

**Recommendations to the Harold K.L. Castle Foundation  
On the Development of a  
Public Education Reform Grantmaking Strategy**

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## **Executive Summary**

### **Background**

In October of 2005, the Harold KL Castle Foundation (Castle) engaged a private consultant to examine the grantmaking program and offer recommendations regarding the Foundation's future grantmaking strategy to encourage public education reform. Toward this end, interviews were conducted with fifteen stakeholders representing a broad cross section across the sectors of philanthropy, education, nonprofit, business, and government. A literature review was also conducted to determine best practices employed by other foundations involved in public education reform. The Foundation's grantmaking history, mission, vision, and other documents were also reviewed. This document summarizes findings and recommendations resulting from the analysis.

### **Recommendations on Goals & Strategies**

Stakeholders widely agreed with the mission of public education reform. Specific goals involve all students entering third grade as proficient readers and exiting high school college ready. Underlying these academic goals should be a third goal - the DOE system has the performance capacity to ensure these academic goals are met.

Within each of these goal areas, Castle should adopt a three-pronged strategy to 1) enhance institutional change efforts, 2) stimulate new reforms that challenge the system, and 3) target investments in high-need, high leverage areas. Castle should seek to be viewed by the DOE and others as a partner in change efforts that consistently avoids special interests to advocate on behalf of children and families.

Success will require significant political capital, financial resources, and staying power. Castle leadership must have the discipline to free up the necessary capital and remain committed to public education reform for at least a generation. A conservative, back of the envelope sketch shows these strategies will cost between \$3-5 million over the next couple of years. This cost may also require reducing investments in other program areas. The volume and complexity of these investments will likely require a dedicated staff member to manage.

Continual learning ought to occur throughout all Foundation activities. Suggestions include developing a rigorous evaluation strategy to determine progress, supplementing trustee knowledge by observing an accreditation visit at an elementary school, and even considering the creation of a Foundation advisory board comprised of parents, children, and educators.

Developing a clear communications strategy to convey Foundation goals, strategies and areas of programmatic grantmaking is also of utmost importance.

## **Introduction: Environment, Mission & Capacity**

This is a moment of singular opportunity to improve public education, and in so doing, permanently alter the life trajectories of thousands of Hawaii's children. This moment is due to factors ranging from determined business leadership, political pressure caused by the federal No Child Left Behind Act, dramatic changes in state education policy, and a leadership team within the Department of Education (DOE) that echoes the urgency for change.

Anchored in values of social justice and a concern over Hawaii's future, Castle's leadership has embraced the bold mission of public education reform, with a focus upon early literacy and college preparedness. These goals mirror those of the Department of Education. The Foundation seems to understand and embrace the long term engagement needed to achieve public education reform.

As a privately endowed charitable foundation, Castle is sheltered from the changing forces of politics and public finance. The Foundation possesses other assets, such as board leadership that spans business, politics and education, a sizeable asset base, experienced executive leadership, significant political capital, and a stated willingness to take risks. At the same time, there are areas of concern; namely, limited staff capacity and a grantmaking history that reveals the stated mission doesn't necessarily correspond with investments.

Thus, Castle's work takes place in a political authorizing environment ripe for change, benefits from a clear mission rooted in strong values, but suffers from limited operational capacity and unclear strategy. In fact, a conservative estimate of grantmaking over the past five years shows relatively few resources dedicated to public education reform. Of the approximately \$25 million invested broadly in education, 72 percent went to private education, 14 percent to university education, and only 13 percent, or \$3,301,100 to support public education reform. *Affecting public education reform will require more disciplined and sizeable grantmaking.*

