One day—all young people in tough neighborhoods will achieve the aspiration their families have for them: to graduate prepared for adult success and well-being in the worlds of work, family, and citizenship. One day—all young people in tough neighborhoods will achieve the aspiration their families have for them: to graduate prepared for adult success and well-being in the worlds of work, family, and citizenship. One day—all young people in tough neighborhoods will achieve the aspiration their families have for them

A Road to Results

Results-Based Accountability in
the Annie E. Casey Foundation's Education Program

About the Annie E. Casey Foundation

The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs. For more information and a copy of this report, visit the Foundation's website at www.aecf.org.

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EXECUTIVE SUMMARY

This report details the Annie E. Casey Foundation's four-year effort to develop a "results-based accountability" (RBA) approach to its K-12 education portfolio. Though still a work in progress, the Foundation's experience with RBA can help other philanthropic organizations and individual donors develop their own approaches to producing and documenting the results of their investments. It can also assist Foundation grantees in their quest to clarify and communicate more clearly to donors and other interested parties the results they want to achieve and their progress in achieving them.

In January 2002, the Casey Foundation's leaders began thinking anew about how results-based accountability could help Casey better achieve its mission. RBA begins with ends—conditions of well-being for children, families, and communities—and works backwards to identify the best means to achieve those ends or results. Rather than immediately undertake a Foundation-wide initiative, Casey leadership decided to develop and pilot a framework in a few program areas, including K-12 education. This began an iterative process in which program staff would involve grantees in the development of the framework, implement a set of ideas, see how it worked, adapt it, and feed back the results into the organization's broader thinking about RBA. The outcome of this four-year effort is a comprehensive, but developing, RBA framework and process being implemented throughout the Casey Foundation.

Foundation Investment Summary (FIS): This is the heart of the Foundation's RBA work. This narrative document drives the RBA process for program areas. It provides a framework that explains the program's approach to grant investments—including the results the investments will achieve—and how success will be determined. This framework contains seven key items:

Vision: The vision statement describes the program's desired future for a population. This population result is succinct and free from jargon. It is a result that can be achieved only with effective alliances with other partners. The education program's vision for K-12 education is:

One day—all young people in tough neighborhoods will achieve the aspiration their families have for them: to graduate prepared for adult success and well-being in the worlds of work, family, and citizenship.

Indicators and Trendlines: These are the best population measures and data over time that signal progress or lack of progress in achieving the vision. The education FIS describes three indicators and trends that highlight dogged problems that need to be addressed if the population result is to be achieved: the large gaps in achievement, persistence/graduation, and teacher quality between young people from low-income families in disadvantaged neighborhoods—many of whom are young people of color—and their counterparts from other families and neighborhoods.

Story Behind the Trendlines: This discussion describes Casey's perspective on what key forces are barriers to achieving the vision. For example, families in distressed neighborhoods lack quality educational options that meet young people's needs. Families also have few strong connections with schools and other community supports and services. Finally, policymakers and the wider civic community have insufficient political will and lack good information on effective policies and practices to overcome the challenges associated with the achievement, persistence/graduation, and teacher quality gaps.

Casey's Theory of Change: This defines what works and what must be done to turn the curve in a positive direction on the indicators and trendlines so barriers to progress can be overcome. The Foundation's theory of change in education involves creating neighborhood-based systems and organizations that link families to schools and community institutions. These schools and institutions provide supports and services so that incentives, autonomy, and capacity are aligned to ensure that organizations and individuals perform at high levels.

Casey's Core Values: These significant and enduring preferences underlie the FIS and drive the theory of change. They are fundamental criteria or tenets that inform the decisions made about the Foundation's education strategies and investments. The three core values for the education portfolio are: strong results, quality educational options, and robust connections to community supports and services.

Casey's Role in Investment Strategies: For each barrier to achieving the core result, the Foundation identified investment opportunities for overcoming the barrier. Within these broad opportunities, the Foundation has three investment areas that serve as leverage points to improve outcomes for young people so they are prepared for adult success and well-being. They are the categories that organize Casey's education investments:

- *Investments in Schools—Demonstrate and Replicate:* Increase quality educational options and improve outcomes for young people by demonstrating and replicating how creating new schools or improving existing schools strengthen and connect families to schools and community institutions.

- *Investments in Networks—Scale-up and Sustain:* Increase quality educational options and improve outcomes for young people by scaling up and sustaining networks of schools, systems of schools, and other system-level efforts that strengthen and connect families to schools and community institutions.

- *Investments in Organizations—Disseminate and Influence:* Develop knowledge and disseminate information on lessons learned, thereby influencing others on what effective policies and practices create quality options for young people and robust connections, alliances, and partnerships between families, schools, and community institutions.

Casey's Approach to Measuring Results: The Foundation model for measuring its performance and that of its grantees poses three questions: What was done by a grantee with the support it received from the Casey Foundation? How well was that work done? What difference does that work make in terms of the three ways the Foundation defines results:

- *Impact:* Improvements in the success and well-being of children, families, or communities directly served by the grants, programs, or services of the Casey Foundation.

- *Influence:* Changes in policies, systems, practices, and/or opinions that support Casey's role in strategies that work.

- *Leverage:* New or increased investment (public or private) in initiatives, programs, or areas in strategies that Casey believes will lead to results for children and families.

The Foundation signs a letter of agreement—a performance agreement—with each grantee that details a scope of work and the performance measures to be used in assessing the grant's results. These measures are the basis of reports to the Foundation that when aggregated provide a programwide progress report on the success and limitations of its investments, helping to refine grant making over time. In addition to performance measures, the Foundation collects other information on the effects of its investments, including anecdotes, stories, and other types of qualitative information.

In short, the FIS is a comprehensive narrative that establishes the Foundation's investment parameters and describes the value context within which the Foundation does its work—its vision, key indicators and trendlines, perspective on the barriers to achieving the vision, theory of change, enduring tenets or principles, investment strategies, and approach to measuring performance. This context guides the Foundation's investment value chain—a series of related activities that link the Foundation's proposed work with its accomplishments and results.

This pilot activity in RBA has helped the Foundation's education program to refine its strategic intent, guide the selection of investments, evaluate both specific investments and its portfolio as a whole, and help grantees sharpen their focus. It also has led to several valuable lessons learned. Perhaps the most essential of these is the importance of creating a learning agenda for the Foundation's work. This lesson serves as a reminder of why results-based accountability is, in the end, so vital in philanthropy. In the midst of the tedium of performance measures, reporting requirements, and statistics, it is easy to lose sight of the ultimate purpose of all of this activity: helping the Foundation and its partners maximize the amount of social value they create through their work together.

INTRODUCTION

Foundations everywhere are eager to do a better job of understanding how well their investments are working and what results they are producing. Perhaps nowhere is this interest more intense than in education philanthropy.[1] Foundations and individual donors in this sector are increasingly asking questions like: What is our vision for the future of education and K-12 schools? What changes need to happen in education to achieve that vision? What role can we play as a donor to promote those changes? What counts as success? And how will we know if our investments are paying off for children, families, and society?[2]

This report is about a concerted effort to answer such questions within one philanthropic organization: the Annie E. Casey Foundation. After some background information, it describes in detail how the Foundation has come to think about the results of its investments in general and in its K-12 education portfolio in particular. It is important to remember that this effort to incorporate a results-based accountability approach to its investments is a work in progress, four years in the making. By shedding light on how one foundation has tackled this challenge, this publication aims to help other philanthropic organizations, individual donors, and grantees develop their own approaches to producing and documenting the results of their investments.

BACKGROUND

The Annie E. Casey Foundation is a private charitable organization established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the philanthropy in honor of their mother. The first grants provided support to a camp for disadvantaged children in Seattle, Washington, the home of the Casey family. When Jim Casey gave up his administrative responsibilities as chief executive officer of UPS in the 1960s, he turned his attention to sharpening the programmatic focus of the Foundation. In the course of his personal research with experts in the field of child welfare, he concluded that many troubled adults had grown up unhappily in foster care, often moving from one foster family to another. In 1966, his interest in long-term foster care led him to establish Casey Family Programs,

now an independent operating foundation in Seattle. In 1967, a similar program was established in Connecticut as the direct services operation of the Annie E. Casey Foundation. Headquartered in New Haven, Casey Family Services now has eight operating divisions offering an array of foster care and other services in New England and Maryland.

With the death of Jim Casey in 1983 and the increased resources from his estate, the Foundation's Board of Trustees began to explore opportunities to expand the Foundation's work on behalf of disadvantaged children. The Trustees committed the Foundation to an ambitious mission: to help build better futures and improve outcomes for disadvantaged children and families who are at risk of poor educational, economic, social, and health outcomes. It does this by fostering public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. Today, the Casey Foundation is the 13th largest private foundation in the United States.

K-12 education has long been one of Casey's major areas of focus. In 2004, for example, the Foundation made nearly $5.8 million in grants to K-12 activities (see Appendix A). The Foundation also geared up to make several program-related investments, or PRIs, in which it would put Casey's corpus to work in support of achieving educational results. Most of the Foundation's K-12 investments targeted its *Making Connections* communities around the country.[3] *Making Connections* is a ten-year investment by the Foundation to improve outcomes for families and children in a limited number of disadvantaged or isolated neighborhoods nationwide. By combining K-12 investments with other kinds of youth and family strengthening activities in these target neighborhoods, the Foundation is aiming to spark dramatic improvements in the well-being of children and families.

In January 2002, the Foundation's leaders began thinking anew about how results-based accountability could help the Foundation better achieve its mission. Part of the impetus was external: foundations and the non-profit world as a whole are increasingly focused on measuring outcomes in order to judge the success of programs. But Casey's unique history and connections

were also powerful forces. In the words of Foundation President Douglas W. Nelson as he reflected on Jim Casey's life:

> In his seven decades of active leadership at UPS, Jim consistently advocated some core values and habits and attitudes . . . He believed, for example, that efficiency and productivity were the prime makers of profit. To achieve these attributes, Jim encouraged the measurement of everything . . . Given this, it shouldn't be surprising that Annie E. Casey's Board of Trustees—most of whom are life-long UPS'ers [and top executives at the company] —are tireless in their advice to us that we measure everything we can in our efforts to improve the lives of young people, families, and communities. There is a reason Casey has spent so much [money] on evaluation . . . ; there is a reason [we] talk so often about the power of data-based advocacy . . . and that reason goes back to Jim Casey's conviction

that measurement improves accountability; it improves quality; and it improves effectiveness.[4]

Rather than launch a new RBA initiative Foundation-wide, leadership decided to develop and pilot a framework within a small set of program areas, including K-12 education. They set in motion a now four-year iterative process in which program area staff would implement a set of ideas, see how it worked, adapt it, and feed back the results into the organization's broader thinking about results-based accountability. The pilot initiative had the following aims from the outset:

- Create a framework to describe and track investment results

- Develop results-based letters of agreement and grant reporting formats

- Engage grantees in shaping this RBA strategy

The Foundation's leaders wanted the pilot to move Casey closer to a shared vocabulary and common way of thinking about and collecting information on results at the grant level, and to better equip the Foundation to expand the RBA approach to the entire organization. It would also help the Foundation aggregate information at a Foundation-wide level and communicate the results of its work and lessons learned to key audiences. Most importantly, they hoped the effort would more closely align the Foundation's work—and the work of its grantees and partners—around priority outcomes for children and families.

To launch the pilot initiative, the Foundation drew upon several pioneering schools of thought about results-based accountability in philanthropy and beyond. The Foundation began by working with the Rensselaerville Institute, an organization with well-developed expertise in results-based accountability. Foundation staff worked closely with staff from the Institute to develop Casey's initial ideas about how to infuse a results-based approach into the Foundation's work. The Foundation also found Mark Friedman's results accountability materials useful. Friedman took on a consulting role, presenting workshops to the Foundation and offering insight on the development of a results framework. The framework began to take shape as a merging of the Rensselaerville Institute and

Friedman schools of thought. Additional insight came from Peter Frumkin's work on strategic grant making.[5]

In developing this framework, the Foundation involved grantees in various ways. Initially, selected grantees attended day-long meetings at the Foundation's offices. Foundation staff traveled to grantees' sites to make presentations and discuss the evolving model. Working with grantees to develop more results-based letters of agreement also helped hone the process. As Foundation staff asked grantees to develop performance measures and provided assistance to them in doing so, we were able to refine Casey's RBA approach in response to this early grantee experience. Later, the education program conducted a pilot survey asking grantees for feedback about the entire Casey grant-making process. Grantee involvement helped make the results-based accountability system one that would work well in practice, not just in theory.

The Foundation Investment Summary

The Casey Foundation adapted these sources to develop its own unique approach to results-based accountability. At the core of the approach is the development of a Foundation Investment Summary, or FIS. The FIS is a narrative that describes an investment portfolio for a body of work. The FIS includes:

1. A *vision* statement defining the population to which the Foundation's work is directed and the result or condition of well-being that the Foundation hopes to improve for that group.

