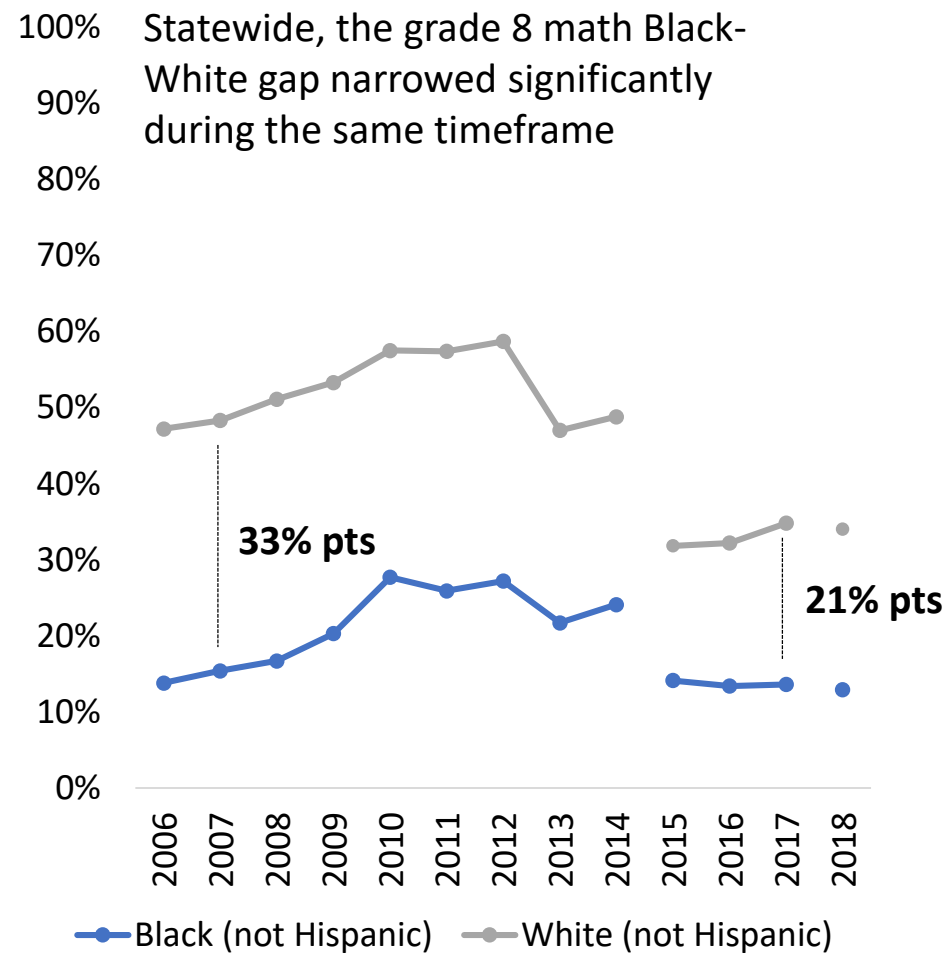
### SLPS

#### Math Grade 8



### State

#### Math Grade 8





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