

Growing a High-Quality Charter Sector

Lessons from Tennessee



PUBLIC IMPACT

Juli Kim, Tim Field, and Elaine Hargrave

ACKNOWLEDGEMENTS

The authors thank those who shared their valuable insights for this report including:

Chris Barbic, former superintendent, Tennessee Achievement School District

Matt Candler, Founder/CEO, 4.0 Schools; former advisor to Nashville Mayor Karl Dean

Darryl Cobb, Partner, Charter School Growth Fund

Bill Deloache, Trustee, Joe C. Davis Foundation

Lydia Gensheimer, Principal, Charter School Growth Fund

Ravi Gupta, Co-founder/CEO, RePublic Schools

Kevin Hall, President & CEO, Charter School Growth Fund

Kevin Huffman, former commissioner, Tennessee Department of Education

Danielle Mezera, Assistant Commissioner, Career and Technical Education, Tennessee Department of Education; former director, Mayor's Office of Children and Youth, Nashville & Davidson County Government

Erin O'Hara, former assistant commissioner, Data and Research, Tennessee Department of Education

Chris Reynolds, CEO, LEAD Public Schools

Derwin Sisnett, Co-founder/CEO, Gestalt Community Schools

Teresa Sloyan, Executive Director, Hyde Family Foundations

Justin Testerman, Co-CEO, Project Renaissance; former COO, Tennessee Charter School Incubator

Greg Thompson, Program Officer, Hyde Family Foundations; former CEO, Tennessee Charter School Incubator

Bobby White, Founder/CEO, Frayser Community Schools

The authors would also like to thank Public Impact's Bryan C. Hassel for reviewing this report, Sharon Kebschull Barrett for copyediting it, and Beverley Tyndall for leading the production process. We thank Jacky Woolsey for design and layout.

© 2016 Charter School Growth Fund and Public Impact

The **Charter School Growth Fund** (CSGF) is a national nonprofit that identifies the country's best public charter schools, funds their expansion, and helps to increase their impact. CSGF makes multiyear philanthropic investments in talented education entrepreneurs who are building networks of great charter schools, and provides them with support as they grow. For more information about CSGF and the charter school networks that it supports, please visit www.chartergrowthfund.org.

Public Impact's mission is to dramatically improve learning outcomes for all children in the U.S., with a special focus on students who are not served well. We are a team of professionals from many backgrounds, including former teachers. We are researchers, thought leaders, tool-builders, and on-the-ground consultants who work with leading education reformers. For more on Public Impact, please visit www.publicimpact.com.

Charter School Growth Fund and Public Impact encourage the free use, reproduction, and distribution of this paper for noncommercial use. **We require attribution for all use.**

Please cite this report as:

Public Impact: Kim, J., Field, T., & Hargrave, E. (2016). *Growing a high-quality charter sector: Lessons from Tennessee*. Chapel Hill, NC: Public Impact and Broomfield, CO: Charter School Growth Fund. Retrieved from <http://chartergrowthfund.org/tennessee-report/>





FOREWORD

“There can be no keener revelation of a society’s soul than the way in which it treats its children.”

As I reflect on the great work that has happened across Tennessee over the past decade—by our state government, by our philanthropic communities, and by so many individuals who remain steadfastly determined to provide a quality education to every Tennessee student—I am reminded of this quote by Nelson Mandela and am proud to be a Tennessean.

The power of education is undeniable. As the elected public defender in Nashville from 1990–99, I saw firsthand the devastating effects of underperforming schools on the city’s most at-risk children. When schools can’t properly serve students, those students too often give up on education as a path to realizing their dreams. I represented many young children whose charged crimes meant they were facing punishment as adults. Almost without exception, those children had either dropped out of school or had just stopped attending. They saw no path to realizing their dreams. They couldn’t envision a future. They felt as if they had nothing to lose. And the results were catastrophic.

Watching those tragedies unfold had a profound impact on me. It opened my eyes to the inequities in our education system and to the importance of what is, without a doubt, the civil-rights battle of this generation.

As mayor, my top priority was improving education. I supported the Nashville school system, both financially and as a partner in implementing reform efforts. Now that my term as mayor has ended, I will continue to be an avid supporter of our public schools.

Thousands of dedicated people have spent years working to make our schools better, and it shows—we’ve made significant improvements. However, the stark reality is that although we are moving in the right direction, we are not doing so nearly fast enough. There are too many children across Tennessee who are not getting the tools they need to be successful. We owe it to every one of them to get this right. Every child gets only one shot at third grade. And eighth grade. And high school.

Charter schools are one of the most promising reform efforts in Tennessee. Nashville's charter sector has blossomed, producing some of the highest-performing schools in the state, while serving some of our most at-risk students. While there is no magic bullet to improving education, our charter schools are playing a big role in providing more students with the excellent education they deserve. And so the rapid growth of Tennessee's charter community, as laid out in this report, is a great sign.

The successes detailed here are a testament to the power of collaboration. Governors Bredesen and Haslam exhibited incredible leadership. Tennessee philanthropists and national partners like the Charter School Growth Fund provided financial support that made it all possible. School leaders pioneered this work in Tennessee, many armed only with their vision of high-quality schools for all students and their sheer will. And parents put their faith in these brand-new schools, trusting that they would give their children the tools they need to succeed. The life-changing results that have happened to date would not have been possible without every single one of these players.

While serving as mayor of Nashville, I had the privilege to visit each of the Nashville schools and work with many of the people featured in this report. The dedication, generosity, and perseverance of these dedicated educators and advocates, often in the face of hostile opposition, gives me much optimism for the future of our state's most vulnerable citizens. It has been an incredible honor to be a part of their work.

There is much to celebrate. Children who never dreamed of a future are now on the road to college, equipped with the tools they need to succeed. Families in Nashville and Memphis have more quality educational options than ever before. More Tennessee students are graduating from high school, and our state was the fastest improving in the nation in 2013, according to the results of the National Assessment of Educational Progress.

However, there is still much work to be done. Tennessee continues to hover in the bottom half of states in education quality rankings. Nashville has 15 schools in the bottom 5 percent of the state. Memphis has 59. Substantial achievement gaps persist across our state for students in poverty, students of color, and students with disabilities. Tens of thousands of Tennessee's most vulnerable children remain in failing schools.

Change is never easy, and resistance to this great work will continue. However, as Marian Wright Edelman, a champion for children, famously said, "If we don't stand up for children, then we don't stand for much." I am proud to stand up for Tennessee's children next to the dedicated people detailed in this report, with organizations like Project Renaissance in Nashville and Teacher Town in Memphis, with the Tennessee Charter School Center, and with parents across the state who dream of a better future for their children.

And I am optimistic that Tennessee has what it takes to become the first state in the country where every child, regardless of circumstance or zip code, has access to the high-quality education they need to realize their dreams. The soul of the great state of Tennessee, of all Tennesseans, is too strong for me to expect anything less.

Karl F. Dean

Former Mayor of Nashville-Davidson County
Board Chair, Project Renaissance



EXECUTIVE SUMMARY

In five years, Tennessee’s charter sector has grown rapidly, from 29 schools and six multi-school networks or charter management organizations (CMOs) serving about 5,500 students in 2010–11¹ to 98 schools and 24 CMOs serving 29,000 students in 2015–16.² Although some states have experienced a similar pace of charter school growth, Tennessee’s approach is unique because it is driven by an effort to replicate and incubate high-performing and high-potential charter schools in traditionally underserved communities. Though it is too early to reliably measure the overall impact on student achievement, early academic results are promising, and the portfolio of new charter schools includes predominantly high-performing organizations with a record of success.

Tennessee’s successful bid for the federal Race to the Top (RTTT) award in 2009 was an important catalyst for the state’s accelerated pace of charter school growth. The \$502 million federal grant helped fuel additional education policy reforms and spur the creation of a \$30 million private-public charter school fund that provided financial grants and other support for many of the schools that opened during this five-year period. But this support alone would have been insufficient to facilitate the rapid expansion of high-quality charter schools if other critical conditions had not been in place.

Growth of the Tennessee Charter Sector

Eleven years after Minnesota enacted the country’s first charter statute, Tennessee passed charter authorization legislation in 2002, the 39th state to do so. But the law contained significant restrictions creating an “inhospitable” climate for high-quality charter growth. Despite that, the charter sector had strong supporters in Memphis and Nashville in the years preceding the state’s RTTT award. Key state and local leaders, educators, and local philanthropists supported enactment of the state’s charter law and wanted to increase the charter sector’s impact in the state. Political leaders such as Nashville Mayor Karl Dean saw new charter school development as an opportunity to improve education options and outcomes for Nashville students and students across the state.

In 2009, the U.S. Department of Education's RTTT funding competition presented Governor Phil Bredesen with an opportunity to pursue and fund comprehensive education reform. Under Bredesen's direction, Tennessee's political leaders, leading philanthropic organizations, and school advocates came together to develop a plan to win the Race to the Top competition. The state's RTTT application incorporated a proposal to create "a charter school investment fund to incubate and scale-up 2–3 charter management organizations in Tennessee [with] the capacity to create 14–15 new high-performing charter schools across the state."³

As the state worked to develop its RTTT application, charter school proponents recognized the impact charter schools could have in improving education opportunities in Tennessee. With critical amendments to the state's charter law, the Tennessee legislature began laying the groundwork for more high-quality charter school growth. Changes to the law in June 2009 raised the charter cap limiting the number of charter schools allowed in the state (the cap was lifted completely in 2011) and expanded charter enrollment eligibility. In January 2010, passage of the First to the Top Act set in motion elements of the state's RTTT plan, including creation of a statewide Achievement School District (ASD) with the authority to oversee schools performing in the state's bottom 5 percent.

In April 2010, the U.S. Department of Education awarded a \$502 million RTTT grant to Tennessee—one of only two states to receive awards in the grant program's first round—which helped accelerate the implementation of a broad range of education policy reforms and programs that fueled charter school growth in Tennessee.

Building blocks for charter growth

Although the RTTT award was the primary driver of Tennessee's accelerated charter sector growth, the following pre-existing conditions created a favorable environment for such rapid expansion to occur:

Political champions for high-quality charter schools. Governors Phil Bredesen (D) and Bill Haslam (R), along with Nashville Mayor Karl Dean, were high-profile political leaders who initiated policy reform efforts that created a favorable policy environment for charter school growth. Bredesen led development of the RTTT application and the legislation enabling many of the reform approaches contained therein, while Haslam led implementation efforts and ongoing policy improvements. Dean helped establish a new Tennessee Charter School Incubator, which would provide a means for Tennessee to develop and open new high-quality charter schools.

Local philanthropic support for charter school growth. Nashville and Memphis philanthropists had supported the charter sector long before the state's RTTT award, and were ready to support plans rooted in RTTT to grow the charter sector. Local philanthropists invested in many of Tennessee's earliest high-performing charter schools and were instrumental in recruiting national talent support organizations such as Teach for America to Memphis and Nashville.

Existing supply of high-performing charter schools. Tennessee had several high-performing, single-site schools in 2010 led by outstanding, entrepreneurial school leaders committed to educating low-income, underserved communities and drawn to opportunities to innovate. These schools provided a starting point for replicating high-quality schools.

Catalysts for charter expansion

Upon award of its Race to the Top grant, the state allocated \$10 million of the RTTT funds to seed the charter school fund proposed in the state's RTTT application. In December 2010, the Tennessee charter school fund was founded as a public-private nonprofit partnership by the Charter School Growth Fund (CSGF), the Tennessee



Charter School Incubator (“Incubator”), and the Tennessee Department of Education. Memphis and Nashville funders invested \$14 million, which helped attract and secure an additional \$6 million from national philanthropists. The \$30 million fund was to support 40 schools that would enroll 20,000 students, particularly in underserved communities, and graduate 2,000 college-ready students each year in Nashville and Memphis.

Thus Tennessee pursued a multifaceted strategy focused on:

- Developing new charter school operators;
- Scaling up local, high-quality single-site schools into multi-school networks;
- Recruiting high-quality, national operators to expand in Tennessee; and
- Authorizing charter schools to turn around low-performing “Priority” schools through the ASD.

Several key conditions came together to execute Tennessee’s charter growth strategy:

Tennessee Charter School Incubator. With \$12 million from the charter school fund,⁴ the Tennessee Charter School Incubator funded leadership training and school start-up support for 16 aspiring school leaders, who collectively opened 15 new schools between 2012 and 2015, including 14 new charter schools and one school directly run by the ASD. The Incubator provided the state with a critical mechanism for launching new, high-quality schools that became funding targets for replication.