2. *Indicators and trendlines* summarizing the best available measures that provide information on progress toward achieving the vision, including a summary of the problem to which these data point.

3. The *story behind the trendlines,* including the key barriers that hinder progress toward the vision.

4. A *theory of change* about what works to overcome the key barriers that hinder progress toward the vision.

5. A description of the *Foundation's key strategies* for and contributions to turning the curve in a positive direction on the population result so that the vision can be achieved.

6. A list of what *results the Foundation expects* to achieve in terms of impact, influence, and leverage (see Figure 1) and the partners needed to achieve these results.

7. A *progress report* on the results achieved to date.

In the process of creating a Foundation Investment Summary, each program area must go through a careful process of thinking through with its grantees the core set of questions that defines a results-based approach to accountability: What problems are we trying to address? How do we think the problems can be solved? What kinds of Casey investments and partnerships contribute to that solution? And how will we know if we are successful?

FIGURE 1

DEFINING RESULTS AT CASEY

The Foundation defines results in terms of impact, influence, and leverage:

Impact: Improvements in the success and well-being of children, families, or communities directly served by the grants, programs, or services of the Casey Foundation.

Influence: Changes in policies, systems, practices, and/or opinions that support Casey's role in strategies that work.

Leverage: New or increased investment (public or private) in initiatives, programs, or areas in strategies that Casey believes will lead to results for children and families.

The Foundation's education program was one of the initial program areas selected for the RBA pilot. The rest of this publication summarizes the results of the pilot work in education, organized in the following sections:

Establishing a Value Context: The Foundation's vision, evidence about the problem, barriers to achieving the vision, theory of change, and core values.

Identifying Investment Strategies: The Foundation's role in the theory of change, investment areas and purposes, investment types, and grant-making tactics.

Measuring Results: The Foundation's approach to determining what difference its investments are making in terms of impact, influence, and leverage

Conclusions and Lessons Learned: The knowledge generated from the RBA pilot initiative should strengthen the Foundation's work and future efforts to improve its investment results.

One important topic that is *not* addressed in this document: the infrastructure within the Foundation required to administer the process. The RBA system described in these pages requires such mechanisms as reporting structures; data-gathering and analysis systems; capacity building for both grantees and Foundation staff on performance measurement; ways of rolling up results data from grantee to program area to Foundation-wide; a board-level system for using the performance measurement system; and other tools and processes. All this is critical but is not discussed in this report.

ESTABLISHING A VALUE CONTEXT

The education program's approach to RBA is rooted in a value context—a set of enduring ideas, beliefs, and principles that forms the basis for the Foundation's work in education. The key elements of this value context are a vision statement; detailed indicator and trend-line evidence about the problems it is addressing; an understanding of barriers to achieving the vision; a theory of change that defines what needs to be done in order to overcome those barriers; and a set of core values.

Vision of a Core Result

The Foundation's results-based accountability system for education begins with a vision:

One day—all young people in tough neighborhoods will achieve the aspiration their families have for them: to graduate prepared for adult success and well-being in the worlds of work, family, and citizenship.

One feature of this vision statement jumps out: it is a vision for a *population* (young people in distressed neighborhoods), not for a program, an agency, or even for the Foundation itself. The vision states a broad aim that the Foundation hopes will be achieved for all young people who live in disadvantaged neighborhoods, not just young people who experience direct impact from Casey-funded programs. Progress toward achieving the vision is measured by a set of *indicators* that informs us about how well this population of young people is being prepared for adult success and well-being.

The implications for the Foundation are twofold. First, achieving the vision requires partners—organizations that will take on specific responsibilities aimed at the same purpose, but distinct from Casey's own activities. Partners can include grantees, but also other organizations that bring their own resources into the mix. Partners can be local organizations, or national. They can be for-profit firms or nonprofit organizations, or they can be governmental agencies ranging from school districts and cities to state and federal agencies. They can be other funders who share Casey's aims and values. The challenges the Foundation is tackling are simply too large for the Foundation to accomplish alone.

Second, results-based accountability within that broad vision requires the Foundation to establish performance measures that help determine how well the Foundation, its grantees, and its partners are doing in their work. In contrast with the indicators of the target population's well-being, these performance measures track how well a grant, initiative, agency, organization, individual program, or unit/department is working. No doubt, these measures must be aligned with indicators of the broad vision for the population, but they are different.

Indicators of the Core Problems

After the vision comes the reality: There are achievement, persistence/graduation, and teacher quality gaps between young people from low-income families in distressed neighborhoods and their counterparts from other families and neighborhoods. This is a statement of the core problem—again at the population level—that the Foundation aims to address with this part of its grant making.

The Achievement Gap: The National Assessment of Educational Progress (NAEP, often known as "the nation's report card") documents a large and continuing achievement gap between the percentage of white students and students of color who score at the basic level or higher on the nation's report card (Figures 2-5).[6] The Foundation began tracking this indicator in 1999. Prior to that, in the early 1990s, gaps in high school reading scores were increasing for both African-American and Hispanic students. By 1994, improvements varied a great deal, showing African-American and Hispanic students gaining ground one year and losing ground the next.

Since 1999, the outlook has improved in some ways. While there are still significant gaps in achievement between white and non-white students, the past five years have seen an improvement in minority test scores and a narrowing of the gap in most subjects. The largest gains have been made in elementary school, where reading and math scores have improved for African-American and Hispanic students. In reading, the difference in scores has narrowed nine points for African Americans and seven points for Hispanics. In math, the difference in scores has decreased by five points for African-American students and nine points for Hispanic students. In high school, the gap between white students and African Americans has closed two points in reading and four points in math. For Hispanic students, however, the gap has increased five points in reading and two points in math.

Even with this progress the gaps remain large. Across all subjects, grades, and ethnic groups in Figures 2-5, the *smallest* gap is still 17 points.

For High School Students:

FIGURE 2
Trends in High School Reading Scores 1971-2004
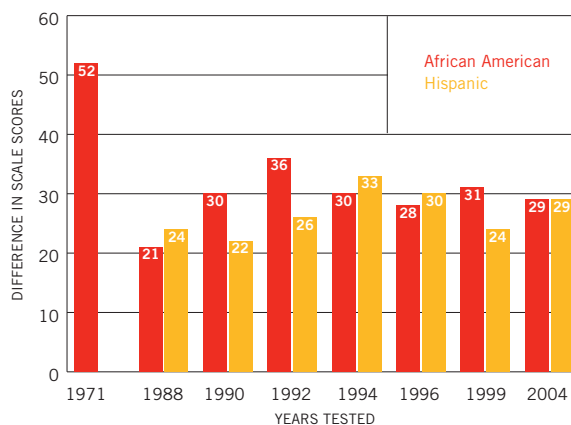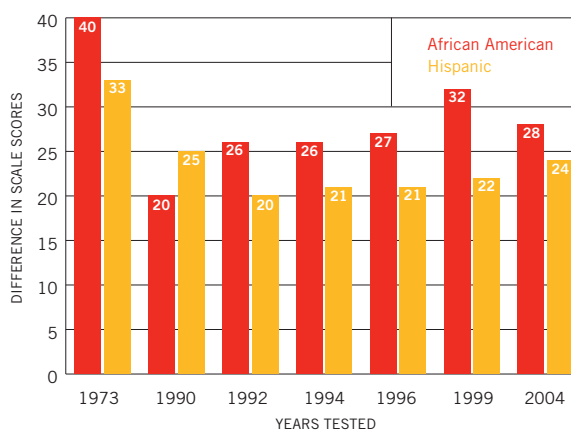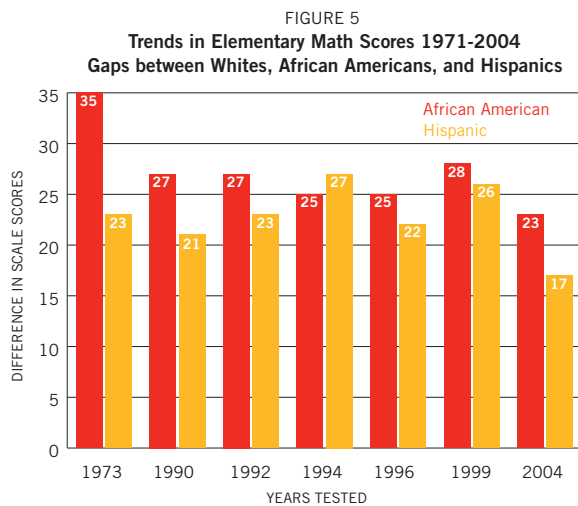**Gaps between Whites, African Americans, and Hispanics**

FIGURE 3
Trends in High School Math Scores 1973-2004
Gaps between Whites, African Americans, and Hispanics

For Elementary School Students:

FIGURE 4
Trends in Elementary Reading Scores 1971-2004
Gaps between Whites, African Americans, and Hispanics

African American
Hispanic

DIFFERENCE IN SCALE SCORES

Year	African American	Hispanic
1971	44	
1988	29	24
1990	35	28
1992	33	26
1994	33	32
1996	29	25
1999	35	28
2004	26	21

YEARS TESTED

FIGURE 5
Trends in Elementary Math Scores 1971-2004
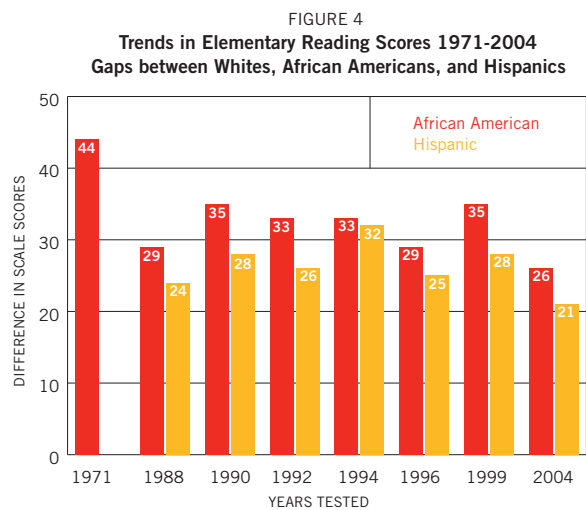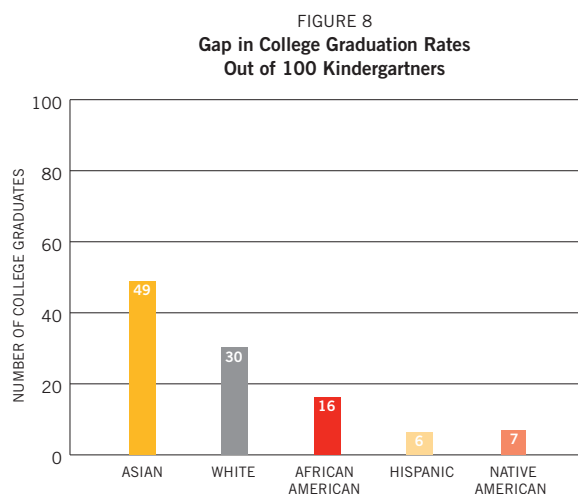**Gaps between Whites, African Americans, and Hispanics**

African American
Hispanic

DIFFERENCE IN SCALE SCORES

Year	African American	Hispanic
1973	35	23
1990	27	21
1992	27	23
1994	25	27
1996	25	22
1999	28	26
2004	23	17

YEARS TESTED

The Persistence/Graduation Gap: Data analyzed by the Education Trust show that high school and college graduation rates are much lower for poor and minority children than for other groups. Although attrition from school often begins much earlier, the result is significantly lower high school graduation rates among African-American, Hispanic, and Native American youth.[7]

FIGURE 7
Gap in College Attendance Rates
Out of 100 Kindergartners

NUMBER WHO ATTENDED SOME COLLEGE

*NATIVE AMERICAN DATA NOT AVAILABLE

ASIAN	WHITE	AFRICAN AMERICAN	HISPANIC	NATIVE AMERICAN
80	62	54	29	

FIGURE 6
Gap in High School Graduation Rates
Out of 100 Kindergartners

NUMBER OF HIGH SCHOOL GRADUATES

ASIAN	WHITE	AFRICAN AMERICAN	HISPANIC	NATIVE AMERICAN
94	91	87	62	58

FIGURE 8
Gap in College Graduation Rates
Out of 100 Kindergartners

NUMBER OF COLLEGE GRADUATES

ASIAN	WHITE	AFRICAN AMERICAN	HISPANIC	NATIVE AMERICAN
49	30	16	6	7

10

The Teacher Quality Gap: Poor and minority children have fewer well-qualified teachers than other children.[8] For example, Figure 9 shows that 44 percent of middle grade classes in core academic subjects nationwide are assigned to teachers who lack a college degree in the subject being taught. That number rises to 53 percent in high poverty schools and 49 percent in high minority schools. Figure 10 shows that in high school classes, nearly one-fourth (24 percent) of all courses in core academic subjects are taught by someone lacking an undergraduate or graduate major in the subject, with the proportion reaching 29 percent in high poverty schools and 28 percent in high minority schools. The percent of secondary school core academic classes taught by a teacher without at least a minor in the subject has grown from 1994 to 1999, with the situation for high poverty and high minority schools being the worst among the comparison groups.