## **Goals & Strategy**

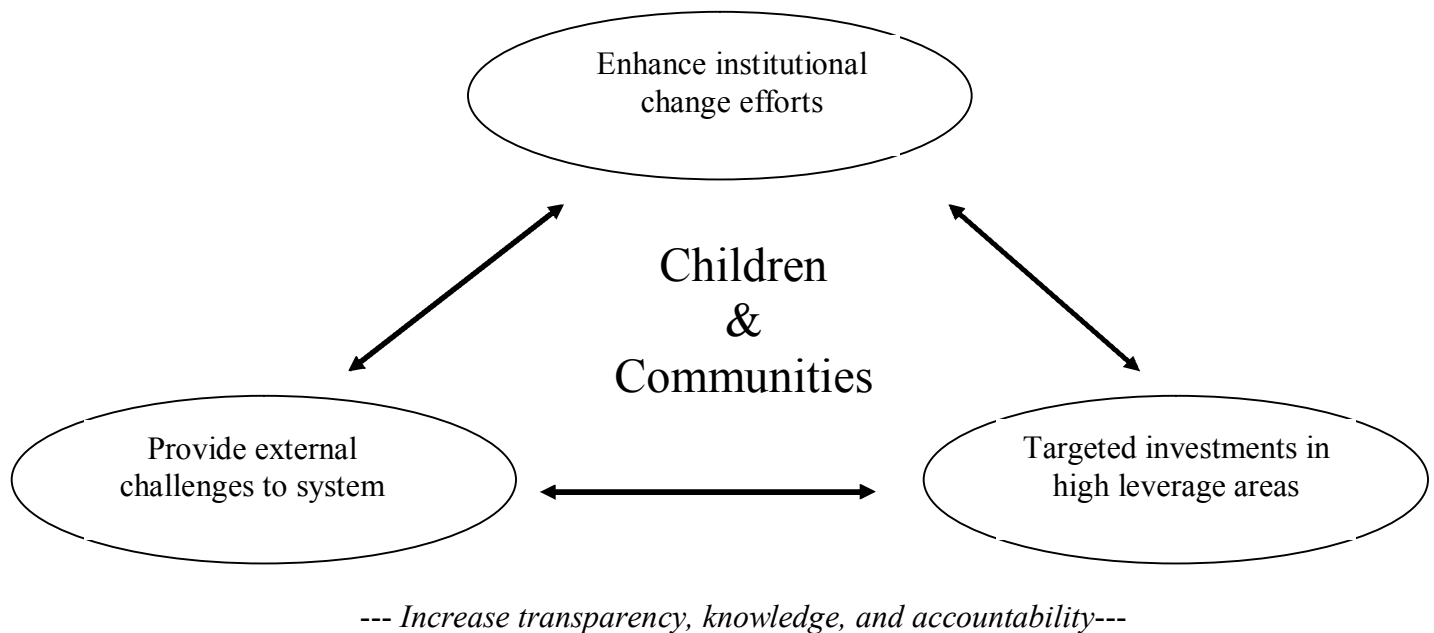
Conversations with Castle staff and board leadership reveal a broad mission – well educated citizens who can find meaningful work. While there was universal admiration and support for becoming involved in public education reform, most stakeholders could not identify Castle's goals or strategies. The following three goals offer focus and seem critical if Castle is to achieve this mission:

- All children read proficiently by grade three;
- All children graduate college ready;
- There is a system structure and capacity to achieve these academic goals (system capacity)

All three goals mirror those of the DOE. For perhaps the first time in decades, this major public institution appears committed to reform. The alignment of goals suggests that Castle pursue a supportive and encouraging strategy in the near term. As a partner in change, Castle can leverage the DOE's commitment by identifying investment opportunities that will hasten, deepen, and enhance institutional change efforts. It also seems appropriate to continue working on structural issues such as governance and collective bargaining that often impede needed change.

System change is an important focus of this strategy. At the same time, there are additional opportunities to provide targeted investments in areas that are substantially under resourced and offer high returns, such as early childhood education.

Like any investment portfolio, however, certain strategies must be considered to hedge against longer term risks such as bureaucratic inertia or political inaction. The DOE’s organizational culture needs an external challenge to its monopoly. Castle should therefore deploy assets to nurture the nascent charter school movement as a mid term strategy. Castle ought to also be prepared to enact a more drastic approach to ‘shock’ the system in the event the DOE fails to reorganize and perform. It seems appropriate to quietly explore a legal strategy to challenge either charter school financing or the legal basis for a Junior Kindergarten program that only serves children born in certain months.