CSGF Tennessee Fund. With \$18 million from the charter school fund, CSGF established CSGF Tennessee, a regional fund intended to support the opening of new charter schools in Nashville and Memphis by local and national high-performing charter operators. As of 2015–16, CSGF Tennessee has helped expand seven CMOs, which opened 23 new schools between 2010 and 2015. By the time CMOs supported by CSGF Tennessee fully execute their growth plans, the fund will have supported 37 schools serving more than 20,000 students.

Achievement School District. Modeled after the Recovery School District in Louisiana, the Tennessee ASD was created to turn around the state’s lowest-performing schools. In pursuit of its mission, the ASD has relied primarily on authorizing charter operators to lead its schools. Established in 2011, it has authorized 14 charter school organizations that collectively opened 21 charter schools by 2015–16, with 19 in Memphis serving 7,500 students and two in Nashville serving 500 students.⁵

Talent supports for the charter sector. Recognizing the need to ensure a sufficient and sustainable talent pipeline to support charter school growth, funders have come together to enhance talent pipelines in Memphis and Nashville. Philanthropic leaders who helped bring Teach for America and TNTP (formerly The New Teacher Project) to their cities have established initiatives, notably Teacher Town⁶ in Memphis and Project Renaissance⁷ in Nashville, to help recruit effective teachers, further develop outstanding local teacher talent, and retain and develop more high-performing teachers. These efforts will likely increase the talent pipeline for all schools in the city, not just charter schools.

Ongoing policy improvements. As the sector started to grow, the state continued to improve its charter policies. Under Bill Haslam, who succeeded Bredesen as Tennessee's governor and ultimately became the champion of the state's First to the Top legislation, the Tennessee legislature eliminated the charter cap and enrollment restrictions, gave the ASD charter authorizing authority,⁸ established the state board of education as a statewide authorizer in certain cases,⁹ and provided for the automatic closure of the lowest-performing charter schools under certain circumstances.¹⁰

What Can Other States Learn from Tennessee?

State policymakers, district leaders, philanthropists, and education advocacy organizations seeking to grow the charter sector in their cities or states should understand that the rapid growth of the Tennessee charter sector was made possible through the convergence of targeted charter growth investments and favorable pre-conditions. The coordination of private and public funding, policy changes, political leadership, talent investments, and an existing supply of high-quality charter operators resulted in Tennessee's rapid expansion of high-quality charter schools and seats. Hence the Tennessee story provides a lesson for other education leaders in how to support development of the conditions conducive to growth of a high-quality charter sector.

1. Tennessee Department of Education. (2015, March). *Charter schools 2015 annual report*. Retrieved from https://www.tn.gov/assets/entities/education/attachments/chtr_sch_annual_report.pdf

2. Tennessee Charter School Center. (n.d.) Inside Charters. Retrieved from <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>

3. Tennessee Race to the Top application. (2010, January 18). See page 125. Retrieved from <https://www2.ed.gov/programs/racetothetop/phase1-applications/tennessee.pdf>

4. The Incubator was a 501(c)(3) nonprofit entity funded primarily by private philanthropy. Of the \$12 million allocated to the Incubator from the Charter School Fund, approximately \$1.44 million came from the \$10 million in RTTT funds. From 2010–2014, the Incubator spent about \$14 million; about \$12.56 million came from private philanthropy, including more than \$10 million from the Tennessee Charter School Fund contributed by the Walton Family Foundation and Memphis and Nashville foundations.

5. Tennessee Charter School Center. (n.d.). *Inside charters*. Retrieved from <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>

6. A Memphis-based funder collaborative supports Teacher Town, a citywide initiative working to recruit effective teachers, develop local teacher talent, and retain high-performing teachers, particularly for the city's lowest-performing schools.

7. Project Renaissance, a new Nashville education nonprofit organization founded by Mayor Karl Dean, is investing in schools, teacher talent pipelines, and community engagement work in an effort to dramatically increase the number of Nashville children enrolled in high-quality schools over the next five years.

8. Tn. Pub. Ch. 466 (2011). Retrieved from <http://www.tn.gov/sos/acts/107/pub/pco466.pdf>

9. Tn. Pub. Ch. 85. (2013). Retrieved from <http://tn.gov/sos/acts/108/pub/pco850.pdf>

10. Senate Bill 2285 passed in 2014 provided for the automatic closure of the lowest performing charter schools outside of the ASD at the close of the school year after the school is identified as a priority school and for the lowest performing ASD charter schools identified as priority schools for two consecutive years beginning in 2015. Tn. Pub. Ch. 721. (2014). Retrieved from <http://tn.gov/sos/acts/108/pub/pco721.pdf>. House Bill 125 passed in 2015 tolled the application of automatic closure provisions until 2017 for schools identified as priority schools in 2015. Tn. Pub. Ch. 171. (2015). Retrieved from <http://www.tn.gov/sos/acts/109/pub/pco171.pdf>



INTRODUCTION

At the beginning of the 2010–11 school year, only 29 charter schools serving 5,500 students existed in Tennessee.¹ The state’s charter law, enacted in 2002, had established Tennessee as one of the country’s states most unfriendly to charters. In 2009, that began to change with the passage of Tennessee’s First to the Top legislation and related education policy reforms and investments. During the five years after the 2010–11 school year, the number of charter schools in Tennessee more than tripled, with 98 charter schools serving 29,000 students by 2015–16.²

This case study tells how Tennessee evolved from being one of the most inhospitable states for charter schools to one of the most favorable for charter expansion and the lessons from that evolution. The creation of a \$30 million private-public charter school fund provided critical money to launch new charter schools and networks, but the Tennessee story is also about how political leaders, philanthropists, advocacy organizations, and passionate educators created conditions that facilitated the rapid and strategic expansion of high-quality schools for underserved students and families.

Through interviews and research, Public Impact examines how Tennessee’s charter sector has grown, the state’s successes and challenges in growing high-quality charter schools, especially in high-need communities, and lessons for other communities seeking similar growth.

GROWTH OF THE TENNESSEE CHARTER SECTOR

Tennessee was a latecomer to the charter school movement. Eleven years after Minnesota enacted the country's first charter statute, Tennessee passed charter authorization legislation in 2002, the 39th state to do so. But the law contained significant restrictions. Only 50 charter schools were permitted, and only in Nashville and Memphis, the state's two largest districts. Only local school boards could authorize charters, and only students attending failing schools or who failed to pass state assessments in grades 3 through 12 could attend charter schools.³ The first charter schools opened in 2003.⁴

Thus the charter sector grew slowly. By the 2009–10 school year, only 21 charters were operating in Tennessee, and only four of these schools were affiliated with one of the two multi-school networks or charter management organizations (CMOs) operating in Tennessee.⁵

The year Tennessee enacted its charter law, former Nashville Mayor Phil Bredesen was elected governor. In his efforts to improve student achievement in Tennessee, he succeeded in his first term (2003–07) in raising teacher salaries and expanding pre-kindergarten.⁶ But despite these and other initiatives to improve education, Tennessee's performance on the 2007 National Assessment of Educational Progress was disappointing and exposed the need for more high-quality school options, especially for Tennessee's low-income and minority students. Tennessee ranked 41st in fourth-grade reading, 46th in fourth-grade math, 39th in eighth-grade reading, and 42nd in eighth-grade math—despite state assessments showing proficiency rates close to 90 percent or better.⁷ Further, only 18 percent of 12th-graders met all four of the ACT College Readiness Benchmark Scores, designed to indicate a student's likelihood of success in college.⁸ The U.S. Chamber of Commerce's annual *Leaders and Laggards* report, which ranks states on educational effectiveness, gave Tennessee a “D” for academic achievement, an “F” for academic achievement of low-income and minority students, and an “F” in truth in advertising about student proficiency.⁹

The U.S. Department of Education's 2009 Race to the Top (RTTT) federal grant competition presented Bredesen with a golden opportunity. As part of the Obama administration's economic stimulus response to the 2008 recession, the \$4.35 billion RTTT program promised millions to states willing to implement comprehensive education reform. Under Bredesen's direction, Tennessee's political leaders, leading philanthropic organizations, and school advocates came together to develop a plan to win the Race to the Top competition.

The state's plan focused on improving Tennessee's educational outcomes by turning around low-performing schools and increasing teacher effectiveness.¹⁰ Key components of the plan called for adoption and implementation of a new teacher evaluation system and the establishment of the Achievement School District (ASD), a statewide district responsible for turning around the state's lowest-performing schools. As the state plan developed, the role of charter schools in the reform plan began to solidify. Several states competing for the RTTT grant had approached the Charter School Growth Fund (CSGF) as a potential planning partner. But CSGF and Mayor Dean's mutual interest in incubating and replicating high-quality schools helped forge a strong Tennessee connection. With its experience and success in helping high-performing charter operators expand their reach, CSGF recognized the momentum building in Tennessee to grow the charter sector and saw the potential for accelerating it. The state's RTTT application incorporated a plan to create “a charter school investment fund to incubate and scale-up 2–3 charter management organizations in Tennessee [with] the capacity to create 14–15 new high-performing charter schools across the state.”¹¹ This fund promised to provide great public school options for thousands of Tennessee students and establish high-performing, self-sustaining charter school networks in Tennessee that would help elevate expectations for the academic performance of low-income and minority students.

As the state worked on its RTTT application, the Tennessee legislature began laying the groundwork for charter school growth. In June 2009, the Tennessee legislature raised the charter cap to 90,¹² and expanded charter eligibility to all students eligible for free and reduced-price lunch.

The next year, the legislature approved laws championed by Governor Bredesen to implement critical components of the state's RTTT plan. On January 15, 2010, three days before the state submitted its RTTT application, the legislature enacted the state's First to the Top Act. This law required all districts to implement the new teacher evaluation system in the 2011–12 school year. With the goal of improving outcomes for underserved students, the law also authorized the education commissioner to create an Achievement School District (ASD) to oversee “Priority” schools, those schools in the state's bottom 5 percent for student performance.¹³ The state wanted the ASD to improve the quality of leaders and teachers in these schools, working with nonprofit organizations, including charter school networks, that had a record of improving student outcomes. Ultimately, the ASD would adopt the goal of moving Priority schools from the bottom 5 percent to the top 25 percent of all schools in five years.

In April, the U.S. Department of Education gave Tennessee a \$502 million RTTT grant. The state allocated \$10 million of that to establish a charter school fund as outlined in the state's RTTT application. (Hereinafter, we will refer to the entire public-private philanthropic fund as “the Charter School Fund” though it lacked an official name.) And with that investment, RTTT helped spur growth of the charter sector and a transformation of the charter policy and funding environment in Tennessee.

Building Blocks for Charter Sector Growth

Many observers recognize the 2009 RTTT grant as a primary driver of charter growth in Tennessee, but that overlooks conditions in place before RTTT. Although RTTT was an important catalyst, the accelerated growth of Tennessee's charter sector was possible because of pre-existing political leaders who enacted necessary public policy reforms, local philanthropic support for charter school growth, and the presence of high-quality charter school organizations in the state.

Political champions for high-quality charter schools

Bredesen introduced the education reform measures and shepherded them through a Republican legislature, but his successor, Bill Haslam, a former mayor of Knoxville, became the champion and implementer of the reforms. Haslam embraced Bredesen's First to the Top reforms and immediately focused on securing strong implementation leadership when he became governor in January 2011. He appointed Kevin Huffman, a former Teach for America executive with strong reform credentials, to lead the state department of education, which proved instrumental in recruiting charter operators to Tennessee, advocating for reforms to the charter law, and working with foundations that supported charter school growth. And with Haslam's support, Huffman tapped Chris Barbic, founder of YES Prep Public Schools, a successful charter network in Houston, to lead the ASD.

In Nashville, Mayor Karl Dean had long supported charter sector growth, even before RTTT. Dean came into office in 2007 with a commitment to improving the access to and quality of education options in his city. He considered taking mayoral control of Nashville's schools, but he ultimately focused on charter schools as a means of providing high-quality schools, particularly for underserved communities. Dean also became convinced that increasing nontraditional school models would help drive innovation within traditional school districts. Seeking to diversify and improve educational options in Nashville, Dean researched education reform initiatives in other cities, such as New York and New Orleans, and consulted with education experts. He came to believe that

Nashville—and Tennessee—needed a way to develop and open new types of schools. In December 2009, Dean initiated the creation of the Tennessee Charter School Incubator to launch new schools in Nashville and across the state.