Indicators Summary

Taken together, these indicators suggest that too many low-income students and their families are routinely shortchanged by the schools they attend. Many students in urban schools face low expectations for learning and have less-qualified teachers. They often lack basic supplies, including textbooks, and are frequently crowded into deteriorating buildings. There also are fewer financial resources in these schools, raising questions of equity in state and local funding. Many low-income families lack connections with the supports they need to assist their children and do not participate in the schools their children attend.

This confluence of problems produces a variety of poor results for students—and their families—in low-income neighborhoods, including lower academic achievement; limited economic opportunities and life chances for young people; frayed relationships between schools and the families and communities they serve; and missed opportunities to revitalize and strengthen both neighborhoods and families. Many schools today—especially those in disadvantaged neighborhoods—neither adequately support the aspirations of families and communities for their children, nor prepare these young people for success in the worlds of work, family, and citizenship.

FIGURE 9
Out of Field Teaching in Middle Grades

Y-axis: % OF CLASSES TAUGHT BY A TEACHER WITHOUT AT LEAST A MINOR IN THE SUBJECT

ALL SCHOOLS: 44
POVERTY — High: 53, Low: 38
MINORITY — High: 49, Low: 40
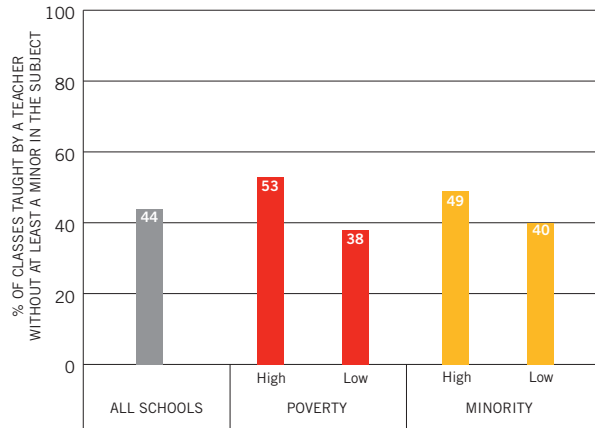
FIGURE 10
Out of Field Teaching in High School Grades

Y-axis: % OF CLASSES TAUGHT BY A TEACHER WITHOUT A MAJOR IN THE SUBJECT

ALL SCHOOLS: 24
POVERTY — High: 29, Low: 21
MINORITY — High: 28, Low: 21
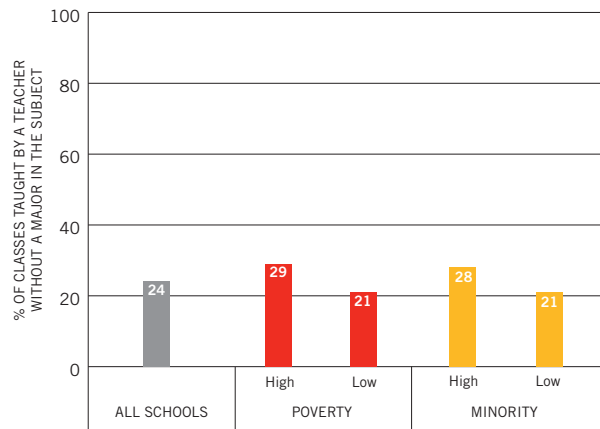
NOTE: High poverty and high minority schools are those where 50 percent or more of the student body qualify for the federal free and reduced price lunch program, with low poverty and low minority schools defined as having 15 percent or fewer students eligible for the free and reduced price lunch program.

Understanding the problem is important, but it does not provide the Foundation with much help in figuring out how it can invest its resources in ways that will meaningfully address those challenges. To move in that direction, the Foundation identified a set of key barriers that needed to be overcome in order to move ahead. The Foundation's understanding of these barriers continues to evolve, but its grant making is now guided by the following three statements:

● Young people are not ready for school, and families and young people in distressed neighborhoods have too few quality educational options that meet their needs. As a result, too many of these young people are often trapped in schools that have failed year after year to educate them for adult success and well-being.

● Families and young people in disadvantaged neighborhoods lack strong connections with schools and community supports and services. As a result, families and other community residents seldom come together to define the kind of schools they want; analyze why their local schools fail to provide such schooling; and work as partners to demand better outcomes and better futures for their children.

● Policymakers, civic leaders, and the public lack good information on effective policies and practices and possess insufficient political will to be effective advocates. As a result, there is not enough support for creating quality options for young people that foster robust connections between families and community supports and services that produce strong results so young people can graduate prepared for adult success.

In short, the purpose of the Foundation's K-12 grant making is to invest in a set of related activities that overcomes the key barriers hindering young people in distressed neighborhoods from flourishing as adults.

Theory of Change

The upshot of the preceding discussion is fairly straight-forward: The nation's K-12 education system is not performing well for young people in disadvantaged neighborhoods. What would need to happen for the performance of that system to improve dramatically? What, in short, are the *conditions* under which a system, like K-12 education, is likely to perform at high levels?

The Foundation's theory of change is a set of plausible ideas or hypotheses about what needs to happen in order to make the improvements in the indicators discussed earlier. A theory of change differs from a theory of action. An organization's theory of change is bigger than itself—it describes the forces and levers in a broad field of work, like K-12 education, that the organization believes will cause its desired impact. A theory of action, by contrast, is a set of ideas about the specific actions the organization itself can take to reach its hoped-for impact. This document returns to Casey's theory of action in a later section.

The Foundation's theory of change pictured in Figure 11 draws on the work of Paul Hill and his colleagues on reinventing public education and on that of David Osborne and his colleagues on reinventing government.[9] Begin with the outer ring of the diagram. High-performing systems, according to this theory of change, have three essential elements: incentives to perform, capacity to perform, and autonomy to perform.

Incentives to Perform: No system is likely to perform well unless the actors within it have compelling motives—incentives—to succeed at a fundamental goal. In general, there are two broad ways to create such incentives within a largely public sector activity like K-12 education. One is to establish an accountability system that sets high expectations for schools, measures their performance, and then applies consequences—rewards and sanctions—that occur after results are reported. On the positive side, rewards reinforce constructive, value-producing behaviors by awarding benefits. On the negative side, sanctions change and restructure inappropriate, value-destroying behaviors by imposing coercive measures. In the terms used by Osborne and other reinventors, this is the consequences strategy.

A second approach is to provide users of education with options, allowing them to place their children in the educational setting that suits them best. If funding

FIGURE 11

The Casey Foundation's Theory of K-12 Education Change
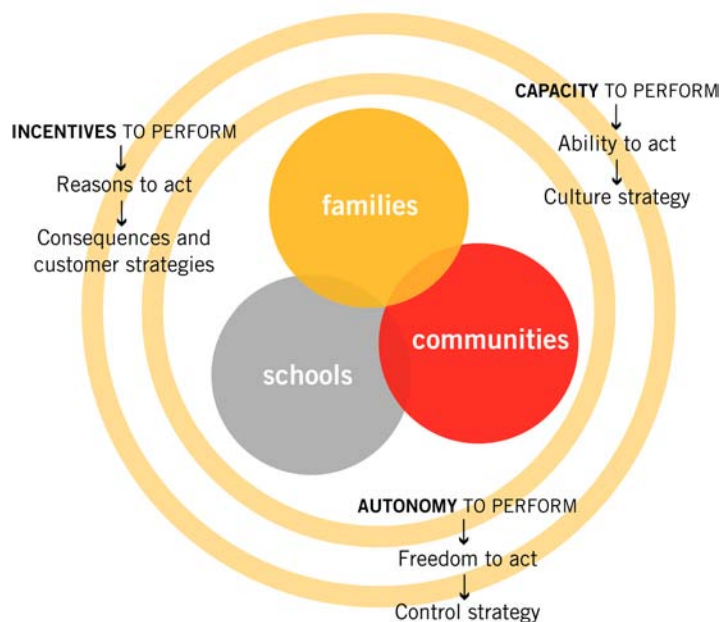
follows children to the schools their families choose, then schools have powerful incentives to be responsive and meet their needs. In Osborne's terms, this kind of managed competition is the customer strategy.

Capacity to Perform: Incentives only work if actors in the system have—or can obtain—the capabilities they need to respond to them with high performance. Capacity building develops the abilities of individuals, enterprises, and systems to act by enhancing or developing knowledge and skills and investing in ideas and activities. Capacity-building challenges include the three fundamental issues faced by leaders: how to envision and define public value—the mission challenge; how to build sustainable support—the legitimacy challenge; and how to organize to deliver public value—the operational challenge.[10]

In education, building capacity to perform could involve numerous strands of activity. One is ensuring that the best and brightest individuals bring their talents

to the educational system and, more specifically, to the education of young people in disadvantaged neighborhoods. Given the demonstrated importance of high-quality teaching, for example, one imperative is recruiting better teachers into the profession and overcoming the now-well-documented propensity of school districts to assign the most inexperienced teachers to schools with the highest concentrations of poor children.[11] Another is recruiting talented leaders to run schools and systems of schools that serve large numbers of children from distressed neighborhoods.

As important as individual teachers and leaders are, capacity to perform is also a function of the strength of *organizations* operating in the education sector. Whether they are traditional school districts, nonprofit networks of schools, organizations that support schools, or organizations that help families get the best education for their children, a strong web of effective organizations is an essential part of a high-performing educational system.

The reinventing government literature calls this kind of organizational capacity building developing an entrepreneurial culture strategy.[12] Its three primary activities are defining the results—the public value—to be achieved; adapting to changing circumstances to maintain support and legitimacy; and developing a viable operation within which value, support, and legitimacy can thrive. As the reinventing literature points out, without changes in the habits, hearts, and minds of employees—without changes in their mental model—little long-term change will occur and little public value will be added.

Autonomy to Perform: Autonomy creates the freedom to act. Increased freedom of action leads to opportunities for initiative and entrepreneurship, especially when it comes to using human and fiscal resources in new and innovative ways. In addition, freedom of action removes the excuses for failing. The reinventing government literature calls this approach the control or empowerment strategy.[13] It shifts the locus of management control away from the top of a hierarchy or center of an organization to managers, frontline employees, and community-based organizations. But this increased autonomy is always in exchange for greater accountability for performance.

In K-12 education, autonomy to perform has different manifestations. First, for example, existing schools need greater freedom to act. State and federal education codes and district policies notoriously constrain the work of schools, preventing educators from exercising their professional judgment to meet the needs of children. Second, the system as a whole needs space in which altogether new schools can form and thrive, what some advocates call an open sector.[14]

The logic of this theory of change about how interventions lead to results is as follows: If incentives are purposeful and ample to motivate individuals; if capacity is developed so that individuals are competent and have the ability to act; and if autonomy is decentralized and creates adequate freedom of action—then the necessary (though perhaps not sufficient) setting exists for individuals to act diligently and create performance value. This framework provides three strategic questions that leaders in organizations need to answer if the organization is to grow and sustain value: Are there sufficient incentives to motivate employees to perform? Are there robust enough abilities to perform? Is there adequate autonomy to perform?

All three elements of this outer ring are essential and work together. A strategy that employs incentives but gives no freedom of action puts organizations (and individuals) in a situation where they cannot reasonably be held accountable. A strategy that gives organizations (and individuals) freedom but does not invest in building capacity creates expectations for change while providing no means to meet those expectations. And a strategy that employs incentives and builds capacity but does not provide freedom of action forces organizations (and individuals) to either find ways around the rules or to rationalize inaction by blaming the constraints. The danger of focusing on only one or two elements of this triad is what Hill and his colleagues call the development of zones of wishful thinking—i.e., actions and events necessary to achieve a result but too often overlooked.[15]

The inner circle of the diagram is equally important. The incentives-capacity-autonomy framework is a generic one—it can be applied to develop a theory of change to make any system a high-performing one. The inner circle of the diagram captures the *Foundation's unique point of view,* which hinges on the importance of social capital in the lives of young people. The notion of social capital in education, developed by such thinkers as James Coleman, emphasizes the role played by families, communities, and other actors and institutions in creating an environment in which young people thrive.[16] Casey's social capital point of view places families and communities at the center in the following ways:

Families as a Source of Competence: It would be possible for a foundation to develop a strategy for improving K-12 education that focused entirely on schools; indeed, many foundations have exactly this sort of strategy. One aspect of Casey's approach that is different is its focus on families as a source of competence. The Foundation's theory of change for education,

then, holds that a high-performing education system is one in which families are valued and engaged in a variety of ways. Like educational systems themselves, families need incentives, autonomy, and capacity to be effective partners in their children's education. Incentives are the easy part for families, since most of them have high aspirations and are already motivated to seek out what is best for their children. Autonomy in this context may mean providing families with choices and options rather than requiring all of them to accept what is offered. And capacity may mean equipping families with the knowledge, skills, supports, and services they require to understand their children's needs and act on them effectively.