**Key Observations**

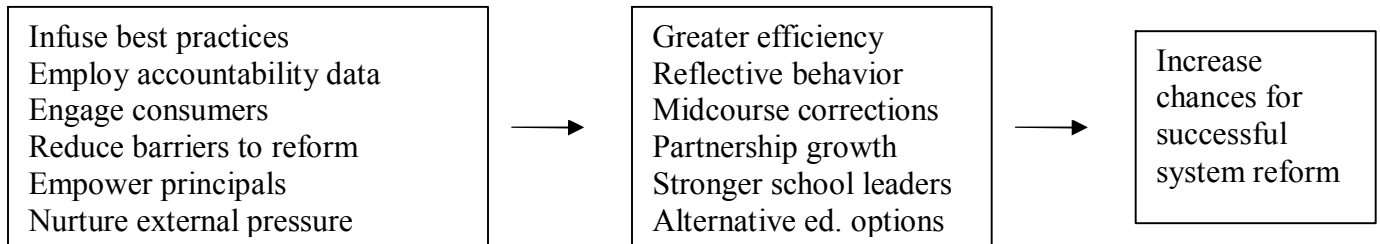
- A clear window of opportunity exists due to alignment in political pressure, policy ideas, key people and clearly identified problems
- For perhaps the first time in decades, the public school system is a willing partner in change efforts
- With influence bridging the education sector, business community and philanthropic world, Castle is uniquely positioned to initiate change efforts
- Success will likely require a large investment of resources and even greater outlay of political capital
- The primary role of the Castle Foundation is not to create new programs, but to identify and nurture levers for system change
- To the extent that programmatic resources are needed, they should focus upon Windward Oahu
- Any school level intervention must fit within the DOE’s Comprehensive Student Support System<sup>1</sup>, be aligned with system goals, and not add an undue workload for school leadership

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<sup>1</sup> The CSSS is a collaborative effort involving the Department of Education, the family, and the community that provides resources and assistance so each child will meet the educational standards for his/her grade-level (see <http://doe.k12.hi.us/programs/csss/>)

## Theory of Change: Building System Capacity<sup>2</sup>

*This section highlights system level strategies to improve the capacity and performance of the system infrastructure.*



### Tactics

- 1) Increase application of data/research to inform consumers and fine tune interventions
  - Just for the Kids (Hawaii Business Roundtable)
  - Commission case study of Act 51 creation
  - Evaluate impact of Act 51 implementation
- 2) Support Act 51 implementation
  - Recruit and train community and business leaders to serve on local School Community Councils (Contract Chamber of Commerce or Aloha United Way)
  - Deepen focus on principal leadership
    - Ongoing funding of Principals Leadership Academy
    - Change Leadership Group project (Hawaii Educational Council)
    - Pilot stipend process for teachers to implement principal driven reforms (CAPE)
    - Create pool of retired principals to coach change efforts in low-performing schools (CAPE)
- 3) Encourage systemic change
  - Streamline teacher hiring and retention process
    - Assess and improve DOE HR process, explore alternative certification (The New Teacher Project, Teach for America)
  - Encourage labor/management partnership
    - Fund team travel to Toledo, OH to study peer review process and Denver, CO to study performance compensation
  - Remove cap on charter school creation and reduce financial inequities
    - Move chartering authority to University of Hawaii
    - Fund scholarships for entrepreneurs to research and write charter applications

### Justification

Castle's work must balance support for ongoing DOE reforms with the creation of new reform opportunities and need to drive external change efforts through vehicles like charter school creation. Throughout, the Foundation should help consumers actively participate in the reform process.

There are certain levers within the DOE system where a relatively small investment ought to lead to significant returns. For example, funding a recognized change agent such as The New Teacher Project to consult on the DOE's human resource system will lead to a better hiring process and ultimately greater number of talented

<sup>2</sup> Shaded areas represent current or ongoing Harold K.L. Castle Foundation investments

candidates. Much also hinges on how well School Community Councils can guide school-level interventions. Thus, an appropriate strategy is to ensure these groups are populated with strong, experienced individuals. Similarly, while principals now receive training through three separate efforts, they face serious implementation barriers at the school level such as restricted teacher time and lack of coaching. Creating a stipend fund for teachers to implement reform will support principals and increase chances for success. Likewise, forming a pool of retired principals to serve as coaches will offer needed school level support at a critical time.