Local philanthropic support for charter school growth

Despite laws restricting charter growth, the charter sector had strong supporters in Memphis and Nashville in the years preceding the 2009 RTTT award. Philanthropists in both cities supported enactment of the state’s charter law and wanted to increase the number of high-performing charter schools in the state. The Hyde Family Foundations in Memphis helped new charter schools, such as KIPP Memphis, open and grow from single sites to multiple campuses, and led efforts to establish the Tennessee Charter School Association. Though the charter sector grew more slowly in Nashville, the city’s local philanthropists, such as the Joe C. Davis Foundation, also supported the opening of new charter schools and worked to increase the charter sector’s impact.

Recognizing the need for high-quality teachers, particularly for a growing high-performing charter sector, Memphis funders, notably the Hyde Family Foundations, also helped recruit national talent organizations, such as Teach for America (TFA), TNTP (formerly The New Teacher Project), and New Leaders (formerly New Leaders for New Schools) to Memphis. At the urging of Dean and with the support of Nashville funders, TFA also expanded to Nashville earlier than expected.

Existing supply of high-performing charter schools

By 2010, the Tennessee charter sector had a small number of high-performing, single-site schools. These early-stage, high-performing charter school organizations had the potential to expand, and to do so faster than new charter operators could be incubated or recruited. Moreover, entrepreneurial school leaders operated some of Tennessee’s highest-performing charters in some of the state’s highest-need communities and were willing to take on the biggest challenges. For example:

- With significant support from key Memphis investors, Jamal McCall planned to increase the number of KIPP schools serving Memphis students. His KIPP counterpart in Nashville, Randy Dowell, was working to expand KIPP Academy Nashville into a network of schools.
- Based on a belief that a high-quality school can not only improve student outcomes but also stimulate economic recovery in a struggling community, Derwin Sisnett and Yetta Lewis grew one school rooted in a community revitalization project into Gestalt Community Schools serving high-need neighborhoods in Memphis.
- Jeremy Kane, who founded LEAD Public Schools in Nashville, was the first in the state to convert failing traditional schools into new charter schools. (See “CMO Journey: LEAD Public Schools, Nashville,” page 28.)

Catalysts for Charter Expansion

The RTTT win ignited the multi-pronged strategy developed by the state Department of Education, CSGF, and the Tennessee Charter School Incubator (henceforth just called “Incubator”) to increase high-quality charter schools, particularly in high-need communities. The strategy focused on developing new charter school operators, scaling up local, high-quality single-site schools into multi-school networks, and recruiting high-quality national operators to expand in Tennessee through several primary catalysts:

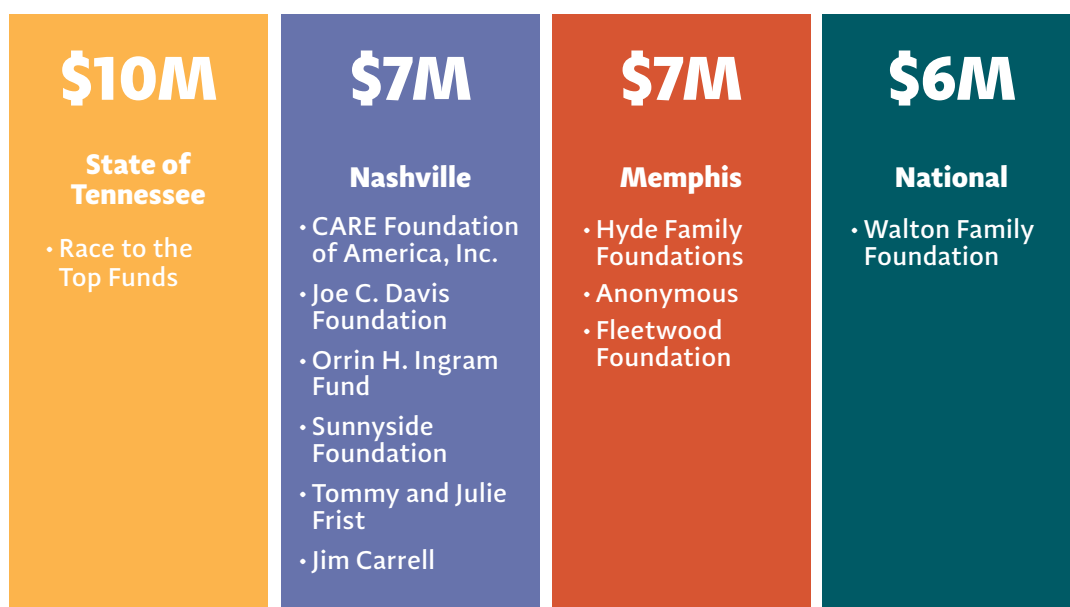
- Establishment of the Charter School Fund;
- ASD implementation;
- Investments in educator talent pipeline programs; and
- Ongoing charter policy advocacy.

Charter School Fund: Incubating schools and expanding CMOs

In December 2010, the Tennessee Charter School Fund began with \$30 million as a public-private, philanthropic, nonprofit partnership founded by CSGF and the Incubator working with the Tennessee Department of Education. The state's \$10 million allocation from its RTTT grant helped garner the Nashville and Memphis philanthropic contribution of \$14 million, which helped attract funds from a national philanthropic source: The Walton Family Foundation invested \$6 million (see Figure 1, Tennessee Charter School Fund Sources). Of the \$30 million, \$18 million was designated to support the expansion in Tennessee of high-quality charter operators through a new CSGF regional fund, CSGF Tennessee. The remaining \$12 million was designated to support the Incubator's development of high-quality leaders to start new charter schools in Memphis and Nashville.

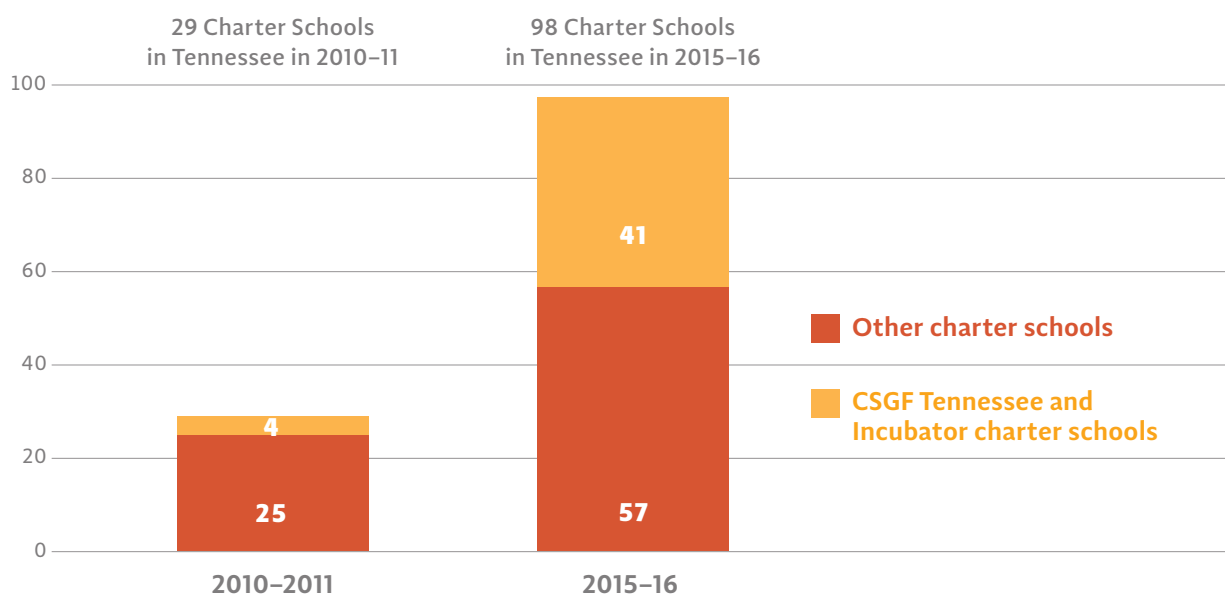
Clear objectives for the \$30 million fund included developing 40 schools that would enroll 20,000 students and graduate 2,000 new college-ready students each year. Five years later, with all \$30 million committed, the fund has supported 41 schools,¹⁴ including 37 new schools, and helped expand seven CMOs in Tennessee (see Figure 2, Growth of Charter Schools in Tennessee, 2010–11 to 2015–16, page 14). Ultimately, when all \$30 million is spent, the fund will exceed its objectives with an anticipated total of 48 schools and over 27,000 charter school seats. It is too soon to know the full impact of these schools, but early indicators suggest that their students consistently outperform their peers in local district schools. (For more on the schools and performance, see “Tennessee Charter School Fund and Charter Sector Growth and Performance,” page 18–20.)

Figure 1. Tennessee Charter School Fund Sources



Tennessee Charter School Fund Total: \$30 Million

Figure 2. Growth of Charter Schools in Tennessee, 2010–11 to 2015–16



Note: Four charter schools operating in 2010–11 subsequently received funding from CSGF Tennessee

Sources: <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/> and https://www.tn.gov/assets/entities/education/attachments/chtr_sch_annual_report.pdf

New school incubation through the Tennessee Charter School Incubator

Begun in 2009, the Incubator gave the state a mechanism for developing the leadership essential to starting high-quality charter schools. With \$12 million from the Charter School Fund and \$2 million from other private philanthropic funds,¹⁵ the Incubator provided leadership training—either through the Building Excellent Schools leadership fellowship or the Incubator’s own fellowship (see “The Incubator’s Education Entrepreneurs Fellowship,” page 25)—and school startup support for 16 aspiring school leaders. Between 2012 and 2015, these fellows collectively opened 15 new schools, including 14 new charter schools and one Achievement school run by the ASD (see list of Incubator schools, page 32–33).¹⁶

The Incubator’s strategy included an emphasis on developing leaders who would produce schools with diverse designs and educational models. Designed to build upon the educational passions of participants, the Incubator’s fellowship program yielded operators who started schools with a range of models, including Montessori, personalized learning, technology-focused, and college preparatory school. The Incubator also supported leaders who opened schools specifically intended to serve a mixed-income student population (such as Valor Collegiate in Nashville, which serves an ethnically and socioeconomically diverse student body) and turnaround schools in the ASD.

CMO Growth and Expansion through CSGF Tennessee

In 2011, the CSGF Tennessee team, led by CSGF Partner Darryl Cobb, visited charter schools in Nashville and Memphis that had achieved academic success and were interested in starting new schools. This led CSGF Tennessee to work first with LEAD, Gestalt, and KIPP Memphis, all single-site charter schools at the time. LEAD and Gestalt had been started by entrepreneurial, reform-minded operators, with connections to the local community. KIPP Memphis was affiliated with a national CMO organization, but its board and school were locally operated.

The CSGF Tennessee team also supported the ASD's efforts to recruit national operators to the state. Recognizing that expanding existing operators or incubating new ones would take time, and knowing that any operator's plans for charter growth could meet unanticipated challenges and fall short on school openings, the CSGF Tennessee team helped the ASD look beyond local operators to ensure it had many available operators. As a recognized, national force for supporting high-quality charter schools, CSGF lent the Charter School Fund and the state's efforts to grow the charter sector credibility that has helped the state engage high-performing national operators. Rocketship Education, a CSGF-supported CMO based in the San Francisco Bay Area, opened its first school in Nashville in 2014. In 2013, Aspire Public Schools opened its first two schools outside of California in Memphis, and opened a third school in Memphis in 2014.

As of 2015–16, CSGF Tennessee has helped expand seven CMOs¹⁷ and open 23 new schools, and supported a total of 30 charter schools in Tennessee.¹⁸ Ultimately, CSGF Tennessee will support 37 schools when its funds are spent.