Communities as a Source of Competence: Equally important is Casey's commitment to work intensively in certain communities. A central part of the Casey point of view is that strong communities provide the supports and services families need in order to be strong themselves. Accordingly, the Foundation's theory of change for education focuses on strengthening communities so that they can provide these critical supports and services. This is the capacity leg of the tripod. Like families, communities also need incentives to act in ways that strengthen education. Most community members need little convincing about the importance of education. But they may need inspiration, especially in communities where there is a legacy of failed attempts to bring about better schools. And communities need freedom to act—e.g., to create new schools within their neighborhoods to meet unmet needs.

Core Values

These two sets of ideas—the outer-ring's theory of high-performing systems and the inner-circle's focus on the Foundation's special emphasis on families and communities—generate a set of core values that guides the Foundation's work in education:

Strong Results: *Unwavering focus on achieving great results for families and young people.* All children—including those "at risk" or from disadvantaged backgrounds—can learn to high standards that prepare them to graduate from school prepared for adult success and well-being in the worlds of work, family, and citizenship. Schools, individuals in schools, school systems, and others must be held accountable for the academic success of all students, especially those students who have traditionally had the least success. Schools—particularly the least successful—and educators should have the resources, organizational flexibility, and other supports needed to use promising and proven practices to achieve results for young people.

Quality Options: *Creating effective educational options for families and young people.* Families have high aspirations for their children's well-being and success. They must be empowered to engage appropriately in their children's learning, including being able to choose their children's schools. Schools and school systems are social enterprises that need forms of organization that mix freedom of action for families, educators, and school operators with regulated markets and some government oversight.

Robust Connections: *Ensuring that families have lasting partnerships with schools and community supports.* Since social capital is such an important underpinning of child and family success, families must have strong connections to schools, community institutions, and each other that provide them with the services and supports they need.

As the Casey education program considers and makes investments, these core values guide its thinking about what investments make sense and how to prioritize among competing demands. Each core value suggests a set of potential grant-making activities. Each of them also suggests implications for a key set of public policy issues to which the Foundation should attend (see Figure 12).

FIGURE 12

CORE RESULT AND VALUES RELATED TO
POLICY ISSUES

Key Themes	Policy Issues
Core Result: Young people fulfilling family aspirations by graduating prepared for adult success and well-being in the worlds of work, family, and citizenship	The achievement gap The persistence/ graduation gap The teacher quality gap Civic capacity and political will
Core Value: Strong Results	Standards and assessment Holding schools and systems accountable Reliable information and timely, data-driven decision-making
Core Value: Quality Educational Options	Legislative framework Social markets: accountability to government Sufficient resources
Core Value: Robust Connections	Support and services that strengthen family partnerships and involvement in schools

IDENTIFYING INVESTMENT STRATEGIES

The value context sets the stage for strategic thinking about the Foundation's work. It provides a vision for the future, a diagnosis of problems and barriers, a theory about what needs to be different in order for the vision to be achieved, and the core values that motivate and guide the Foundation's work. The next step is thinking through what all of this means for the Foundation. What is the Foundation's theory of action—its ideas about what kinds of grant making will make a significant and valuable contribution to achieving the vision?

Investment Opportunities

At the broadest level, the Foundation's understanding of the problems facing young people in disadvantaged neighborhoods and the barriers to addressing them yields a set of investment opportunities—general ideas about how the Foundation can play a role in overcoming barriers. The investment opportunities table (Figure 13) shows how the Foundation has come to think about the opportunities related to each key barrier, as well as roles that Casey's program support can play to address the barriers.

Investment Areas

Within these broad opportunities, the Foundation has identified three investment areas that form the focus of its grant making:

● *Schools—Demonstrate and Replicate:* Increase quality educational options and improve outcomes for young people by demonstrating and replicating how creating new schools or improving existing schools strengthen and connect families to schools and community institutions.

● *Networks—Scale-up and Sustain:* Increase quality educational options and improve outcomes for young people by scaling up and sustaining networks of schools, systems of schools, and other system-level efforts that strengthen and connect families to schools and community institutions.

FIGURE 13

ADDRESSING KEY BARRIERS: INVESTMENT OPPORTUNITIES FOR THE CASEY FOUNDATION

Casey Viewpoint *Key Barriers to Core Result*	Casey Viewpoint *Key Opportunities*	Casey Role *Program Investments*
Young people in distressed neighborhoods are not ready for school and when they enter school their families have few quality educational options that meet their needs and produce strong results so that they graduate prepared for adult success.	Initiatives that prepare young people for school and that do choice right so as to create new educational options in public education	Start-up and planning support Technical assistance support to service providers Capacity-building support to community organizations
Families and young people in distressed neighborhoods lack strong connections with schools and community supports and services that affiliate them with social networks that nurture them as they prepare for adulthood.	Initiatives that create strategic alliances and partnerships of support and services between families, schools, and community institutions	Network development support to service and school providers Documentation of lessons learned Policy and data analysis support
Policymakers, civic leaders, and the public lack good information on effective policies and practices and possess insufficient political will to be effective advocates for creating quality options and robust connections to schools and community institutions that produce strong results so young people can graduate prepared for adult success.	Initiatives that provide useful and timely information on effective policies and practices that influence and build public will and civic capacity to improve outcomes for young people and families in disadvantaged neighborhoods	Research and evaluation support Advocacy support Public will building support

● *Organizations—Disseminate and Influence:* Develop knowledge and share information on lessons learned, thereby influencing others on what effective policies and practices create quality options for young people and strong connections, alliances, and partnerships between families, schools, and community institutions.

These three investment areas fit together into a framework for categorizing the Foundation's education investments. The first begins with *schools,* the places where formal education happens for young people. Investments that improve the ones we have or create new ones are the most direct way to improve outcomes for young people in tough neighborhoods. But even here, the aim is beyond the individual school. The

Foundation seeks to invest in schools in order to demonstrate what works, and to replicate what works in multiple settings. Casey is open to numerous mechanisms for creating and replicating schools, including charter schools, schools that contract with local districts, small schools forged from breakups of larger schools, or other kinds of community schools launched at the impetus of communities. The Foundation will invest in whatever organizational or structural arrangements that lead to the goal of creating quality schools for young people and families.

To realize the promise of demonstrating and replicating requires strong *networks*—the next investment area. Networks enable what works in one school or place to scale-up and then sustain over time. Networks can take many forms, but they all involve collections of schools or school-related organizations linked together in some way to enhance their impact. A network of schools, for example, could be a set of schools using the same school design in different communities, perhaps managed by an umbrella group like a charter management organization. Or it could be a group of schools chartered by a particular charter authorizer and then held accountable for the results they achieve. Or it could be a collection of schools with a similar curriculum or learning design.

Expanding the horizon yet further is the third investment area—*organizations.* Disseminating lessons learned and influencing policy and practice beyond the Foundation's direct grantees are the aims of this investment area. Organizations in this category might be called intermediaries because of the roles they play in the middle of some value chain: recruiting great teachers or leaders, for example, and then connecting them with schools in distressed neighborhoods. Or gleaning information from research and practice and translating it into concrete help for policymakers and practitioners.

Examples of the three investment areas appear in Figure 14. The list of the Foundation's 2004 grants in Appendix A at the end of this publication provides a more extensive inventory.

FIGURE 14

EXAMPLES OF GRANTEES IN THE THREE INVESTMENT AREAS

(See Appendix A for a complete list.)

Schools: *Demonstrate and Replicate*

Indianapolis: Washington Community School
SENSE Charter School

White Center: Central Heights Elementary School

Denver: Manual School Feeder Pattern; KIPP Cole College Prep Charter School

Networks: *Scale-up and Sustain*

DC: Voucher Program

Indianapolis/GIPC: Mayor's Chartering Program

Atlanta: Project GRAD

Oakland: Bay Area Coalition of Equitable Schools: Creating New Schools in Lower San Antonio

Organizations: *Disseminate and Influence*

Black Alliance for Educational Options

National Council of La Raza

National Urban League

Progressive Policy Institute

National Charter School Research Center

Teach for America

Programmatic and Grant-Making Tactics

Peter Frumkin has developed ways of categorizing the tactics foundations use to carry out their strategies.[17] One kind of tactic is programmatic—the programs that a foundation supports with its grants. Casey has identified the following investment types that represent the programmatic tactics it uses:

- Start-up and planning support

- Technical assistance support to service providers

- Capacity-building support for community organizations

- Network development support to service and school providers

- Documentation of lessons learned

- Policy and data analysis support

- Research and evaluation support

- Advocacy support

- Public will building support

Another way of thinking about tactics relates to grant making. Does the foundation focus on a certain geographic area or aim more broadly? Does it provide general operating support or just fund projects? Does it work solely through grants or does it use program-related investments (PRIs)? A PRI is a different mechanism by which a foundation can seek to achieve its purposes. Instead of granting money, a foundation using a PRI invests a portion of its corpus in some activity. That investment could be a loan that is paid back over time; it could be an equity investment in an enterprise; or it could be a guarantee or some other form of security offered.

The Foundation's education grant-making tactics are diverse, customized to meet the needs it encounters. While it clearly has certain geographical areas of focus, it also makes investments in organizations with national reach and scope. It provides operating support in some cases, project support in others. The Foundation primarily makes grants, but it has a growing portfolio of program-related investments, including two in the

education area. Casey's approach to grant making, then, is guided much more by programmatic considerations—the kinds of programs that it aims to support—than by restrictive ideas about the kinds of support it wants to provide. See Appendix B for a list of 2004 investments categorized by investment type of program support.

MEASURING RESULTS

In light of its value context and investment strategies, how has the Foundation's education program come to think about measuring the results of its work? In developing its results-measurement approach, Casey draws heavily on Mark Friedman's work.[18] At the core of Friedman's model is the matrix shown in Figure 15.

The matrix includes four questions that an organization can ask in measuring its performance. In the left column are two questions about how much (quantity) the organization produced. One, in the top row, concerns inputs: how much service did we deliver? The other quantity concerns outputs: how much did we produce? Moving to the right column, the questions shift from how much to how well (quality). Again, the first row measures inputs: how well did we deliver service? The bottom row focuses on outputs: how good were our products?

As Friedman notes, the four quadrants are not equally important. The most important is the lower right—what the organization produces (effectiveness). The least important is the upper left—the quantity of inputs. When choosing performance measures, Friedman advises, organizations ought to focus their selections accordingly.

In addition, Friedman recommends that organizations select measures that have power, by which he means:

- *Communication power:* does the measure communicate with internal and external constituencies about how the Foundation is doing?

- *Proxy power:* does the measure match the direction of other important measures?