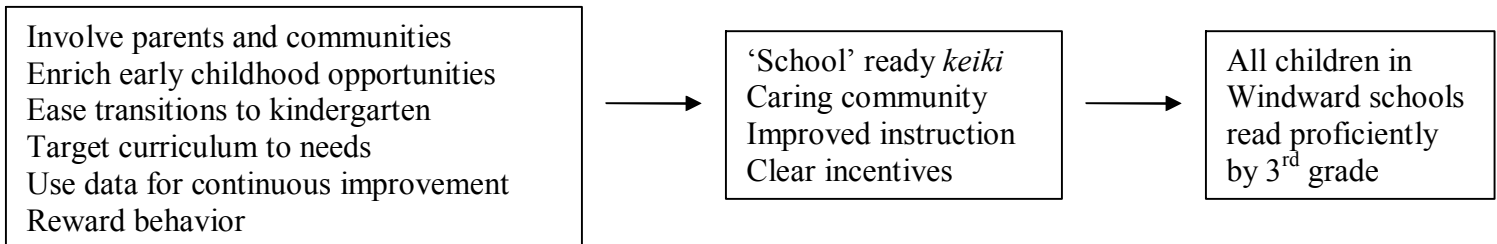
At the same time, the work must be connected to a broader strategy that examines some of the barriers faced by school leaders when trying to implement change; namely, collective bargaining constraints. National examples of successful labor/management partnerships exist that support and hold new teacher hires accountable (Toledo Plan peer review program in Toledo, OH), and financially reward teachers for exemplary performance (ProComp, Denver, CO).

For external pressure to successfully push the DOE's organizational culture, consumers need access to concise information and meaningful alternatives. Parents and policymakers ought to know whether Act 51's implementation is making a difference for teaching and learning. Parents should be able to evaluate the performance of similar schools against each other, which will soon occur through Just for the Kids. Parents should also be able to choose from a range of schools, which is why the cap on charter schools must be lifted and education entrepreneurs provided upfront seed money to develop their own charter concept. Castle should also strongly advocate moving the chartering authority to the University of Hawaii system, which has fewer conflicts of interest than the Board of Education.

***Changes at the system level ought to result in conditions at the school level that promote measurable increases in student achievement. The impact will be particularly felt in schools with strong principal leaders, involved community and a sound instructional strategy.***

## Theory of Change: All children read proficiently by third grade

This section presents recommendations that target investments in high leverage areas. Additional systemic changes necessary for success were presented in the previous section on Building System Capacity.



### Tactics

- 1) Target resources to support Windward, Oahu through five year commitment
  - Expand Kamehameha Schools 0-8 Initiative in Waimanalo and Koolauloa
  - Expand community-based parent/child interactive programs to all Windward elementary schools
  - Expand summer transition programs to all Windward elementary schools
- 2) Pilot K-3 Reading Incentive Plan
- 3) Create growth strategy to increase access to early childhood programs
  - Fund training/technical assistance to create P-3 programs in DOE and charter schools, expand existing private programs with solid business model (Ho'okako'o Corporation, Good Beginnings Alliance, or PATCH)
- 4) Thoughtfully evaluate impact (Kamehameha Schools or Good Beginnings Alliance)
- 5) Sustain efforts
  - Work with DOE to support ongoing efforts by refocusing their Reading First funds
  - Work with DHS to fund efforts using Child Care Development Block Grant

### Justification

Improving early reading skills is a fundamental and challenging goal that can galvanize a community<sup>3</sup>. Efforts must begin at the early stages to involve parents as their child's first teacher, increase access to rich early childhood opportunities, ease transitions to kindergarten and finally alter (and reward) behavior at the elementary school level. Approved support for the Kamehameha Schools 0-8 Initiative and the K-3 Reading Incentive Plan are critical pieces to this strategy. Sadly, a fragile, fragmented field means that universal Pre-K strategy may not be a wise investment unless significant political capital is also expended.

As the Hawaii State School Readiness Assessment shows, roughly 6 out of every 10 children enter school prepared. This is where the academic achievement gap begins. The Castle Foundation should pursue a more modest two-part strategy by funding parent/child interactive programs and expanding center-based opportunities for Hawaii's youngest *keiki*. Limited resources dictate that initial efforts target Windward Oahu. ***A minimum of a five year commitment is likely required to determine a payoff in performance and test scores.***

Parent/child interactive programs (often termed play/learn groups) are an effective programmatic strategy to involve parents in their child's development. Grounded in traditional Hawaiian approaches to learning,