Achievement School District: Authorizing charters to operate turnaround schools

The ASD's implementation created another path for high-quality charter schools to grow. Several factors related to its implementation had a significant impact on charter growth in Tennessee:

- **Chartering became the ASD's primary vehicle for turning around low-performing schools.** The ASD originally intended to turn around low-performing schools by directly running them, or by allowing high-quality charter operators to "restart" failing schools. But the ASD quickly focused on engaging charter operators to run its schools. In the ASD's first year, two high-performing local CMOs, LEAD Public Schools and Gestalt Community Schools, opened the first ASD charter-operated schools alongside three ASD-run schools. The following year, the ASD opened six charter-operated schools and only two direct-run schools. As of the 2015–16 school year, the ASD had not opened any additional direct-run schools, while holding 21 charter schools in its portfolio, approximately one-fifth of the Tennessee charter sector.
- **The ASD had statewide authorization authority.** The ASD was initially authorized to contract with charter operators to restart schools labeled as Priority schools, those in the state's bottom 5 percent for student performance,¹⁹ but not authorize new charters. Charter growth supporters, particularly the Tennessee Charter School Center (established when the Tennessee Charter School Incubator and Tennessee Charter School Association merged—see the section on "Ongoing policy advocacy," page 21), advocated for establishment of a statewide authorizer. They argued that the highest-performing charter operators would not prioritize Tennessee for expansion if they had to rely on local districts for charter authorization, and said Tennessee did not have enough successful local charters to serve as the state's primary means of charter growth.²⁰ In 2011, the Tennessee legislature gave the ASD authority to grant charters to nonprofit entities and charter school networks to operate schools within the ASD.²¹ As an alternate authorizer to local districts, the ASD enhanced the state's ability to entice high-performing charter operators to expand in Tennessee, providing another path for charter growth.
- **The ASD overcame traditional charter expansion obstacles.** The ASD gave the state a way to overcome two hurdles to charter growth that helped it attract national CMOs and diversify the state's charter school portfolio. With the authority to approve CMOs to open multiple schools over time, the ASD enhanced Tennessee's standing as a location for charter operators to build multi-school networks. In addition, the ASD could provide district facilities for charter schools. Generally, charters outside the

ASD, including those supported by CSGF Tennessee and the Incubator, leased district or commercial buildings to open new charter schools, and had to pay for renovations.

- **The ASD aggressively recruited high-performing charter operators to expand within the ASD.** With its authorizing authority and facilities to offer, the ASD conducted extensive efforts to recruit local and national charter operators with proven records in improving achievement of low income students to apply to operate ASD schools. The ASD initially focused efforts on recruiting high-performing local CMOs. LEAD Public Schools in Nashville and Gestalt Community Schools in Memphis took over ASD schools in 2012. ASD efforts to recruit national operators were equally fruitful. Under the leadership of ASD director Chris Barbic, the ASD worked with the Charter School Growth Fund, local philanthropic and political leaders, and state education agency leaders to successfully recruit high-performing national operators to expand in Tennessee. Aspire Public Schools and Green Dot Public Schools, both based in California, opened their first schools outside their home state in the ASD. Philadelphia-based Scholar Academies opened its first school in Tennessee in the ASD. From its establishment in 2011 to the 2015–16 school year, the ASD has authorized 14 charter school organizations—more than half of the CMOs operating in Tennessee—including four national CMOs.²²
- **The ASD has affected charter growth outside its jurisdiction.** The ASD’s existence created pressure on local school districts to improve their low-performing schools. Metro Nashville Public Schools (MNPS) approved LEAD Academy to conduct the state’s first conversion turnaround at Cameron Middle School to avoid Cameron’s move into the ASD (see “CMO Journey: LEAD Public Schools, Nashville,” page 28). Shelby County Schools (SCS), where Memphis is located, is authorizing new charter schools at an increasing rate. Both MNPS and SCS are committed to their Innovation Zones (iZones) in which schools have ASD-like autonomies to conduct their own turnarounds of Priority schools.

Talent supports for the charter sector

Local charter operators and funders have recognized the need to ensure a sufficient and sustainable talent pipeline to support their charter school growth, which, along with growth of the ASD and Nashville and Memphis iZones, has begun to strain the supply of talented educators eager to serve in low-income school communities. In Memphis alone, charter operators will have to hire an estimated 2,000 teachers to staff charter schools over the next five years.²³ With many new school operators competing for high-performing teachers, simply redistributing effective teachers among schools has proven insufficient.

Partnerships driven by the Memphis and Nashville philanthropists who helped bring TFA and TNTP to their cities have spearheaded efforts that will help ensure a steady pipeline of high-performing teachers to support continued growth of high-quality seats. For instance:

- **Teacher Town** in Memphis, a portfolio of talent support organizations and community advocates funded by a group of local foundations, is working to recruit effective teachers, further develop outstanding local teacher talent, and retain high-performing teachers, particularly for the city’s Priority schools. But its efforts will likely increase the talent pipeline for the city overall. Teacher Town has helped bring about the expansion into Memphis of national talent organizations, such as Relay Graduate School of Education, Leading Educators, and the National Academy of Advanced Teacher Education (NAATE). Teacher Town is also helping local programs, such as the Memphis Teacher Residency, have a greater impact.

- **Project Renaissance**, a new Nashville education nonprofit organization founded by Mayor Karl Dean, is investing in schools, teacher talent pipelines, and community engagement work in an effort to dramatically increase the number of Nashville children enrolled in high-quality schools over the next five years. It has supported the launch of the Nashville Teacher Residency (based on Boston's Match Teacher Residency program) and is working to bring Relay Graduate School of Education²⁴ to Nashville.

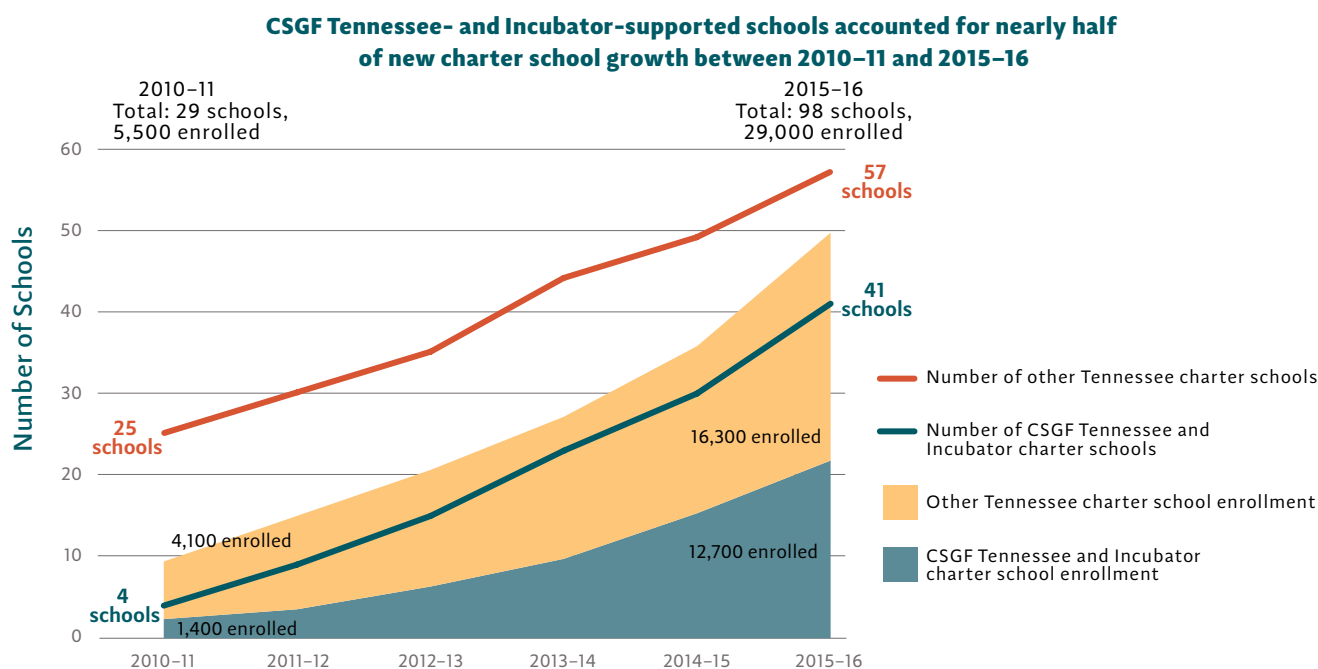
Ongoing policy advocacy

The RTTT win and establishment of the nonprofit Charter School Fund provided compelling support for charter proponents to lobby legislators for further changes to the state's charter law that would help attract and recruit high-quality national charter operators to Tennessee. The infrastructure for charter policy advocacy was strengthened in 2013 when the Tennessee Charter School Association (TCSA) and the Tennessee Charter School Incubator merged to form the Tennessee Charter School Center (TCSC). Over the next several years, the center played a critical role in passing several key pieces of legislation, including: Public Chapter 850, which established the state board of education as a statewide authorizer hearing appeals of charter denials by local education agencies;²⁵ Public Chapter 721,²⁶ which required the automatic closure of public charter schools identified as performing in the bottom 5 percent of all state schools under certain conditions;²⁷ and Public Chapter 507,²⁸ which authorized ASD charter schools to enroll a limited number of students outside the ASD enrollment zone.



Charter Sector Growth

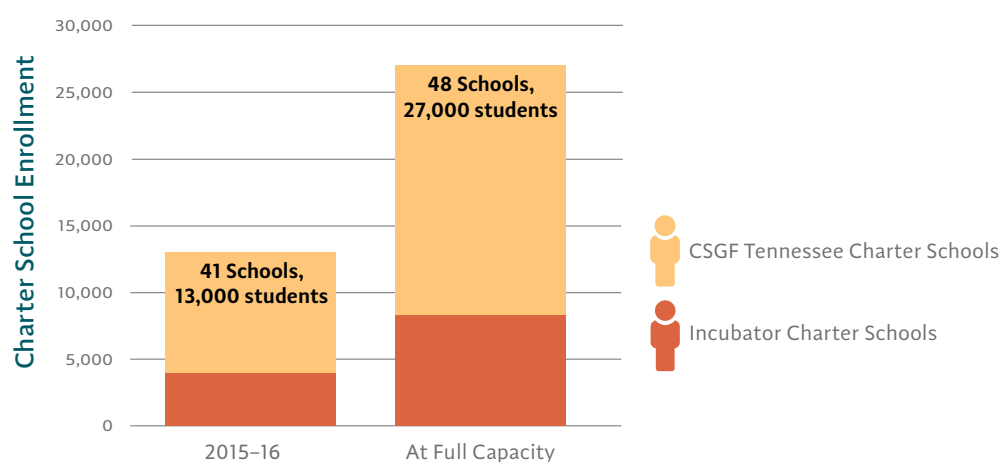
The Tennessee charter sector grew from 29 to 98 schools between the 2010–11 and 2015–16 school years, and charter school enrollment increased from 5,500 to a projected 29,000 in the 2015–16 school year.¹ CSGF Tennessee and Tennessee Charter School Incubator portfolio schools added more than 11,000 of these students during this time—representing nearly 50 percent of charter school enrollment growth. CSGF and the Tennessee Charter School Center project that when CSGF Fund and Incubator schools reach capacity, more than 27,000 students will be served in 48 charter schools.



Note: 2014–15 and 2015–16 projected enrollment numbers were provided by the Charter School Growth Fund.

Sources: <https://www.tn.gov/education/topic/data-downloads>; <http://dashboard.publiccharters.org/dashboard/select/state/TN/year/2012> and Charter School Growth Fund

CSGF Tennessee and Incubator Schools: 2015–16 Enrollment and Numbers of Authorized Seats at Capacity



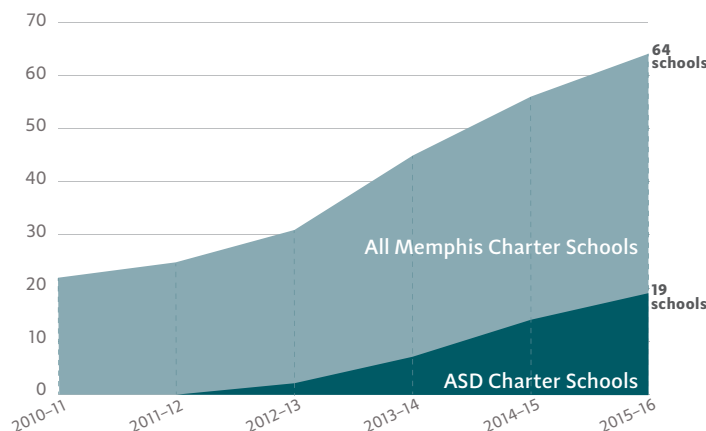
Note: Projected numbers were provided by Charter School Growth Fund and Tennessee Charter School Center.