- *Data power:* do we have quality data that allow us to see progress on a regular basis?
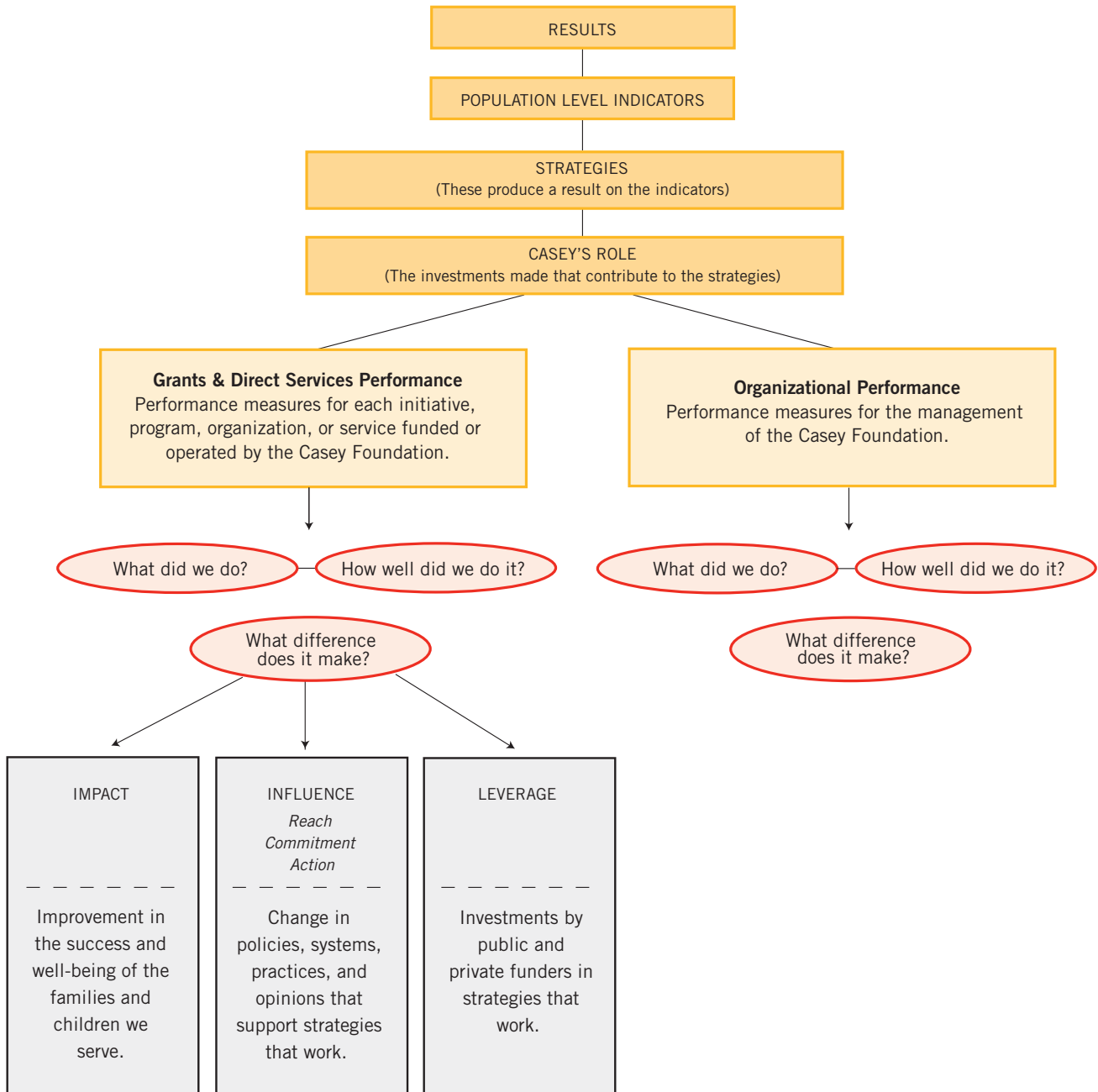
The Casey Approach

Based on this model, the Foundation developed an approach for measuring the performance of its grantees and, when grantee information is collected and analyzed, the individual programs as a whole. But as Figure 16 shows, there are two distinct kinds of performance being measured: (1) the performance of grants and direct services provided, and (2) the organizational performance of the Foundation itself. For both kinds of performance, though, the questions posed by the model are the same.

FIGURE 15

Friedman's Performance Measurement Matrix

FOUR TYPES OF PERFORMANCE MEASURES (with examples)		
QUANTITY **WHAT WE DO**	*effect*	QUALITY **HOW WELL WE DO IT**
# Customers served # of children served by school/district/other organization	*effort*	% Customers served well % of families served by school/district/other organization
# Activities # of workshops presented		% Activities performed well % of people trained
IS ANYONE BETTER OFF?		
# WITH IMPROVEMENT IN:		**% WITH IMPROVEMENT IN:**
SKILLS # of students meeting targets for annual progress		**SKILLS** % of students meeting targets for annual progress
ATTITUDE # of families satisfied with their schools	*effect*	**ATTITUDE** % of families satisfied with their schools
BEHAVIOR # of students pursuing post-secondary education		**BEHAVIOR** % of students pursuing post-secondary education
CIRCUMSTANCE # of new schools approved/opened		**CIRCUMSTANCE** % of new schools approved/opened
MOST IMPORTANT		

FIGURE 16

The Casey Foundation's Results Model

RESULTS

POPULATION LEVEL INDICATORS

STRATEGIES
(These produce a result on the indicators)

CASEY'S ROLE
(The investments made that contribute to the strategies)

Grants & Direct Services Performance
Performance measures for each initiative, program, organization, or service funded or operated by the Casey Foundation.

Organizational Performance
Performance measures for the management of the Casey Foundation.

What did we do? How well did we do it?

What did we do? How well did we do it?

What difference does it make?

What difference does it make?

IMPACT	INFLUENCE	LEVERAGE
	Reach	
	Commitment	
	Action	
— — — — —	— — — — —	— — — — —
Improvement in the success and well-being of the families and children we serve.	Change in policies, systems, practices, and opinions that support strategies that work.	Investments by public and private funders in strategies that work.

The first question—what did we do?—combines both of Friedman's *quantity* quadrants in one. This question asks grantees to indicate the number of individuals and organizations they are serving, organized by audiences (e.g., families, students, educators, policymakers, funders, etc.). It also asks them to specify the number and types of products they have developed and disseminated and/or the types of services provided, again organized by audience.

The second question—how well did we do it?—matches Friedman's upper-right quadrant, focusing on the *quality* of the grantee's work. For example, what percent of the target audience evaluate the organization's work favorably on dimensions of quality such as usefulness, timeliness, accessibility, accuracy, responsiveness, effectiveness, respectfulness, and the like?

The third question—what difference does it make?—goes to Friedman's lower-right quadrant, the most important of the four in that it focused on *effectiveness.* Here is where the framework gets to results. As noted above, Casey defines results in the three categories indicated across the bottom of the diagram:

- *What **impact** are you having?* Number/percent of target audience(s) that show improvement in knowledge, skill, attitude, behavior, circumstance.

- *What **influence** are you having?* Number/percent of target audience(s) influenced by products and services advocating recommended policies, adopting effective practices, changing beliefs, etc.

- *What **leverage** are you having?* Percentage of Casey funding/non-Casey funding of total grant or project operating costs; amount of other resources devoted to work that supports the Foundation's point of view.

Figure 17 shows examples of performance measures within these different questions that have been developed for the Foundation's education investments.

One important distinction related to performance measures is the difference between lay and technical definitions of those measures. Lay definitions are useful because they can be easily grasped by a wide audience. For example, increased graduation rates could be a lay definition of a performance measure for a program designed to keep young people in school. But to make this a useful measure for accountability purposes, the Foundation and the grantee may need to agree upon a more technical definition, such as "change in the estimated proportion of students enrolled in the fall of 9th grade who graduate four years later."

Putting the Approach into Practice

When Casey makes a grant to an organization, it enters into a grant agreement with the grantee that includes a scope of work and performance measures organized within this framework. This grant agreement is legally binding and governs the relationship between the Foundation and its grantees.

When the grantee reports back to the Foundation (usually twice per year), these performance measures become central organizing categories for their reports. They report to the Foundation, in essence, by explaining what they have done, how well they have done it, and what difference it has made in terms of impact, influence, and leverage. Not every grant will address impact, influence, and leverage, but grantees should account for those measures that do apply to their grant. While grantees may report other accomplishments, products, anecdotes about individuals who benefit from their services, and the like, the performance framework is the guiding system for reporting. Figures 18-23 show six examples of what this looks like in practice, each representing different grant-making approaches.

FIGURE 18

RESULTS EXAMPLE

The Mayor's Chartering Effort in Indianapolis, which falls into the "scale-up and sustain" area, is an example of the Foundation playing a catalytic role—stimulating an activity that then yields a great deal of other activity in the city. Since 2004, the Foundation has invested nearly $570,000 in this initiative. Moreover, in 2005, Casey and the Local Initiatives Support Corporation (LISC) have made a combined $2 million contribution to back charter school facilities financing through the Indianapolis Bond Bank, which will leverage up to $20 million from J.P. Morgan Bank in affordable loans.

Scope of Work	Develop and disseminate widely third annual Accountability Report
	Further enhance the value-added achievement analysis of charter schools
	Complete protocols for school self-study in third year and develop site visit protocols for fourth-year schools
	Refine expert site visit, survey, and accountability planning processes
	Finalize handbooks for all application review and accountability systems

Performance Measures and Anticipated Accomplishments	*What are you doing?* Number of schools created and students served; percentage of disadvantaged students; number and types of tools produced for holding schools accountable
	How well are you doing? Satisfaction of parents, teachers, and students; evaluations of accountability tools
	What impact are you having? Impact of charter schools on academic success, using value-added measures
	What influence are you having? Degree of dissemination of information about charter school performance to the public and schools, and dissemination of tools to a national audience
	What leverage are you having? Number and types of community organizations engaged in starting/operating charter schools; amount of public/private funds flowing to schools; amount of financing provided through facilities fund; amount of additional funds received by Mayor's Office and affiliates in support of the initiative

Results to Date *Impact*	15 new schools chartered since 2000; 10 open in 2004-05
	1,967 students have new school options in 2004-05, vast majority are from low-income families in disadvantaged neighborhoods
	In 2003-04, students gained ground versus peers nationally in 77% of elementary-middle subjects and grades
	88% of parents satisfied with charter schools in 2003-04
Influence	Numerous key Indianapolis community organizations and leaders have become more deeply involved in public education by starting and supporting charter schools
	Leading national school models are operating Indianapolis charter schools, including KIPP, Big Picture Company, Outward Bound, and Lighthouse Academies
	Increasing interest nationally in mayoral role in public education, including Progressive Policy Institute and National League of Cities meetings in Indianapolis in 2004
Leverage	$16 million in public funds automatically flowing to charter schools in 2005-06
	$11.3 million from Bill & Melinda Gates Foundation to create new high schools and break up large high schools
	$1.6 million from Fairbanks Foundation to stimulate supply of new schools
	$3 million + in federal charter school start-up funds to Indianapolis charter schools
	$20 million in private capital loan funds now available to charter schools, backed by $1 million Casey PRI loan guarantee
	Extensive private philanthropy supporting individual charter schools

FIGURE 19

RESULTS EXAMPLE

Project GRAD Atlanta, which falls into the "scale-up and sustain" investment area, is an example of a wider effort to which Casey has made a contribution. Since 2002, the Foundation has invested $950,000 in this initiative with over 60 additional local and national foundations participating in this funding consortium, raising over $20 million.

Scope of Work	Continue expansion of the Project GRAD program in the Atlanta Public Schools
	Hire two college support coordinators to enhance work with Project GRAD high school seniors and past graduates
	Support enhancements to the mentoring program along with visits to college campuses and the Scholars Recognition Dinner
Performance Measures and Anticipated Accomplishments	*What are you doing?* Number of high school students visiting colleges and colleges visited; number of mentors and students mentored; number of past graduates contacted and tracked, organized by appropriate categories
	How well are you doing? Percent of target audiences evaluating Project GRAD activities and services on different dimensions of quality (e.g., usefulness, cultural appropriateness, effectiveness, etc.)
	What impact are you having? Number/percent of high school graduates and post-secondary entrants; number and percent of target audience(s) (e.g., families, students, educators, etc.) that show improvement in knowledge, skill, attitude, behavior, circumstance, etc.
	What influence are you having? Number/percent of target audience(s) influenced by products and services, including evidence of how they have been influenced (e.g., changes in policy, beliefs, practices, etc.)
	What leverage are you having? Percentage of Casey funding/non-Casey funding of total grant or project operating costs
Results to Date *Impact*	16,000 + students and 1,300 + teachers in 31 Atlanta Public Schools
	274 students graduate from Booker T. Washington in 2004—largest graduating class in the past 15 years; 121 students enroll in post-secondary education fall 2004
	18 seniors in the SAT 1000 + Club
	153 graduates receive Brumley Scholarships of $4,000
	117 receive Hope Scholarships
	$6 million + in scholarship aid
	Double passing rates from 2000 to 2003 on Georgia state tests
	4th grade reading scores in cluster schools up by an average of 35 percentage points from 2000 to 2003 on state tests
	6th grade reading scores in cluster schools up by an average of 20 percentage points from 2000 to 2003 on state tests
Influence	Project GRAD expanded to Carver and South Atlanta cluster of 18 schools
	Project GRAD now being implemented in 12 districts across the United States
Leverage	60 + national and local foundations are part of Project GRAD funding consortium, raising over $20 million
	Atlanta Public School System integrating Project GRAD costs into its operational budget

FIGURE 20

RESULTS EXAMPLE
Center for Policy Studies, which falls into the "disseminate and influence" area. Since Minnesota has shown historic leadership on bringing more options for families, the Foundation's investment in Minnesota has the potential to influence what happens nationally. Since 1999, the Foundation has invested nearly $1 million in two projects of the Center: the current Education Evolving (since 2003) and the former Charter Friends National Network, now the National Alliance for Public Charter Schools (from 1999 to 2003).