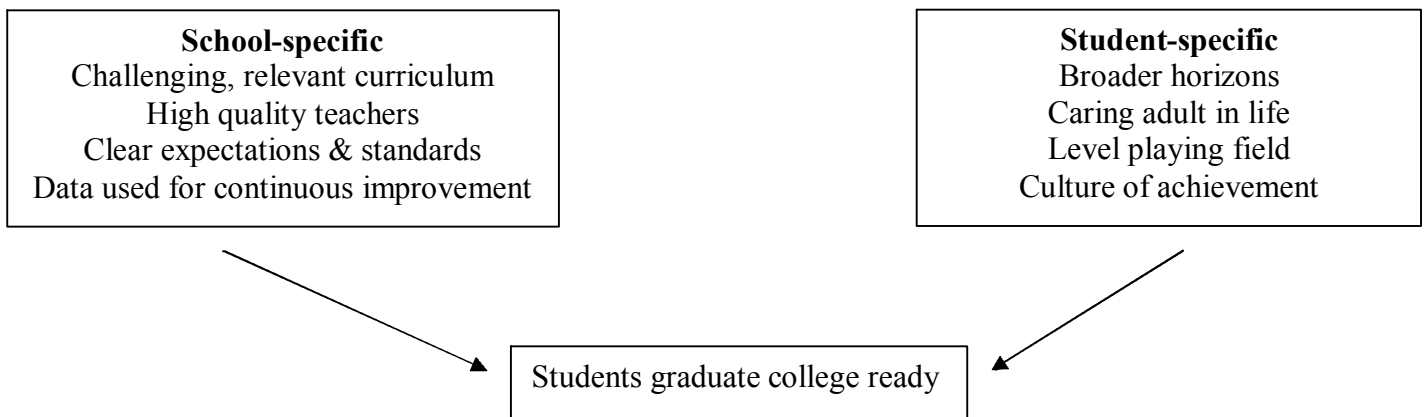
<sup>3</sup> The Kennewick, WA school district mobilized their entire community to help 90 percent of their 3<sup>rd</sup> graders read on grade level, resulting in a famous case study, "The 90 percent reading goal".

parent/child interactive programs offer an alternative to center based preschools. Many of the hardest to reach families are more comfortable in these settings. Programs can then introduce information and direct parents to additional resources, such as Head Start. Locating the programs on the campus of elementary schools will also connect parents to their child’s eventual school. A natural extension of parent/child interactive programs is a three to four week summer transition program within the elementary school for students lacking preschool experience. INPEACE currently conducts a similar two-part strategy along the Leeward Coast, and Na Kamalei sponsors parent-child programs in Ko’olauloa.

While a state sponsored strategy for early childhood is ultimately needed, there are growth opportunities that an intermediary organization could nurture by providing focused training/technical assistance to those programs interested in forming a preschool or expanding operations. Given the increasing interest in early childhood education, this strategy seems a prudent short-term investment that offers concrete returns. If successful, it is also sustainable by redirecting two sizeable public funding streams.

**Theory of Change: All students graduate college ready**

*This section presents recommendations that target investments in high leverage areas. Additional systemic changes necessary for success are presented in the subsequent section on Building System Capacity.*



**Tactics**

- 1) Restore value to the high school diploma
  - Review Hawaii standards, coursework and graduation requirements (contract with American Diploma Project/Achieve, Inc)
  - Advocate for required college-preparatory curriculum for all
- 2) Ensure low-performing students have a caring adult in their life and are preparing for college
  - Foundation for Excellent Schools (FES)
  - Explore expanding GEAR-UP Hawaii to Windward schools that serve grades 7-12

**Justification**

Improving Hawaii’s high schools will take enormous effort from all involved. Compared to the needed changes in policy and practice, high schools present relatively few grantmaking opportunities to make a deep and lasting difference. Giving high school students the excellent principals and teachers they deserve, providing consumers with clear information, extending charter school opportunities, and recruiting community volunteers to serve on the School Community Councils are all systemic strategies to create lasting impacts in high school. While these strategies have been explored in the section on system change, there are two specific areas that could benefit greatly from outside review and additional resources.

High percentages of unprepared high school graduates demand that the value of today's high school diploma be restored. Until then, high school offerings will continue to be disconnected with college or workforce expectations. A multistate effort, called the American Diploma Project, is currently underway to assess the standards, coursework and graduation requirements and contrast them to specific postsecondary benchmarks. This review culminates in a specific action agenda for the state to improve its public high schools. Hawaii should begin with this review to provide a common set of agreements and understanding about needed policy changes. It may also provide inroads with the funder, the Hewlett Foundation.