1. Tennessee Department of Education. (2015, March). *Charter schools 2015 annual report*. Retrieved from https://www.tn.gov/assets/entities/education/attachments/chtr_sch_annual_report.pdf; Tennessee Charter School Center. (n.d.) *Inside Charters*. Retrieved from <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>

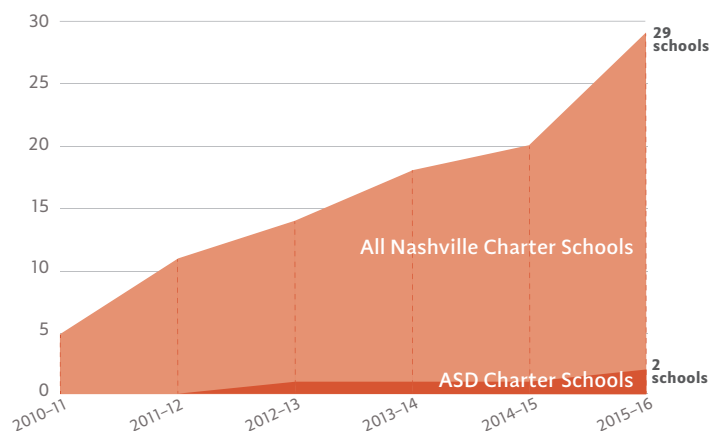
Tennessee Charter School Fund and Charter Sector Growth and Performance

CSGF Tennessee and the Incubator have fueled charter growth in Memphis and Nashville, which have the highest concentrations of low-income, minority students among communities in the state. Expansion of the Achievement School District (ASD) has also accelerated charter growth in Memphis, which has the state's highest concentration of Priority schools (those in the state's bottom 5 percent based on student performance).

Memphis Charter School Growth, 2010–11 to 2015–16



Nashville Charter School Growth, 2010–11 to 2015–16



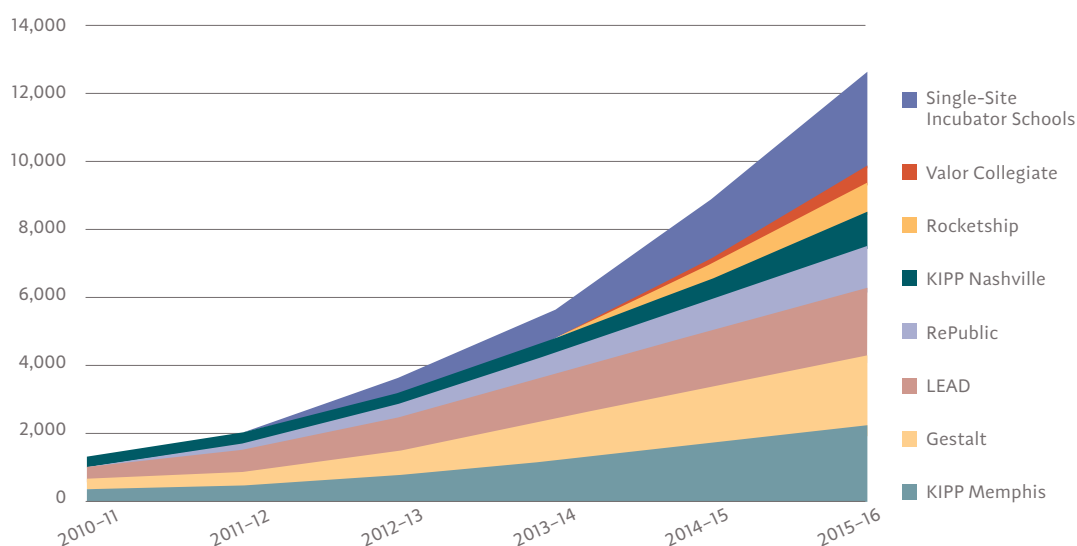
Notes: Shaded area denotes schools in the Achievement School District, which was created to improve the lowest performing 5 percent of schools in the state. The ASD number includes charter schools operated under charters with the Achievement School District.

Sources: Charter School Growth Fund; Tennessee Charter School Center; <http://achievementschooldistrict.org/wp-content/uploads/2015/11/The-Achievement-School-District-Lessons-from-Tennessee-UPDATE.pdf>

Charter Management Organization (CMO) Growth

Since the 2010–11 school year, the number of CMOs in Tennessee has grown from six to 24, seven of which received funds from the \$30 million Charter School Fund.

CSGF Tennessee and Incubator Schools: Growth in Enrollment by Operator, 2010–11 to 2015–16



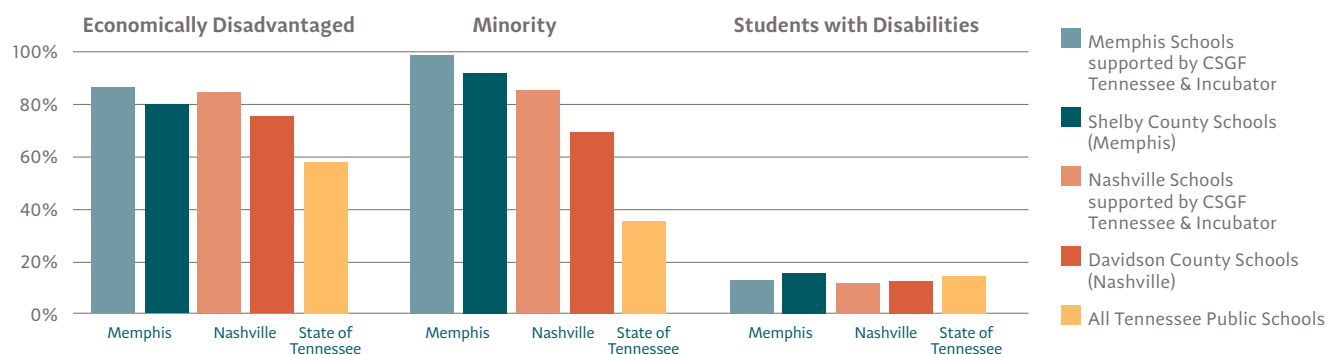
Note: For purposes of showing CMO growth in this chart, RePublic Schools includes all four of its schools and Valor Collegiate includes its two schools. Incubator schools include only the 11 single-site schools that are not part of a CMO.

Sources: <https://www.tn.gov/education/topic/data-downloads>; <http://dashboard.publiccharters.org/dashboard/select/state/TN/year/2012> and Charter School Growth Fund

Student Demographics and Performance

CSGF Tennessee and Incubator portfolio schools serve a higher percentage of low-income and minority students compared with local district schools and the state overall. Special education enrollment rates among CSGF Tennessee and Incubator portfolio schools are similar to district and state rates.

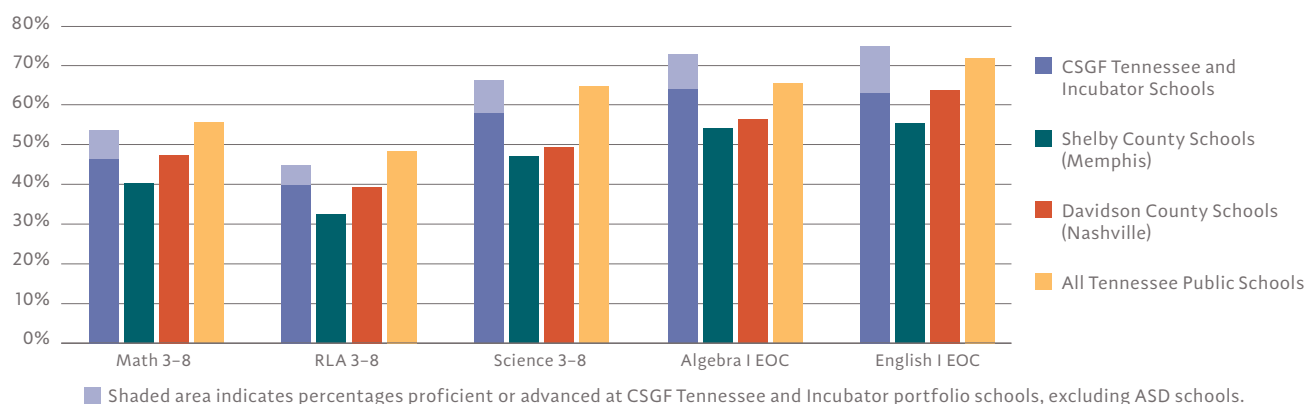
Student Enrollment by Subgroup – CSGF Tennessee & Incubator Schools and Memphis and Nashville Schools, 2014–15



Sources: <https://www.tn.gov/education/topic/data-downloads>. See: *Profile data files 2015* for school-level data and <https://www.tn.gov/education/topic/report-card> for district and state-level data

Although student proficiency rates in CSGF Tennessee and Incubator portfolio schools still lag behind the state average on state assessments, portfolio schools are outperforming their district peers while serving a higher percentage of economically disadvantaged and minority students—including about 26 percent of portfolio students who attend ASD-authorized Priority schools (those in the state’s bottom 5 percent) undergoing turnaround efforts.

Percentage of Charter School Students Proficient or Advanced in TCAP Tests Grades 3–8 and EOC Tests, 2014–15



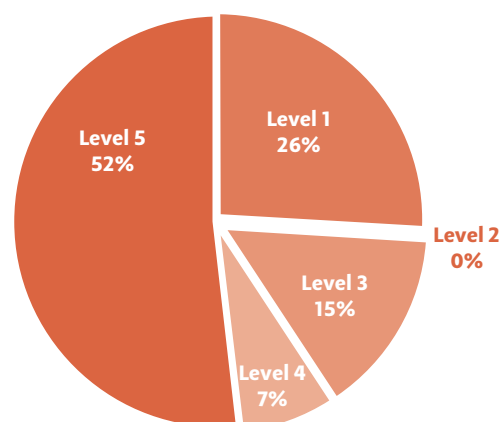
Source: <https://www.tn.gov/education/topic/data-downloads>, see base accountability file

Nearly two-thirds of the schools supported by CSGF Tennessee or the Incubator earned the state’s two highest scores on the state’s student growth scale in 2014–15. More than half received the highest score.

TVAAS Evaluation Composite—Literacy & Numeracy—All Charter Schools Funded by CSGF Tennessee and Incubator

Note: The Tennessee Value-Added Assessment System (TVAAS) measures the impact of schools on students using a growth scale of 1 (lowest) to 5 (highest)

Source: <http://www.tn.gov/education/topic/tvaas>



THE TENNESSEE CHARTER SCHOOL FUND: PHILANTHROPIC INVESTMENT STRATEGIES TO EXPAND HIGH-QUALITY SCHOOLS

The Tennessee Charter School Incubator and CSGF Tennessee represented unique philanthropic investment strategies for fueling CMO expansion and new charter school growth, with each focusing on its specific objectives within the statewide growth plan.

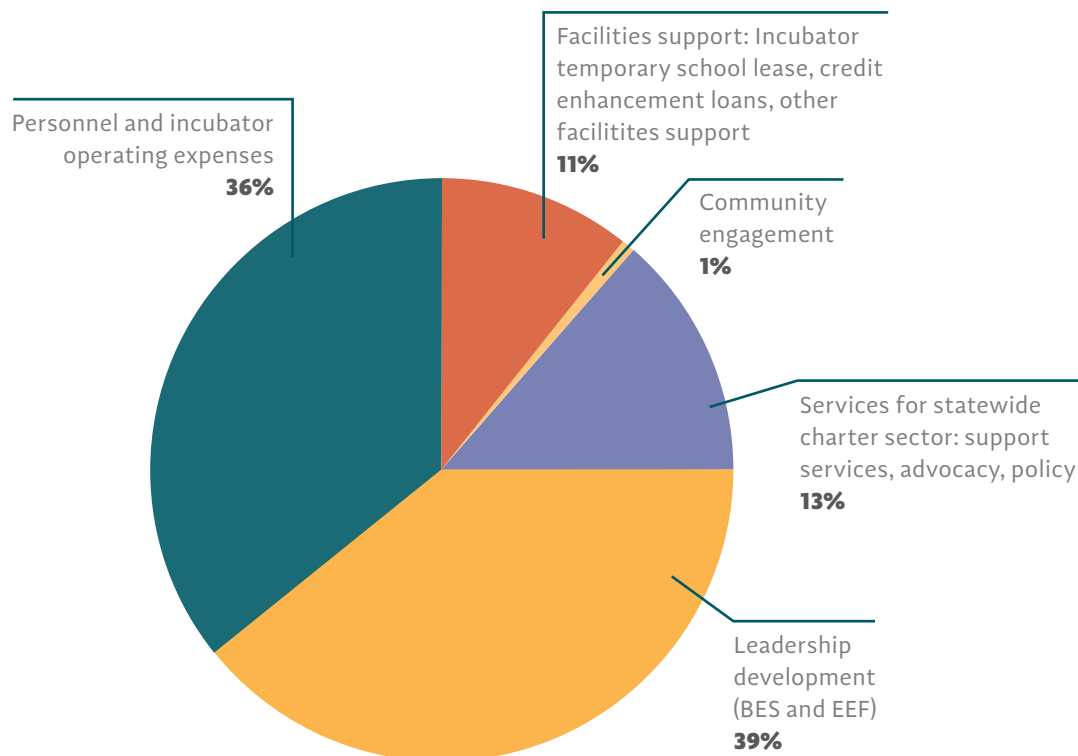
The Tennessee Charter School Incubator and New School Development

The Incubator helped to expand charter schools in Tennessee by developing and supporting leaders who would start new, high-quality charter schools or assume leadership roles in the charter sector. The Incubator's plan to launch new, high-quality charter schools in Memphis and Nashville relied on a double-pronged strategy: Build an infrastructure of support services for new charter operators, and recruit a diverse mix of talented leaders to incubate schools.