Scope of Work	Provide capacity-building assistance and support advocacy efforts that influence improved practices for creating an open sector of new schools, especially in Foundation sites
	Plan and conduct national meetings on public education's growing open sector of new schools, and producing publications on the subject
	Produce policy briefs, analysis, and documentation of lessons and provide models and technical assistance that influence the national discussion on creating new schools
	Support advocacy and information campaigns to influence public policies that create supportive environments for new schooling options, especially in Foundation sites
Performance Measures and Anticipated Accomplishments	*What are you doing?* Number of individuals, organizations, states, districts served and/or reached through Casey-supported open sector products, activities, and/or services, organized by audiences; number of Casey-supported open sector products developed and disseminated and/or types of services provided, organized by audiences
	How well are you doing? Percent of customers/target audiences evaluating Casey-supported open sector products, activities, and/or services on different dimensions of quality
	What influence are you having? Number/percent of Casey-supported customers/target audiences that show improvement in knowledge and opinions about the open sector; number/percent of individuals and/or target audiences influenced
	What leverage are you having? Percent of Casey/non-Casey funding of total grant or project operating dollars
Results to Date Influence	11 publications, 3 mass e-communications to 1,500 + policymakers and practitioners
	15 presentations by project leaders reach 2,000 + policymakers and practitioners
	100 + policymakers and practitioners attend four open sector meetings (two national, two in MN)
	80 + teachers, teacher organizations, and districts get help creating teacher professional practice schools
	Partnership with Harvard Business School's Clay Christensen results in his: – Lead participation in two national forums for 30 top education leaders – Commitment to co-author reports applying his research on innovation to education – Appearance at major national venues such as ECS National Forum in July 2005
	Minnesota policy influence: – Number, range, and quality of charter school sponsors expand in Minnesota – Quality Teaching Coalition launched to create interdisciplinary teaching license – Broad coalition of charter/new school supporters assisted in framing initiatives on facilities, transport, special education, extra-curriculars, and other issues
Leverage	Three funders commit nearly $400,000 to the open sector initiative for 2005
	Minnesota Department of Education commits $175,000 to charter sponsorship

FIGURE 21

RESULTS EXAMPLE

The DC Public Charter School Cooperative is a "demonstration" investment designed to help charter schools deliver services for children with disabilities in a new way. Since 2000, the Foundation has invested $525,000. It is also an example of a project with great leverage: the cooperative has been able to arrange Medicaid reimbursement for the schools, a feat no one school would likely have accomplished alone.

Scope of Work	Provide technical assistance, professional development, and direct service programs to member charter schools, their students, and families in Washington, DC
	Implement year two of the Parent Involvement Initiative and the Student Voice Project
	Assist charter schools in the application process that leads to eligibility for Medicaid reimbursement
	Implement next phase of the information management and billing system that gathers data for schools involved in Medicaid reimbursement program
	Continue to develop relationships with the Office of Special Education in DC district schools, especially as this relates to cooperative training for both charter and district special education issues
	Document the work of the Cooperative and disseminate lessons learned, thereby expanding its influence as a successful model of how to deliver special education services to charter school students and families
Performance Measures and Anticipated Accomplishments	*What are you doing?* Number of students, teachers, and families participating in activities, organized by type of activity; number and types of products developed and disseminated and/or types of services provided (e.g., training, technical assistance, etc.), organized by audiences (e.g., families, students, educators, policymakers, community organizations, funders, etc.)
	How well are you doing? Percent of target audience(s) evaluating products, activities, and/or services on different dimensions of quality (e.g., usefulness, cultural appropriateness, effectiveness, etc.)
	What impact are you having? Number/percent of target audience(s) (e.g., families, students, educators, policymakers, etc.) that show improvement in knowledge, skill, attitude, behavior, circumstance, etc.
	What influence are you having? Number/percent of target audiences influenced by Foundation-supported products and services, including evidence of how they have been influenced (e.g., changes in policy, beliefs, practices, etc.)
	What leverage are you having? Percentage of Casey funding/non-Casey funding of total grant or project operating costs
Results to Date *Impact*	300 + general education teachers in charter schools trained to better serve students with special needs
	20 + special educators in charter schools receive support and technical assistance
	21 students in three charter schools participate in best practice projects
Influence	Cooperative merges with the newly formed DC Public Charter School Association, increasing number of charter schools served from 17 to 42
	42 charter schools have an advocate representing them on the DC State Education Office Special Education Task Force
	Cooperative model replicated in at least six other jurisdictions
	Cooperative model presented at National State Directors of Special Education Summit
Leverage	$25,000 to develop and replicate a mentoring program for students with disabilities
	Cooperative represents all DC charter schools in the development of the state improvement grant; receives $150,000 over five years
	Eight schools receive Medicaid numbers giving them access to tens of thousands of dollars in Medicaid reimbursements

FIGURE 22

RESULTS EXAMPLE

The Washington Scholarship Fund, is a "scale-up" investment in support of the District of Columbia's Opportunity Scholarship Program, a publicly funded voucher program that is part of a "three-sector" school improvement approach that involves increased financial support for district, charter, and private schools. It is helping to determine on the ground how to create quality options for families at scale—i.e., how to do choice right. Moreover, as part of a three-sector initiative, it holds promise as a method of maximizing family options in other cities. The Foundation has invested $450,000 since 2004.

Scope of Work

Create a scholarship program team to manage outreach to families, students, and schools in the program

Provide information, advice, support, and assistance to families applying to the program, using a variety of methods and approaches including information and application sessions and school fairs

Work with DC Public Schools to inform families of their school choice options under the program

Conduct a media outreach and information campaign for the program

Expand the role of the program website

Oversee counseling and other support services to participating students and families, creating the partnerships needed to provide these services

Performance Measures and Anticipated Accomplishments

What are you doing? Number of individuals served through the program, including number and types of schools in the program

How well are you doing? Percent of customers/target audiences evaluating Casey-supported open sector products, activities, and/or services on different dimensions of quality, including usefulness, cultural appropriateness, effectiveness, etc.

What impact are you having? Number/percent of Casey-supported customers/target audiences (e.g., families, students, educators, policymakers, etc.) that show improvement in knowledge and opinions about the open sector

What influence are you having? Number/percent of individuals and/or target audiences influenced by open sector products and services, including evidence of how they have been influenced (e.g., changes in policy, beliefs, practices, etc.)

What leverage are you having? Percent of Casey/non-Casey funding of total grant or project operating dollars

Results to Date
Impact

1,000 + students enrolled in 53 schools for 2004-2005, with average household income less than $19,000

2,800 + applications accepted for 2005-2006, nearly 1,000 from schools "in need of improvement"

66 participating schools in 2005: 17 independent schools, 22 Catholic schools, 13 other faith based, 14 non affiliated; up from 53 schools in 2004

Influence

How others do choice right: partnerships with DC State Education Office, DC Public Charter School Association, DC Public Schools, Greater Washington Urban League to publicize the program and raise awareness of new K-12 options for low-income families

Advocacy: created Parent Empowerment Group, support and advocacy group for families of scholarship recipients

Recruitment: 60 + neighborhood meetings and two citywide meetings; thousands of flyers; two mailings to DCPS students (77,000 + pieces); two mailings to charter school students (33,000 + pieces); mailing to all TANF recipients; radio ad campaigns (400,000 + listeners); movie screen ads (3,000 times at theaters)

Family Support: new staff hires; developed parent resource groups; monitoring students having difficult transition; special targeted support for 51 8th graders who will graduate; hotline for any questions

School Support: daily, individualized outreach to DC non-public schools on many issues, including ensuring payments are made on time and fee processes work smoothly

Leverage

$12.1 million from US Department of Education for scholarships and $375,000 for operations and family support

$900,000 from Walton Family Foundation

$10,000 from Alliance for School Choice

FIGURE 23

RESULTS EXAMPLE

Foundations Inc./Philadelphia Charter Schools, which falls into the "scale-up" category, is an investment that supports many different types of technical assistance to Philadelphia's public charter schools and to the Neighborhood Schools Network of the School District of Philadelphia. Since 1998, the Foundation has invested $2.625 million in this work.

Scope of Work	Provide technical assistance, business, and finance services to charter schools
	Further develop accountability and planning tools for charter schools
	Increase supports for students, parents, and communities in charter and other schools
	Continue to expand Foundations' geographic reach for services and tools

Performance Measures and Anticipated Accomplishments	*What are you doing?* Number of charter and other school planning grant applications written and approved by Pennsylvania Department of Education; number of charter applications written and approved by charter authorizers
	How well are you doing? Percent of target audience(s) evaluating activities and services on different dimensions of quality
	What impact are you having? Number/percent of target audience(s) that show improvement in knowledge, skill, attitude, behavior, circumstance, etc. (e.g., percent increase from 2004 of high school seniors graduating from schools managed by Foundations)
	What influence are you having? Number/percent of target audience(s) influenced by products and services, including evidence of how they have been influenced
	What leverage are you having? Percentage of Casey funding/non-Casey funding of total grant or project operating costs

Results to Date *Impact*	*Philadelphia Charter Schools*
	33 new charter schools, 15,000 + students, 1,300 + teachers
	Manage $45 million combined budget of 13 schools
	School District of Philadelphia "Neighborhood School Network"
	4,400 + students, 400 + teachers and staff
	Four of the seven schools reached annual yearly progress (AYP) in 2004
	Significant increase from 2002–2005, in the aggregate, of students scoring above the national average in all grades tested and in all areas on the TerraNova
	Steady decrease from 2002–2005, in the aggregate, of the percent of students scoring in the bottom quartile on all areas tested on the TerraNova
	8% increase in daily student attendance at M.L. King High School (2004–2005)
	Significant decrease in serious incidents/student arrests at M.L. King High School
Influence	42 planning grants awarded to Philadelphia charter school founders in seven years
	29 charter applications approved over the past eight years
	500 + teachers and administrators enrolled in Foundations' programs over four years
	Innovative hybrid management model for M.L. King High School with Philadelphia Federation of Teachers and School District of Philadelphia
Leverage	Leadership and teacher coaching to 20 underperforming high schools under the Pennsylvania High School Coaching Initiative, funded by the Annenberg Foundation
	Assist in the start up of state charter school research centers and state charter school associations in three states through public and private funding
	Start-up and ongoing technical assistance to more than 50 charter schools nationally

There are challenges associated with measuring impact, influence, and leverage. Impact is often hard to discern, especially when a program or service is one of many factors that affect a result. In these cases, which are typical, it is perhaps best to think about the contribution a program or activity made to the overall impact observed, since the overall impact cannot be attributed to any one agent. Leverage, too, can be complicated to measure. It is relatively easy to total up other public and private dollars flowing to a given activity, but how much of that was truly leveraged by the Foundation's investment? In other words, how much of that additional money would not have flowed in without Casey's investment? These questions are difficult to answer with precision.

Of the three results categories, influence is arguably the most difficult to measure. Casey has developed several tools to make this easier. One is a way of breaking down the idea of influence into three levels or components:

- *Reach:* How many people did we contact?

- *Commitment:* Are people convinced and dedicated?

- *Action:* Did people do something positive as a result of our activities?

Another is a toolkit developed by Organizational Research Associates for the Foundation on measuring influence and leverage.[19] One central part of the handbook is a typology of influence-related outcome areas, including:

– Changes in visibility of issue
– Changes in community norms
– Changes in partnerships
– Changes in public will
– Changes in political will
– Changes in policies
– Changes in regulations
– Changes in service practice(s)
– Changes in business practices

Each of these outcome areas could include specific metrics that grantees could use to measure the influence they are having. For example, changes in visibility of an issue could be measured by the number, placement, and length of articles about the issue appearing during some time frame. Changes in public will could be measured by changes in voters' responses to a set of relevant questions on an annual telephone survey.

Value of the Results-Based Accountability Framework

How is this framework helpful, and how can it be even more helpful as it develops and matures? Here are some of the emerging benefits for the Foundation and its grantees:

- *Refining the strategic focus of the education program.* This framework has required the education program to think very carefully about the entire value chain, from vision through barriers to theory of change to investment strategies to what counts as success. This systematic thinking forces decisions, prioritization, and the like, sharpening the focus of grant making over time.

- *Guiding selection of investments.* Knowing what the program wants to achieve helps staff decide whether particular candidates for investment fit. This does not necessarily mean that something that does not fit, is never considered for an investment. There are always exceptions to the rules. But good reasons are needed for doing this.

- *Helping grantees sharpen their focus.* By asking grantees to develop plans for measuring performance and results in this framework, the process engenders the same kind of careful thinking in grantees that the Foundation itself has had to do. The result is more focused planning on the part of grantees.

- *Evaluating specific investments.* Perhaps the most obvious use, this is clearly a core purpose of the system. Investment-specific evaluation can spur improvement in grantee performance and help the Foundation decide whether and how to continue investing in particular grantees.

● *Evaluating the portfolio as a whole:*

– *Completeness and coverage.* Investments can be categorized by the various category schemes outlined here (what barriers they address, how they fit into the theory of change, what investment areas/ purposes they fall into, what types of investment they are, what results they aim to achieve) as well as other categories (e.g., geography). Investments can also be categorized by whether they are small investments or large ones, whether they are risky or more conventional, and along other important dimensions. This sorting allows the Foundation to see what components of the overall framework are under- and overrepresented.