While system change efforts will take time, student needs are both current and urgent. Important efforts, such as FES, work to ensure low-performing students have a caring adult and are focused upon college. The Castle Foundation may consider hedging its investment in FES by providing additional funding to the University of Hawaii-based GEAR-UP program to extent its efforts to all Windward schools serving grades 7-12.

### **Additional Recommendations**

*This section presents recommendations for areas in which the Foundation should consider discontinuing operations due to limited capacity, other investors, or uncertain social returns.*

**Curriculum:** While conceivable that a Foundation could fund the creation and evaluation of creative new curricula, this requires substantial knowledge in a specific field. It is also an area that has a relatively healthy DOE budget and supportive infrastructure dedicated to purchasing curricula, linking to standards, providing professional development, and evaluating results.

**Small schools:** Helping to form small schools offers significant leverage and potential returns to a Foundation. Yet, three critical elements to success are missing in Hawaii: the DOE has not committed to pursue this course of action, the Castle Foundation lacks the personnel infrastructure to manage the substantial volume of work, and Hawaii lacks a single intermediary organization with competency in this area. For these reasons, it is recommended not to pursue this course of action.

**Teach for America:** If the purpose of this investment is a sustainable increase in the pool of talented teachers working in Hawaii, there is likely a more effective strategy to achieve this outcome. Importing TFA to Hawaii will likely focus attention on the inadequate teacher candidate pool, but it may also exacerbate insider/outsider tensions. Furthermore, it may not address long term systemic issues in the DOE's Office of Human Resources, nor will it add long term flexibility to those seeking alternative routes to teaching. A wiser investment may be to partner with The New Teacher Project, which will help reform the teacher recruitment and application process itself while helping steer local professionals into teaching by creating an alternative certification program.

**Facilities requests for private and public P-12 schools:** The infrastructure of many DOE schools is crumbling, private school enrollments are increasing, charter schools need housing, and the growth of early childhood programs is constrained by inadequate facilities. Yet, making a sizable impact in this area will require assets much more substantial than Castle's. Donating to private schools and early childhood programs simply enables those fortunate few to avoid charging the true cost of operations to their 'customers'. The state needs a thoughtful strategy for increasing early childhood capacity, and providing facilities for public K-12 and charter schools. Private schools need to pass the true cost of operations on to parents. One exception where the Castle Foundation can offer significant impact using few resources is continuing to support Hawaii 3R's project. A

longer term solution worth considering may be program-related investment loans or the creation of a specific facilities loan fund.

**Other Recommendations: One Bold Approach**

I am concerned that the business community’s remarkable involvement in reforming public education may not last. One approach to sustain this effort is the creation of a venture capital fund for public education. Doing so will tie the business community’s active involvement to capital that enables the Department of Education to fund necessary reforms. Castle could create and seed such a fund, while continuing to actively seek other investment partners.

One example to study is the Chicago Public Education Fund. Guided by actively engaged group of business and civic leaders, the Fund “exists to channel ideas and dollars into ventures promising excellent returns through innovation and solid implementation. In [this] case, that promising return on investment is improved school leadership and student achievement in Chicago’s public schools.” ([www.cpef.org](http://www.cpef.org))

**Other Recommendations: Communication Strategy**

The lack of external clarity suggests a thoughtful communications campaign to specify Castle’s goals, strategies, and accomplishments in the field of public education reform. At a minimum, this should take the form of a revamped website with clear grant guidelines, and collateral print materials.

**What might success look like?**

<i>Goal</i>	<i>Outcomes</i>	<i>Performance Measures</i>
System Capacity	Alternative education options	% of students in new or conversion charter schools
	Increased support to schools	% of schools with working financial and academic plans
	Stronger school leadership	% of principals who graduate from a leadership program
3 <sup>rd</sup> Grade Reading	Improved school readiness	% children served in early childhood programs % of students school ready % schools ready
	Improved performance	% who enter K at-risk & read on grade level by 3 <sup>rd</sup> grade Hawaii State Assessment: 3 <sup>rd</sup> grade reading
College Ready Graduates	Diploma has meaning	Is college-prep curriculum default? % students taking college prep/AP courses
	Graduates are college ready	% who apply and are accepted into college % of UH students that require remediation % passing apprenticeship exam