Under the leadership of CEO Greg Thompson and COO Justin Testerman, the Incubator provided supports for new school leaders in three critical areas:

- **Leadership development:** The Incubator focused on leadership development as the starting point of support for its fellows. Eight of the Incubator's 16 fellows participated in the Building Excellent Schools fellowship program with funding support from the Incubator, while the other eight participated in the Incubator's own leadership development program, the Education Entrepreneurs Fellowship (see "The Incubator's Education Entrepreneurs Fellowship," page 25).
- **Preparation for the charter application process.** The Incubator reviewed charter applications before fellows submitted them to authorizers. Testerman, the Incubator's COO, previously helped create the first nonprofit charter school authorizing program, Volunteers of America of Minnesota. His experience as an authorizer translated into a rigorous internal review process that resulted in strong applications. In addition, the Incubator provided extensive training to its fellows' board candidates on the charter application process so they would be prepared for the responsibilities of charter school governance and able to demonstrate that readiness to authorizers. Fourteen of 16 school leaders supported by the Incubator applied for charters and received approval.
- **Start-up support and facilities acquisition.** The Incubator also helped its new school leaders find and secure suitable facilities after their charters had been authorized. For example, the Incubator secured a \$500,000 six-year loan for a long-term lease on a run-down building owned by the city of Nashville. With improvements and the addition of modular facilities, the Incubator created a campus that it leased on a two-year rotating basis to its fellows to launch their schools. In addition, the Incubator helped its fellows develop relationships with real estate brokers and commercial lenders, provided credit enhancement loans of \$100,000 to \$125,000 to support fellows' loan applications for leases and building improvements, and funded other building expenses, such as architectural design fees and municipal building code assessments and evaluations (see Figure 3, Tennessee Charter School Incubator Distribution of Funds, page 22).

Figure 3. Tennessee Charter School Incubator Distribution of Funds



Tennessee Charter School Incubator Total Philanthropic Funding: \$14,000,000

Observers interviewed for this report view the role of the Incubator as the critical difference between Tennessee and other jurisdictions that have invested in charter growth with less success. Between the Incubator and CSGF Tennessee, Tennessee had complimentary mechanisms for creating a full pipeline for developing charter networks from new starts to scalable high-quality operators. The Incubator developed new high-quality, locally based but national-level organizations in which CSGF could invest both its Tennessee and national funds.

CSGF Tennessee and CMO Development

The CSGF Tennessee fund's specific objective was to create 20 new charter schools by scaling up at least six CMOs in Nashville and Memphis. CSGF focused primarily on identifying existing, high-performing Tennessee single-site charter schools with the capacity and desire to grow into multi-school networks.

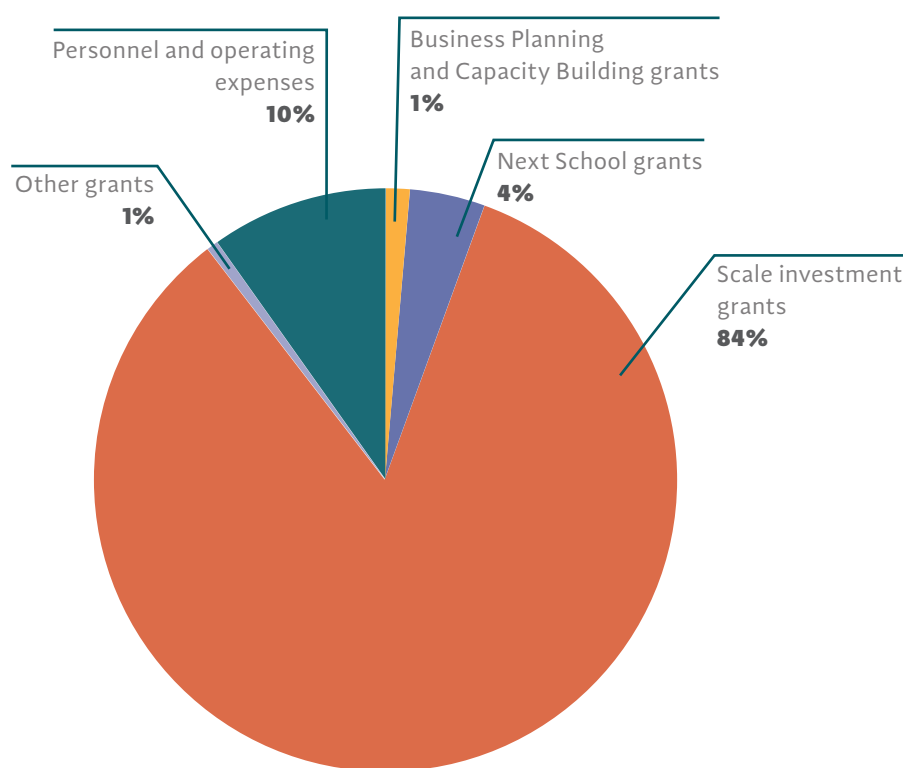
CSGF Tennessee adopted a tiered funding strategy aligned with its national portfolio strategy. To CMOs that met its funding criteria and performance standards (see "CSGF Funding Criteria," page 27), CSGF Tennessee disbursed funds in gradually increasing stages, through the following types of philanthropic investments:

- **Business Planning and Capacity Building grants** of \$25,000 to \$75,000, awarded to high-performing operators interested in expansion but lacking the resources to develop a comprehensive strategic growth plan. These grants were used to hire external consultants to support business planning efforts or additional staff.

- **Next School grants** are a unique CSGF investment vehicle created to support high-performing operators in Tennessee that are expanding but not yet ready to execute growth at the magnitude of scale investments. Ranging from \$200,000 to \$250,000, Next School grants allow CSGF Tennessee to provide limited support to high-performing operators in their first year of expansion, and hasten the skill-building and development of organizational structures needed for large-scale growth.
- **Scale investment grants** are long-term capital growth investments in grants or loan packages ranging from \$2 million to \$5 million, intended to support the expansion of high-quality charter operators.

CSGF Tennessee made all three types of philanthropic investments between 2011 and 2015, with most going to scale grants—about \$15.2 million. Grants for business planning and capacity building amounted to \$240,000, and \$750,000 for next school grants (see Figure 4, CSGF Tennessee Philanthropic Investments).

Figure 4. CSGF Tennessee Philanthropic Investments



CSGF Tennessee Philanthropic Investments Total: \$18,000,000

In some cases, CSGF supplemented grants from CSGF Tennessee with monies from its national fund. For example, CSGF national funds targeting “next gen” school models were awarded to Valor Collegiate Academies to support its personalized learning model. RePublic Schools, which received the last of CSGF Tennessee funds, got the majority of its CSGF support from the national fund (see “CMO Journey: RePublic Schools,” page 29). CSGF also awarded grants from its national fund to CMOs expanding in Tennessee that had not received CSGF Tennessee funds, including Aspire and Freedom Preparatory Academy. Total CSGF expansion investments from its national fund amounted to an additional \$8 million over this period.

The success of CSGF Tennessee spawned the CSGF Memphis fund, which is focused on scaling up charters in that city. Through CSGF Memphis, Aspire and Green Dot CMOs opened schools in the ASD. In 2015–16, CSGF Memphis supports seven CMOs and a number of single-site schools in Memphis.

Beyond its financial support, the CSGF team also provided technical assistance and organizational support. The CSGF staff includes partners and consultants with backgrounds in finance, education, charter school management, recruiting, and strategic consulting. CSGF used its in-house expertise to help emerging CMO leaders develop and refine their strategic growth plans and business models, and develop their own skills or get help identifying and recruiting staff with the skills a CMO would need to support growth. Moreover, CSGF's networks of charter school operators, education reform leaders, talent organizations, philanthropists, and other charter sector proponents provided emerging CMO leaders in Tennessee with another layer of expertise and support as they expanded their school networks.

LESSONS LEARNED: THE ESSENTIALS FOR ACCELERATING HIGH-QUALITY CHARTER SCHOOL GROWTH

The success and challenges of growing the Tennessee charter school sector illuminate some key lessons for policy-makers, funders, and charter advocates in other cities and states.

The convergence of targeted charter growth investments and favorable pre-conditions made rapid growth possible. The rapid expansion of high-quality charter schools in Tennessee was facilitated by coordinated charter sector investments and favorable operating conditions, such as political support, committed local funders, and a strong base of high-performing charter schools. Hence Tennessee's experience suggests that education leaders elsewhere seeking to expand their charter sectors consider developing a long-term strategy focused on early investments to cultivate favorable growth conditions, which lead to bold charter school growth.

Stable political leadership to champion charter school growth is critical. Bipartisan support of education reform contributed to charter growth in Tennessee. A Democratic governor worked with a Republican-led legislature to enact fundamental legislation in 2010 that set the state on a course of aggressive education reform, but his Republican successor became the champion of the reforms, leading implementation and identifying key leaders to work with his administration to execute reform initiatives. Stable political leadership meant continuing advocacy for the multiple rounds of legislative action and adjustments necessary to create a favorable charter policy environment.

In Tennessee, the commonly shared political will to change education outcomes fueled a smooth transition between political parties. But as reform efforts were implemented, opponents of charter expansion became more organized. As other communities have experienced, charter opponents tend to become more organized and more determined to thwart charter school expansion as charter school market share grows. Anti-charter factions have successfully identified, supported, and elected like-minded candidates to school boards and other local governing boards and offices involved with education funding. Some in the Tennessee charter sector recognize that proponents of charter sector growth will need to be equally organized and effective in engaging community members in constructive discussions about the need for charters and supporting pro-charter candidates seeking elected offices.

Local philanthropy is a game-changer. Before the state's RTTT win, Tennessee philanthropists were actively involved in efforts to improve the state's charter policies and grow local independent charter operators. Memphis and Nashville philanthropists provided a key source of support for the charter school fund envisioned in the state's

The Incubator's Education Entrepreneurs Fellowship

The Tennessee Charter School Incubator developed its Education Entrepreneurs Fellowship (EEF) program to increase diversity in school models as the charter sector expanded. From its inception, the development of school leaders anchored the Incubator's mission and model.

The Incubator's early partnership with Building Excellent Schools to provide leadership training to its fellows extended naturally from Incubator CEO Greg Thompson's work at the Hyde Family Foundations. But the Incubator's leadership quickly realized that a growing charter market needed a variety of charter school models, and the incubation of new charter school leaders needed to meet Tennessee's demands. For example, with the establishment of the Achievement School District, the state needed charter school operators willing to take on school turnarounds, particularly whole-school turnarounds. Thompson, Incubator COO Justin Testerman, and Rebecca Lieberman, the Incubator's chief talent strategy officer, created the EEF as a customized fellowship model to capitalize on the talent and passion of experienced school leaders, and help them build school models reflecting their backgrounds and teaching and learning philosophies.