– *Results.* Rolling up individual grantee results to the investment area level or to the portfolio level allows the education program to hold itself accountable for overall performance and results. In addition, this approach makes it possible to report results across multiple grants. One of the challenges, however, lies in aggregating the results in a way that goes beyond just reporting on a

large number of individual grants. Still, the framework has value in its consistency of reporting across all grants.

The education program describes the usefulness of the process as a value chain depicted in the diagram below (Figure 24). The chain illustrates the progression from the Foundation's value context to its proposed work, leading to accomplishments and results that ultimately produce social value. This social value is the way in which the world is made better by the investments that the Foundation makes in the education activities it supports. It is the public good added to society when an enterprise that the Foundation supports makes a contribution to preparing young people for adult success and well-being in the worlds or work, family, and citizenship. At the bottom of the chart, an arrow loops back: what the Foundation learns about its investments and investment processes feeds back to inform its thinking about what to do next. This continuous learning cycle strengthens the Foundation's work over time, yielding more social value in the long term.

FIGURE 24

The Foundation Investment Value Chain
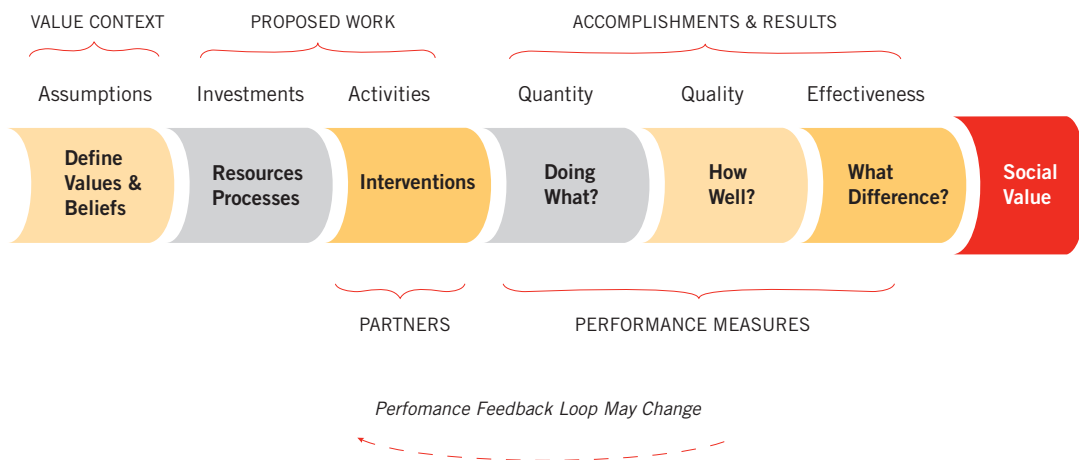
CONCLUSIONS AND LESSONS LEARNED

This pilot activity in results-based accountability has led to several valuable lessons learned.

Begin at the End with Results

1. Start with results and a performance mantra. Creating a Foundation Investment Summary forced clarity about the relationship between investments, strategies, and results. The key starting point was the distinction between a portfolio level result (population accountability) and individual program results (program accountability). In retrospect, this is more difficult than it seems but it is commonsensical. Performance measures are numbers and/or percentages about a program, agency, or service that answer three questions: What do we do? How well do we do it? What difference did we make in terms of impact, influence, and leverage? The clarity coming from this exercise leads to Foundation transparency, structures all conversations between the Foundation and its grantees, creates a more lucid strategy and disciplined execution, and provides a framework for reporting on investment results.

2. Not all investments achieve every type of result. It is often the case that a portfolio has many small investments from which a larger result may materialize. Do not seek major results from investments that involve a limited financial investment. That may happen. However, assuming that this is usually the case will frustrate both the Foundation program officer and the investment partner grantee.

Process Matters

3. Relationships and context matter when seeking results. Involving investment partner grantees in results-based accountability takes far more time than going it alone. Context makes a difference in agreeing with investment partners about what results are to be achieved. Working with them has led to important insights, anchored the process in reality, and kept carping and non-cooperation to a minimum. Discussions with grantees about the local context and the environment

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USING LETTERS OF AGREEMENT TO DRIVE RESULTS

In general, the Foundation uses a generic reporting scheme for grantees. It usually asks for a mid-year and final progress report on the activities done to achieve the scope of work as summarized in the letter of agreement and what barriers the grantee encountered in trying to achieve the scope of work. There was a major problem with this approach: the information provided by grantees reflected more what they wanted to convey about the hard work they were doing than what the Foundation needed to know to make a fair judgment about whether the investment we made was achieving what we hoped for. Moreover, without some sense of progress made on agreed-upon measures of performance, it was nearly impossible to determine how the Foundation might help the grantee succeed when it did encounter problems in its work. Letters of agreement that include a scope of work and mutually agreed-upon performance measures lead to common expectations from the start and a basis for every conversation Foundation staff members have with the grantee. It also makes it easier to have some data that function as leading indicators of possible implementation problems in the agreed-upon scope of work.

help determine what results matter most at what time. It has made accountability a joint effort at being transparent in expectations, problems, disappointments, and results.

4. Communicating results is about more than numbers. Not everything a donor needs to know about an investment is a performance measure that produces a numerical metric. There are accomplishments, lessons learned, and compelling good stories that communicate something about the results that are achieved and that give life to results reporting. All this information is important in communicating results and developing a compelling and focused message about the Foundation's investment achievements.

SURVEYING GRANTEES TO IMPROVE GRANT MAKING

In 2005, the Foundation's education program surveyed its grantees using an online survey. Part of the instrument gathered information from grantees on their activities and results. But the survey also asked grantees to evaluate the Foundation itself on a range of dimensions, including:

- how well it communicates its vision and results framework;

- how burdensome its reporting and monitoring requirements are;

- how well the performance agreement specifies both parties' roles and responsibilities; and

- how accessible and useful the education program's staff and other resources have been.

DIFFERENT CONTEXTS, SIMILAR AIMS

In four different *Making Connections* sites (Indianapolis, Oakland, White Center, Denver), Casey has made planning grant investments. The purpose of the investments across all four sites was the same: to support a community organizing effort that included an outreach and recruitment effort to families in *Making Connections* neighborhoods. The focus of this activity was to inform families that their child was eligible to enroll in the new school that was to open or in the existing school that was being restructured. The context in each of these cities was different: different actors, different public authorities overseeing schools, different requirements for the processes they were to use, and different approaches to community organizing, outreach, and recruitment. For example, the effort in Indianapolis involved a charter school process that included working with the Mayor's Office. The effort in Oakland led to new district schools that have far less autonomy than charters and involve close working relationships with the school district. The effort in White Center involves a new school that has a performance agreement with the school district since there is no charter school law in Washington State. The effort in Denver involved a district school that was restructured and is now under the control of the state, which has reconstituted it as a charter school. The context led to different expectations and different performance measures, though there was some similarity in some of the measures.

Improving the Investment Process

5. Sustainability is not a natural act and must include capacity building. Not every investment produces a sustainable program or thought about how to sustain results. But neither should the opposite be assumed: an investment will automatically produce a sustainable program, activity, or set of results. Thinking about results as this relates to leveraging the Foundation's investments includes talking with investment partners about program and results sustainability sooner rather than later. The Foundation's ability to do results-based accountability in partnership with the Foundation's investment partners requires assistance and feedback from different sources—peers at the Foundation, consultants to the Foundation, and professional development investments and training for staff by the Foundation. In addition, it requires assistance—capacity development—for our investment partner grantees.

6. Create a learning agenda. Failure is a result. Some investments do not achieve the positive results that were sought. Some achieve mixed results. Admit this and make the lessons learned part of the investment program's learning agenda.

This last lesson is in many ways the most important because it serves as a reminder of why results-based accountability is, in the end, so vital in philanthropy. In the midst of the tedium of performance measures and reporting requirements and statistics, it is easy to lose sight of the ultimate purpose of all of this activity, which is to help the Foundation and its partners maximize the amount of social value they create through their work together.

OUT OF FAILURE, HOPE

The community organizing work around Cole Middle School in Denver is a good example of an initial failure to reform a district school that now may lead to a new charter school for the families in the *Making Connections* neighborhood. The purpose of the original grant nearly four years ago was to mobilize parents to pressure the Denver School District to improve the teaching and learning conditions at Cole Middle School. While there was partial success in improving safety at the school, the academic program showed only minor improvement over the course of three years. This led the state to take over Cole Middle School and reconstitute it as a charter school. The families voted to adopt the Knowledge in Power Program (KIPP) model for the school, one of the most successful school models in the country. The school will open in 2006, with 2005 serving as a transition year. Casey is now supporting KIPP outreach and school recruiting efforts to families that are in the *Making Connections* neighborhood.

ENDNOTES

[1]American Enterprise Institute, for example, sponsored a major conference in spring 2005 on education philanthropy that resulted in the book, *With the Best of Intentions: How Philanthropy Is Reshaping K-12 Education,* edited by Frederick Hess and published by Harvard Education Press.

[2]For a recent example of this, see Grantmakers for Education's (a national network of 200 donors investing in education) *Principles for Effective Education Grantmaking,* www.edfunders.org.

[3]For more information about the *Making Connections* initiative, see www.aecf.org/initiatives/mc.

[4]Speech by Douglas W. Nelson, President of the Annie E. Casey Foundation, at an All Staff Retreat held in the spring of 2002, p. 4.

[5]Williams, Harold S., Arthur Y. Webb, and William J. Phillips, *Outcome Funding: A New Approach to Targeted Grantmaking,* Rensselaerville Institute, NY: 1996. Friedman, Mark, *A Guide to Developing and Using Performance Measures in Results-Based Budgeting,* The Finance Project, Washington, DC: 1997. See Friedman's website for numerous publications and other tools: www.raguide.org or www.resultsaccountability.com. Frumkin, Peter, *Philanthropic Strategies and Tactics for Change: A Concise Framework,* The Aspen Institute, Washington, DC: 2002.

[6]National Assessment of Educational Progress (NAEP) results can be found at http://NCES.ed.gov/nationsreportcard/ltt/results2004/.

[7]"Achievement in America" presentation by the Education Trust Inc., 2003, www2.edtrust.org/EdTrust/Product+Catalog/browse2.htm#k16.

[8]Ibid.

[9]Hill, Paul T., Christine Campbell, and James Harvey, *It Takes a City: Getting Serious About Urban School Reform,* Brookings Institution Press, Washington, DC: 2000; Osborne, David, and Peter Plastrik, *Banishing Bureaucracy: The Five Strategies for Reinventing Government,* Addison Wesley, Reading, MA: 1997.

[10]This version of the threefold perspective derives from the idea of the strategic triangle for government managers. See the following: Mark H. Moore, "Managing for Value: Organizational Strategy in For-Profit, Nonprofit, and Governmental Organizations," in *Nonprofit and Voluntary Sector Quarterly,* Vol. 29, No. 1, Supplement 2000, 183-204; L. David Brown and Mark H. Moore, "Accountability, Strategy, and International Nongovernmental Organizations," in *Nonprofit and Voluntary Sector Quarterly,* Vol. 30, No. 3, September 2001, 569-587; Mark H. Moore, *The Public Value Scorecard,* Harvard University Hauser Center for Nonprofit Organizations, Working Paper 18, May 2003. For an application of this strategic triangle to charter schools, see Peter Frumkin, *Creating New Schools: The Strategic Management of Charter Schools,* The Annie E. Casey Foundation, Baltimore: 2003.

[11]Roza, Marguerite, and Paul T. Hill, *How Within-District Spending Inequities Help Some Schools Fail,* working draft presented at the Brookings Conference "The Teachers We Need," Center for Reinventing Public Education, Washington, DC: May 2003, www.crpe.org/workingpapers/pdf/Roza-Hill.pdf.

[12]Osborne and Plastrik, 531-609.

[13]Osborne and Plasrik, 389-530.

[14]*Open Sector: Creating a Positive Environment for Creating Schools New,* Education/Evolving, www.educationevolving.org/pdf/EEOpenSector.pdf.

[15]Paul T. Hill and Mary Beth Celio, *Fixing Urban Schools,* Brookings Institution Press, Washington, DC: 1998, p. 17.

[16]James S. Coleman, "Social Capital in the Creation of Human Capital," *American Journal of Sociology Supplement,* 94, 1988, S95-S120.

[17]Frumkin, Peter, *Philanthropic Strategies and Tactics for Change: A Concise Framework,* The Aspen Institute, Washington, DC: 2002.