EEF training and activities were coordinated to address each fellow's strengths and development areas. "Given my background, I needed different supports than another fellow may have given his background," said Bobby White, founder and CEO of Memphis CMO Frayser Community Schools and a member of the EEF's first group of fellows. As an example, White pointed to his own experience as teacher, assistant principal, and principal in Shelby County Schools. "I knew the community and how to reach students, but I was raw in what I knew about the operation of charter schools," White said. The Incubator helped him learn about leader responsibilities, such as fundraising and charter governance, while other fellows with previous charter experience needed development in other areas, such as community engagement.

The EEF curriculum addressed such essential topics as elements of school model and design, and school start-up.

- **School design and operation:** The Incubator staff and education and finance experts led monthly seminars on topics such as developing a school vision and mission, teacher selection and development, school culture, school discipline, special student populations, budget planning, fundraising and finance, and charter school governance. In addition, Incubator fellows participated in several residencies at high-performing charter schools across the country that helped fellows develop elements of their own school models.
- **Charter application:** Given Testerman's prior experience as a charter school authorizer, he knew the level of detail and technical writing required for successful applications. The fellowship curriculum covered elements of charter school applications, and the Incubator provided fellows with support, including technical writing assistance and a rigorous review process, to ensure that applications clearly articulated a fellow's ideas for school designs and plans to implement and sustain operations. White recalled a highly iterative process of developing his charter application, with the Incubator staff providing copious and critical feedback. "They butchered up my first draft," said White, who was among the 14 fellows who applied for and received charters in Tennessee.
- **Board development:** While each fellow recruited his or her own board, the Incubator helped identify professionals, education advocates, and other community members who would be strong board candidates. Once boards were formed, the Incubator trained them on charter school board responsibilities and charter school governance.

The EEF spanned a period of three years with each fellow. In Year 1, fellows participated in leadership development seminars and residencies, and began developing their charter applications and recruiting their boards. Year 2 encompassed school incubation activities, including identifying facilities, beginning community engagement activities, and creating financial and other operational systems. The Incubator also provided executive coaching to fellows to help prepare them for their leadership roles. In Year 3, fellows launched their schools, with the Incubator providing ongoing coaching support as well as staff development support. Incubator fellows also formed an ongoing network of support for one another.

Sources: Public Impact interview with Bobby White, founder and CEO, Frayser Community Schools, October 2, 2015; various EEF documents provided by Greg Thompson and Justin Testerman, former CEO and COO, respectively, Tennessee Charter School Incubator.

RTTT grant. The deep involvement of local philanthropists to extend the charter sector's reach helped attract and engage national investors in the Charter School Fund. According to Darryl Cobb of the Charter School Growth Fund, Tennessee would not have experienced its high-quality charter sector growth without the deep commitment of Nashville and Memphis philanthropists.

Aligning public and private sector partners maximizes impact. The Tennessee story shows how a coalition of public and private stakeholders can yield a significant impact on the policies and politics of education reform, and specifically on charter sector growth. In Tennessee, partnerships between public and private leaders led to a comprehensive strategic plan for education reform. Through RTTT, Tennessee's political leaders collaborated with national and local philanthropists to create a multiyear nonprofit fund that helped unify charter supporters and facilitate effective advocacy for policy changes that would favor charter growth. Partnerships between local and national funders enhanced the state's ability to attract and recruit national charter operators and expanded local operators' access to national funding sources.

A charter school incubator and base of quality local operators are essential for rapid high-quality charter growth. Tennessee's nonprofit Charter School Fund facilitated a multifaceted approach to growing a high-quality charter sector that relied heavily on expanding existing high-performing single-site operators and incubating new charter schools. Given the growing competition among cities to recruit the limited number of national CMOs ready for multi-city expansion, charter growth in Tennessee might have been slower were it not for the Incubator and the presence in Memphis and Nashville of high-quality single-site charter schools that were ready to expand and had outstanding leaders drawn to opportunities to innovate.

CSGF's work elsewhere bears out the need for the Incubator. Tennessee had a deep bench of high-quality single charter schools ready for expansion and a mechanism, the Incubator, to help develop new high-performing operators. But other communities lacking these have not experienced the same level and quality of charter growth.²⁹

A comprehensive facilities plan must be part of the growth strategy. In the absence of policy changes that would increase public funding of charter school facilities or the availability of district facilities, charters often rely on philanthropy and financial intermediaries, such as the community development lender Self-Help, to finance new construction or renovation. In a nascent charter market, such as Tennessee in 2010, where risk aversion among lenders is exacerbated by unfamiliarity with charter operators, such credit-worthy intermediaries can also help charter school operators, especially new ones, broker relationships with lenders.

Tennessee's initial growth strategy did not specifically include a plan for how charter operators primed to grow in Tennessee would acquire facilities. But strategies emerged from the Incubator and ASD to mitigate some of the facilities challenges of charter school expansion.³⁰ The Incubator played the role of financial intermediary for its fellows, committing substantial staff and financial resources to support them in identifying, leasing, and improving suitable facilities. The ASD also provided access to district facilities for charter operators conducting turnarounds of ASD Priority schools, although the conditions of those facilities generally required operators to invest in building improvements.

Charter growth must be supported with investments that grow the teacher talent pipeline. Prior to the state's winning the RTTT competition, the efforts of funders and political leaders had helped attract national talent support organizations to Tennessee. But more talent investments are needed to expand the overall market of talented teachers to support a rapidly expanding charter sector, the growth of the ASD, and district iZone schools.

Tennessee's experience suggests that other states and cities seeking to grow their charter sectors must think prospectively about building a talent supply sufficient to keep up with the need for teachers for new schools. Education leaders should consider what talent supports will be needed to meet anticipated charter growth, what points on the talent pipeline need to be addressed, what the talent needs are projected to be at various stages of charter sector expansion, and how to develop the key leaders—teachers and school leaders, board members, and operations support—needed to start and scale up successful charter schools and networks.

CSGF Funding Criteria

Chris Reynolds, CEO of LEAD Public Schools in Nashville, a CSGF Tennessee grantee, likens a CSGF philanthropic investment to the Good Housekeeping seal of approval.¹ CSGF grounds its grant-making decisions in high standards and a rigorous evaluation process conducted by a team of investment and charter school experts. To ensure that its grants yield high-quality seats, CSGF models its CMO funding criteria on due-diligence approaches followed by leading venture capital or growth equity firms. CSGF provides charter school operators with sizeable multiyear grants and low-interest loans linked to customized performance milestones intended to help propel their expansion.

Over six to 12 months, CSGF examines potential grantees in four key areas:

- 1 Academic Performance:** CSGF evaluates the charter operator's track record of academic achievement with underserved student populations. CSGF seeks to determine if the school outperforms district and state averages on state assessments. In the case of early replication, a school must be able to identify why they've been successful and understand both what they are replicating and how they will measure whether replication has been successful.
- 2 Impact of Growth Plan:** CSGF requires that charter operators develop a concrete business plan that includes a clear path for building the operational and organizational expertise to execute its plan. Charter school operators must demonstrate how they will increase organizational capacity to serve more students while achieving student academic outcomes that are equal to or better than their current schools.
- 3 Financial Sustainability:** CSGF requires CMOs to demonstrate that they are on track to break even on public funding when at full scale (at the end of the growth plan). CSGF grantees must be financially healthy and have solid financial controls in place to ensure financial stability while expanding.
- 4 Leadership Capability:** CSGF ultimately backs entrepreneurs. Accordingly, the CSGF team must strongly believe in the charter operator's executive director and that the executive team can carry out the CMO's growth plan.

1. Public Impact interview with Chris Reynolds, CEO, LEAD Public Schools. June 2, 2015; Good Housekeeping Institute. (n.d.) *The Good Housekeeping Seal of Approval: Frequently asked questions*. Retrieved from <http://www.goodhousekeeping.com/institute/about-the-institute/a31680/good-housekeeping-seal-faqs/>

CMO Journey: LEAD Public Schools, Nashville

LEAD Public Schools opened its first school, LEAD Academy Middle School, in Nashville in 2007. Founder Jeremy Kane borrowed some key elements from the YES Prep Public Schools model, and targeted at-risk youth eligible for free and reduced-price lunch. Building on the success of the middle school, LEAD opened the first charter high school in Nashville in 2010, establishing LEAD as a CMO. LEAD then collaborated with the local district on the transformation of a chronically low-performing middle school. LEAD's early success in school turnaround work caught the attention of CSGF, which connected LEAD to Tennessee native and veteran charter school leader Chris Reynolds, who joined the CMO as chief operating officer in 2011 and ultimately became LEAD's CEO in 2014.

CSGF invested \$250,000 in LEAD through a “next school” planning grant—its first philanthropic investment from the CSGF Tennessee fund—to take over operation of Nashville's Cameron Middle School in 2011. Cameron, a school that was performing in the bottom 5 percent in the state, had been identified for inclusion in the recently established ASD, but Metro Nashville Public Schools intervened and agreed to engage LEAD to help run the school. At Cameron, LEAD successfully conducted Tennessee's first phase-in charter conversion (in which LEAD took over just one grade per year) and first zoned enrollment turnaround (in which only students living within the school's attendance zone could enroll). By 2014, LEAD managed the entire campus. In just four years, the school moved from the bottom 5 percent of schools to above the 20th percentile, and its student growth scores earned the school's designation in 2014 as a “Reward” school, a school in the top 5 percent of all schools for student growth or performance on state end-of-year assessments.¹

In 2011, CSGF granted \$3.25 million to LEAD to scale up to three more campuses in Nashville by 2016. In 2012, LEAD opened Brick Church College Prep, a phase-in turnaround school in the ASD, and founded a new Nashville middle school, LEAD Prep Southeast, in 2013. In fall 2015, LEAD opened Neely's Bend College Prep, its third turnaround school in Nashville. While LEAD operates both fresh-start traditional charter schools and conversion schools, the network plans future growth through school conversions in Nashville. To date, two of its conversion schools, LEAD Academy and Cameron College Prep, as well as LEAD Prep Southeast have received state recognition as “Reward” schools for high student growth.²

As LEAD grew, CSGF provided it with consulting services, technical assistance, and a “business planning grant” to develop LEAD's strategic growth plan. CSGF also helped the CMO connect with the talent needed to grow and operate its schools, including two Broad Residents and a chief academic officer. CSGF's network connected LEAD to teacher and leader talent sources to help staff its growing portfolio of schools, and to philanthropic partners in and outside of Tennessee who are interested in supporting LEAD and charter sector growth in Tennessee. Reynolds credits CSGF's combination of philanthropic investment and technical assistance as critical to LEAD growing into a high-performing charter network.³

1. Tennessee Department of Education. (n.d.) *2014 School Accountability*. Retrieved from <https://www.tn.gov/education/article/2014-school-accountability>; see also, Metro Nashville Public Schools. (21 August 2014). *18 Metro schools rank among highest for performance and growth in Tennessee*. Retrieved from <https://mnpschildrenfirst.com/2014/08/21/18-metro-schools-rank-among-highest-for-performance-and-growth-in-tennessee/>

2. Tennessee Department of Education. (n.d.) *2014 School Accountability*. Retrieved from <https://www.tn.gov/education/article/2014-school-accountability>; Tennessee Department of Education. (n.d.) *2015 School Accountability*. Retrieved from <https://www.tn.gov/education/article/2015-school-accountability>; see also, Metro Nashville Public Schools. (3 August 2015). *Reward Schools list includes 6 charters, 5 magnets, 2 zoned schools and 1 non-traditional school*. Retrieved from <https://mnpschildrenfirst.com/2015/08/03/14-metro-schools-named-reward-schools-rank-among-the-top-five-percent-statewide/>

3. Public Impact interview with Chris Reynolds, CEO, LEAD Public Schools. June 2, 2015.

CMO Journey: RePublic Schools

RePublic Schools' co-founders, Ravi Gupta and Linda Lentz, were fellows in the Building Excellent Schools (BES) leadership development program when the Charter School Fund began. The Tennessee Charter School Incubator, according to Gupta, attracted both leaders to launch schools in Tennessee.

Gupta and Lentz had very similar visions for the charter schools they each started. And as Incubator fellows, they had similar experiences opening their schools. The Incubator funded Gupta's and Lentz's participation in the BES leadership development program, and helped each successfully navigate the charter application process and open their schools. Lentz opened her school, Liberty Collegiate, in 2011 in a facility the Incubator leased for new charter school launches. After two years, and with \$100,000 for tenant improvements from the Incubator, Liberty Collegiate leased a district building from Metro Nashville Public Schools (MNPS). Gupta also opened his school, Nashville Prep, in 2011, in a leased building on the campus of Tennessee State University. Three years later, he moved his school to a leased MNPS building with \$100,000 for tenant improvements from the Incubator.