[18]Friedman, Mark, *A Guide to Developing and Using Performance Measures in Results-Based Budgeting,* The Finance Project, Washington, DC: 1997; Friedman, *Trying Hard Is Not Good Enough How to Produce Measurable Improvements for Customers and Communities,* Trafford Publishing: 2005.

[19]*A Practical Guide to Documenting Influence and Leverage in* Making Connections *Communities,* prepared by Organizational Research Services, Seattle: 2004.

The Annie E. Casey Foundation's 2004 Education Investments

This list of the Foundation's 2004 education investments is organized by the Foundation's three investment funds. Much of the work is in support of the Foundation's *Making Connections* initiative, discussed earlier in this report.

FUND 1

INVESTMENTS IN SCHOOLS

PURPOSE: To increase quality educational options and improve outcomes for young people by creating new schools or by improving existing schools that strengthen and connect families to schools and community institutions.

Central Indiana Community Foundation for the Center for Working Families at George Washington Community School *Indianapolis, Indiana*	$25,000	To support the creation of a school-based prototype Center for Working Families
KIPP Foundation for the KIPP Key Academy in Washington, D.C. *San Francisco, California*	$50,000	To support a family and community outreach coordinator at KIPP Key Academy
Living Classrooms Foundation *Baltimore, Maryland*	$40,000	To support a planning and implementation effort on community outreach at Crossroads School
Marymount Academy *Santa Barbara, California*	$15,000	To support a Casey Family Legacy student scholarship
METRO Organizations for People *Denver, Colorado*	$25,000	To support a parent organizing project in the Manual school feeder pattern
New Song Urban Ministries for New Song Academy Public School *Baltimore, Maryland*	$85,000	To support the integration of the Expeditionary Learning Outward Bound school design with the Calvert curriculum
TECH High Foundation *Atlanta, Georgia*	$100,000	To support planning and implementation activities, including a family and community outreach coordinator
TOTAL	$340,000	

INVESTMENTS IN NETWORKS AND SYSTEM-LEVEL REFORM EFFORTS

PURPOSE: To increase quality educational options and improve outcomes for young people through school networks, systems of schools, and other system-level efforts that strengthen and connect families to schools and community institutions.

Bay Area Coalition for Equitable Schools (BayCES) *Oakland, California*	$75,000	To support technical assistance to the school district's small schools in Lower San Antonio in the Oakland School District
DC Public Charter School Special Education Cooperative *Washington, D.C.*	$75,000	To support special education services to children and families and the development of a Medicaid reimbursement system for services
Fight for Children *Washington, D.C.*	$150,000	To support a planning and implementation effort on creating a District of Columbia Parent Resource Center and network of supporting organizations
Foundations, Inc. Technical Assistance Center for Public Charter Schools *Philadelphia, Pennsylvania*	$350,000	To support technical assistance in the design, development, and operation of high-quality schools of choice in the Philadelphia School District
Fund for Educational Excellence *Baltimore, Maryland*	$250,000	To support the redesign of neighborhood high schools and the creation of new Innovation High Schools in the Baltimore School District
Greater Indianapolis Progress Committee *Indianapolis, Indiana*	$125,000	To support the development of a comprehensive charter school authorizing and accountability system administered by the City of Indianapolis Mayor's Office
Institute for Responsive Education *Boston, Massachusetts*	$50,000	To support the Boston Parent Organizing Network
Marquette University *Milwaukee, Wisconsin*	$300,000	To support a comprehensive school design and development center for schools of choice in Milwaukee
Project GRAD *Atlanta, Georgia*	$250,000	To support implementation of the Project Graduation Really Achieves Dreams (GRAD) Program in the Atlanta School District
Robert W. Woodruff Arts Center *Atlanta, Georgia*	$75,000	To develop resource materials for students and teachers using the High Museum's collections
San Diego City Schools *San Diego, California*	$200,000	To support the communications, engagement, and outreach effort of the San Diego School District's Blueprint for Student Success to families, staff, and the community
TOTAL	$1,900,000	

INVESTMENTS IN COMMUNITY AND NATIONAL INTERMEDIARIES

PURPOSE: To increase knowledge and share lessons learned, thereby influencing others on effective policies and practices that create quality options and improved outcomes for young people by strengthening alliances, partnerships, and connections between families, schools, and community institutions.

ACLU Foundation of Maryland *Baltimore, Maryland*	$85,000	To support policy analysis and advocacy for the Baltimore City School District's improvement efforts
Alianza Dominicana *New York, New York*	$80,000	To support La Plaza as a Beacon demonstration and technical assistance site
American Institutes for Research/New American Schools *Washington, D.C.*	$125,000	To support the documentation of the Foundation's education investments and development of a peer learning network among the Foundation's education investments
Association of Baltimore Area Grantmakers *Baltimore, Maryland*	$5,000	To provide staff support for the Baltimore Education Funders Affinity Group
Baltimore Education Network *Baltimore, Maryland*	$60,000	To support family outreach activities within the Baltimore City School District
Black Alliance for Educational Options *Washington, D.C.*	$35,000	To support the annual meeting of the Alliance
Brookings Institution *Washington, D.C.*	$125,000	To support the National Working Commission on Choice in K-12 Education
California Tomorrow *Oakland, California*	$50,000	To support technical assistance to Foundation grantees on school readiness issues for immigrant families
Center for Policy Studies *St. Paul, Minnesota*	$150,000	To support policy analysis and capacity-building assistance to initiatives that create charter and other types of new schools
Charter School Leadership Council *Washington, D.C.*	$100,000	To support planning, start-up, and implementation activities of the Council
Civic Builders *New York, New York*	$100,000	To support documentation of lessons learned by Civic Builders in nonprofit charter school facilities development
Council of the Great City Schools *Washington, D.C.*	$10,000	To support the San Diego School District review process

Education Trust *Washington, D.C.*	$75,000	To support activities that advance school improvement efforts with parents and community groups
Fund for the City of New York *New York, New York*	$250,000	To support technical assistance to the New York City Beacons and to evaluate the Beacons program
Georgetown University Institute for Public Policy *Washington, D.C.*	$150,000	To support a qualitative evaluation of the effects of the District of Columbia Opportunity Scholarship and Parental Choice Program on families, students, and other community members
Grantmakers for Education *Portland, Oregon*	$25,000	To support an institute on education grant making as this relates to changing public policy and building public will
GreatSchools.net *San Francisco, California*	$35,000	To support a pilot program that strengthens the ability of low-income families to be involved in data-driven school improvement
Harlem Children's Zone *New York, New York*	$80,000	To support the Countee Cullen Community Center and the Booker T. Washington Beacon School as demonstration and technical assistance sites
Interfaith Education Fund *Austin, Texas*	$250,000	To support school improvement activities in Texas school districts
Jehl Consulting *Annapolis, Maryland*	$26,000	To support the documentation of the Foundation's education investments and provide technical assistance on implementing the Foundation's *Strengthening Families and Strengthening Schools Toolkit*
National Council of La Raza *Washington, D.C.*	$125,000	To support technical assistance to and develop resource materials for schools serving Latino students and their families
National Urban League *New York, New York*	$100,000	To support the Campaign for African-American Achievement and the Community and Family Development Institute
NCB Development Corporation *Washington, D.C.*	$21,500	To support the revision of *Charter School Facilities: A Resource Guide on Development and Financing*
New Leaders for New Schools *New York, New York*	$85,000	To support a documentation and evaluation activity for New Leaders for New Schools
NewSchools Venture Fund *San Francisco, California*	$150,000	To support NewSchools documentation of lessons learned and the NewSchools annual summit

New Song Community Learning Center as a fiscal agent for the Baltimore New Schools Network *Baltimore, Maryland*	$50,000	To support the Baltimore New Schools Network
New York University Institute for Education and Social Policy *New York, New York*	$60,000	To support parent- and community-led school improvement activities in Baltimore
Philanthropy Roundtable *Washington, D.C.*	$15,000	To support the Roundtable's Education Affinity group
Prichard Committee for Academic Excellence *Louisville, Kentucky*	$150,000	To support the development of a business plan for the Prichard Committee on expanding services
Teach for America *New York, New York*	$125,000	To support Teach for America in Baltimore, Maryland, and Washington, D.C., and the Teach for America Alumni Network
Third Way Foundation *Washington, D.C.*	$100,000	To support policy analysis and advocacy activities to expand and strengthen the charter school movement
University of Washington Charter School Research Center *Seattle, Washington*	$150,000	To support activities of the National Charter School Research Center
University of Washington Center for Reinventing Public Education *Seattle, Washington*	$125,000	To support policy analysis of subdistrict school finance and building school district capacity for school improvement
Urban Institute *Washington, D.C.*	$150,000	To support an evaluation of Florida's Opportunity Scholarship Accountability Program
The Valley *New York, New York*	$80,000	To support the Wadleigh Secondary School Beacon as a demonstration and technical assistance site
Washington Scholarship Fund *Washington, D.C.*	$200,000	To support the administration of the District of Columbia Opportunity Scholarship and Parental Choice Program
TOTAL	$3,502,500	
Fund 1 for Schools	$ 340,000	
Fund 2 for Networks	$1,900,000	
Fund 3 for Intermediaries	$3,502,500	
GRAND TOTAL	$5,742,500	

In addition to these grants, the Foundation pursued various program-related investments, or PRIs, in 2004. A PRI is a different mechanism by which a foundation can seek to achieve its purposes. Instead of granting money, a foundation using a PRI invests a portion of its corpus in some activity. That investment could be a loan that is paid back over time, it could be an equity investment in an enterprise, or it could be a guarantee or some other form of security offered.

One example of a PRI that came to fruition in 2005 was Casey's investment in the Indianapolis Charter School Facilities Fund. Charter schools often have trouble obtaining affordable facilities, and so capital needs have the potential to hinder initiatives like the Casey-supported charter school initiative in Indianapolis. Partnering with the city's Bond Bank, the Mayor's Office, and Local Initiatives Support Corporation, the Foundation has pledged a $1 million guarantee that will allow a local bank to lend up to $20 million to the city's Bond Bank, which will in turn provide financing to charter schools. Because of the backing of Casey, LISC, and the city, the bank is willing to lend the funds at very favorable rates. The result: schools will save hundreds of thousands of dollars on facilities that they can then invest in creating great instructional programs for their students.

The Annie E. Casey Foundation is working on a second PRI in education, which will help charter schools with facilities funding, primarily in the Oakland area.

APPENDIX B

Annie E. Casey Foundation
Education Partnerships by Type of Program Support

Casey Partner	Start-up Planning	Technical Assistance	Capacity Building	Policy & Data Analysis	Documenting Lessons	Research & Evaluation	Network Development	Advocacy/ Public Will Building	Other
SCHOOLS									
Center for Working Families at George Washington Community School	•								
KIPP Key Academy	•								
Living Classrooms Foundation	•								
Marymount Academy									•
Metro Organizations for People	•								
New Song Academy Public School			•						
Tech High Foundation, Inc.	•								
NETWORKS									
Bay Area Coalition for Equitable Schools		•							
D.C. Public Special Education Cooperative			•						
Fight for Children							•		
Foundations, Inc.		•							
Fund for Educational Excellence	•								
Greater Indianapolis Progress Committee				•					
Institute for Responsive Education for Boston Parent Organizing Network							•		
Marquette University		•							
Project GRAD – Atlanta			•						
Robert W. Woodruff Arts Center	•								
San Diego City Schools			•						
INTERMEDIARIES									
ACLU Foundation of Maryland								•	
Alianza Dominicana							•		
Association of Baltimore Area Grantmakers			•						
Baltimore Education Network							•		
Black Alliance for Educational Options							•		
Brookings Institution				•					
California Tomorrow					•				
Center for Policy Studies				•					
Charter Schools Leadership Council	•								
Civic Builders, Inc.					•				
Council of the Great City Schools					•				
Education Trust, Inc.			•						
Fund for the City of New York							•		

(continued)

INTERMEDIARIES

Casey Partner	Start-up Planning	Technical Assistance	Capacity Building	Policy & Data Analysis	Documenting Lessons	Research & Evaluation	Network Development	Advocacy/ Public Will Building	Other
Georgetown University						●			
Grantmakers for Education				●					
Greatschools.net			●						
Harlem Children's Zone			●						
Interfaith Education Fund, Inc.								●	
Jehl Consulting									●
National Council of La Raza		●							
National Urban League		●							
NCB Development Corporation					●				
New Leaders for New Schools						●			
NewSchools Venture Fund			●						
NYU Institute for Education and Social Policy			●						
Philanthropy Roundtable					●				
Prichard Committee for Excellence								●	
Teach for America			●						
The Third Way Foundation					●				
University of Washington Charter School Research Center						●			
University of Washington Center for Reinventing Public Education				●					
The Urban Institute						●			
The Valley							●		
The Washington Scholarship Fund			●						
TOTAL	8	5	12	5	6	4	7	3	2

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