Both schools were immediately high-performing charter schools and earned early recognition for student performance on state assessments. Both were identified in a 2012 CREDO study¹ as two of the state's highest-performing charter schools.²

After operating as individual schools for more than two years, Gupta and Lentz decided to merge their schools into a CMO. With encouragement from the Incubator and BES, CSGF invested \$250,000 in a seed grant to explore the merger. CSGF worked closely with RePublic as they merged into a CMO, including giving RePublic a \$50,000 seed grant that allowed the school to accelerate hiring of a CFO who would prove critical in the development of RePublic's expansion plan.

In early fall 2014, CSGF made a \$3 million philanthropic investment in RePublic Schools' growth from two to nine schools in Nashville and Jackson, Mississippi. CSGF's grant represented the last philanthropic investment from CSGF Tennessee (\$400,000), and also included funding from CSGF's national Core Fund. It was the first philanthropic investment from CSGF Tennessee in schools incubated through the Incubator, representing the full continuum of charter school launch and growth support envisioned at the outset of the Tennessee Charter School Fund.

RePublic's vision is to "reimagine public education in the South" as it continues to grow. Plans include teaching coding instruction as a core class to each of its students, which it believes will fuel a hundredfold increase in students of color mastering computer science in the South in the next 10 years. In fall 2014, RePublic opened the Nashville Academy of Computer Science, serving grades 5 to 8. RePublic opened its fourth Nashville school, RePublic High School, in fall 2015, as well as the first charter school in Mississippi, ReImagine Prep. The CMO plans to serve 4,500 students by 2020.

Meanwhile, Liberty Collegiate and Nashville Prep continue to post outstanding achievement results. In 2014, 100 percent of Liberty's seventh-graders who enrolled in Algebra I (typically a ninth-grade course) scored "advanced" on the Tennessee end-of-course exam.

1. Unpublished 2013 CREDO study; Achievement Network. (n.d.) *Nashville Prep recognized as top performing charter school in Tennessee*. Retrieved from <http://www.achievementnetwork.org/news/nashville-prep-recognized-as-top-performing-charter-school-i.html>

2. Charter School Growth Fund. (n.d.) *A movement to reimagine public schools in the South: RePublic Schools*. Retrieved from <http://chartergrowthfund.org/republic/>

Community Engagement and Advocacy for Sustained Charter Growth

As in many communities, the Tennessee charter sector has grown in response to demand for high-quality educational options. But it has not yet galvanized the kind of vocal and organized base of community support to match that which charter opponents have effectively mobilized. The Tennessee experience shows that a plan for charter growth needs to include an effective advocacy and community engagement strategy.

Charter sector growth can put financial pressure on traditional school districts to reduce fixed costs as their enrollment declines. Advocates of high-quality public education can help by fostering public discourse about school quality (whether charter or traditional district schools) and the impact that expanding charter schools has on family access to high-quality schools. Such discussions may help focus attention on how the local school board is proactively managing its schools—including school consolidations, closures, and new school openings—to make the best use of public funds and ensure a more equitable distribution of high-quality options for communities.

The 2014 school board election in Nashville suggests that parents may play a significant role in this discourse. Two candidates with children in charter schools¹ were elected to the school board. One, a Nashville parent with three children in charter schools, including RePublic, unseated the incumbent chair.²

Community engagement is particularly important in communities where charter school growth is connected to the turnaround of low-performing schools. These schools serve communities that have ample reason to distrust a system that has repeatedly failed to provide high-quality education, despite numerous cycles of reforms and school improvement initiatives. Families have few reasons to believe that this next wave of dramatic reforms will result in meaningful school improvements. In order to build community support for these reforms, families need timely information to understand the changes, opportunities to see first-hand some high-performing schools that serve low-income students, and opportunities to voice concerns and provide meaningful input in decisions that affect education options for their children.

1. Farmer, B. (2014, June 9). *How do Nashville school board candidates differ? Charter schools*. Nashville Public Radio: WPLN News Archive. Retrieved from <http://nashvillepublicmedia.org/blog/2014/06/09/nashville-school-board-candidates-differ-charter-schools/>

2. Hale, S. (2014, June 17). *Three takeaways from the Mayes-Hunter school board forum*. Nashville Scene. Retrieved from <http://www.nashvillescene.com/pitw/archives/2014/06/17/three-takeaways-from-the-mayes-hunter-school-board-forum>

CONCLUSION

Although the Tennessee Charter School Incubator, CSGF Tennessee, and state-run Achievement School District provided the direct mechanisms for accelerated charter school growth in Tennessee, a particular set of conditions propelled the charter sector to grow rapidly from six CMOs, 29 schools, and 5,500 students in 2010–11 to 24 CMOs, 98 schools, and 29,000 students in 2015–16. This trajectory of charter growth makes Tennessee unique among states, but even more noteworthy is the manner in which Tennessee charter growth has maintained its focus on creating high-quality schools in underserved communities.

Strong political leadership facilitated public policy reform that set the stage for the growth of high-quality charter operators. Relaxing provisions in the charter law that had restricted growth—including a charter cap and limitations on students eligible to attend charter schools—as well as the establishment of a statewide authorizer enhanced the state’s ability to attract high-performing charter operators keen on growing.

Financial support grounded in a combination of public and private funds reflected a strong partnership between the state and philanthropic supporters of charter growth. Several local foundations had long supported Tennessee’s charter sector, but the state’s successful bid for the federal Race to the Top grant provided leverage for the state to tap philanthropic support for a coordinated statewide effort to expand the charter sector.

But just an improved policy environment and funding for charters to expand would not have supported the kind of growth that Tennessee has experienced. Tennessee had a small but strong base of existing high-quality single-site charter schools ready to grow. Moreover, the Tennessee Charter School Incubator provided the state with a critical mechanism for developing high-quality charter operators. The state did not have to rely exclusively on recruiting national high-performing charter operators.

Local funders and political leaders had helped bring national talent support organizations to Tennessee before the charter sector began expanding rapidly. As the charter sector grew, local philanthropists recognized the need to develop a sustainable and expanded pipeline of educator talent, and are leading efforts to coordinate the expansion of programs that support the recruitment, development, and retention of high-performing teachers and leaders.

Despite Tennessee’s success in growing its charter sector, advocates have learned that effective community engagement must be part of the charter growth strategy. As in many communities, Tennessee’s charter sector has grown in response to demand for high-quality educational options, but is increasingly encountering vocal and organized opposition to charter expansion. Particularly in communities where charter school growth is connected to the conversion and turnaround of low-performing neighborhood schools, the charter sector must be strategic in building community support for the kind of dramatic reforms that charter schools often represent.

The Tennessee experience highlights critical interrelated conditions that spurred rapid growth of high-quality charter schools and illuminates key lessons for policymakers, funders, and charter advocates seeking to grow the charter sector in their cities or states. Though Tennessee’s Charter School Fund has been completely deployed, the stage is set in Tennessee for growing a sustainable and high-quality charter school sector.

Figure 5. Charter school student enrollment growth, 2010–11 to 2015–16



Sources: https://www.tn.gov/assets/entities/education/attachments/chtr_sch_annual_report.pdf; <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>

New Schools Supported by CSGF Tennessee¹ and Incubator²

School	CMO	Opening year	Supported By
Cameron College Prep (Nashville)	LEAD Public Schools	2011	CSGF Tennessee
Brick Church College Prep (Nashville)	LEAD Public Schools	2012	CSGF Tennessee
LEAD Prep Southeast (Nashville)	LEAD Public Schools	2013	CSGF Tennessee
LEAD Neely's Bend (Nashville)*	LEAD Public Schools	2015	CSGF Tennessee
Power Center Academy High School (Memphis)	Gestalt Community Schools	2011	CSGF Tennessee
Humes Preparatory Academy Middle School (Memphis)*	Gestalt Community Schools	2012	CSGF Tennessee
Klondike Preparatory Academy (Memphis)*	Gestalt Community Schools	2013	CSGF Tennessee
Power Center Academy Elementary School (Memphis)	Gestalt Community Schools	2015	CSGF Tennessee
Nashville Prep	RePublic Schools	2011	Incubator
Liberty Collegiate (Nashville)	RePublic Schools	2011	Incubator
Nashville Academy of Computer Science	RePublic Schools	2014	CSGF Tennessee
RePublic High (Nashville)	RePublic Schools	2015	CSGF Tennessee
KIPP Memphis Collegiate High	KIPP Memphis Collegiate Schools	2011	CSGF Tennessee
KIPP Memphis Academy Middle	KIPP Memphis Collegiate Schools	2012	CSGF Tennessee
KIPP Memphis Collegiate Elementary School	KIPP Memphis Collegiate Schools	2012	CSGF Tennessee
KIPP Memphis Academy Elementary*	KIPP Memphis Collegiate Schools	2013	CSGF Tennessee
KIPP Memphis Preparatory Middle*	KIPP Memphis Collegiate Schools	2013	CSGF Tennessee
KIPP Memphis* University Middle	KIPP Memphis Collegiate Schools	2014	CSGF Tennessee
KIPP Preparatory Elementary (Memphis)*	KIPP Memphis Collegiate Schools	2015	CSGF Tennessee
KIPP Nashville College Prep	KIPP Nashville	2013	CSGF Tennessee
KIPP Nashville High School	KIPP Nashville	2014	CSGF Tennessee
KIPP Nashville Kirkpatrick	KIPP Nashville	2015	CSGF Tennessee
Valor Flagship Academy (Nashville)	Valor Collegiate	2014	CSGF Tennessee and Incubator
Valor Voyager Academy (Nashville)	Valor Collegiate	2015	CSGF Tennessee
Nashville Northeast Elementary (Nashville)	Rocketship Education	2014	CSGF Tennessee
Rocketship United (Nashville)	Rocketship Education	2015	CSGF Tennessee
Aurora Collegiate (Memphis)		2012	Incubator
Nashville Classical		2013	Incubator
Purpose Prep (Nashville)		2013	Incubator
Intrepid College Prep (Nashville)		2013	Incubator
Memphis Rise		2014	Incubator

Continued on next page

School	CMO	Opening year	Supported By
Westside Achievement School (Memphis)* ³		2014	Incubator
MLK Prep High School (Memphis)*	Frayser Community Schools	2014	Incubator
STRIVE Collegiate (Nashville)		2015	Incubator
STEM Prep High School ⁴ (Nashville)		2015	Incubator
Leadership Prep (Memphis)		2015	Incubator
Libertas School (Memphis)*		2015	Incubator

* Indicates schools in the ASD.

1. In addition, CSGF Tennessee supported schools that were part of a CMO supported by the fund: LEAD Academy Middle and High School and KIPP Academy Nashville in Nashville, and Power Center Academy and KIPP Memphis Collegiate Middle School in Memphis.

2. The Incubator also supported three fellows who did not open new charter schools: One became the principal of Westside Achievement School, a direct-run ASD school in Memphis, and two fellows took leadership positions in the ASD.

3. The Incubator placed and funded a fellow, Mike Brown, to lead this school.

4. The Incubator placed and funded a fellow, Jon Robertson, to lead this school.

Tennessee Charter Sector Growth Milestones

2002	Tennessee authorizes charters: only in Memphis and Nashville; cap at 50; only students at failing schools can enroll at charters
2009	<i>June</i> —State partially lifts charter cap (90 schools by 2015) <i>December</i> —Nashville Mayor Karl Dean launches Tennessee Charter School Incubator, first statewide incubator in the country
2010	<i>January 15</i> —Legislature passes Tennessee First to the Top Act, creating the Achievement School District (ASD) <i>January 18</i> —Tennessee submits RTTT application <i>April</i> —Tennessee awarded \$502 million RTTT grant over four years (\$22 million allocated to ASD; \$10 million to Tennessee Charter School Fund) <i>August</i> —School year begins with 29 charter schools and six multi-school networks or charter management organizations (CMOs) serving 5,500 students <i>December</i> —CSGF Tennessee launched (\$15 million)
2011	<i>June 15</i> —Governor Haslam signs HB 1989/SB 1523 lifting state charter cap, eliminating enrollment restrictions, giving ASD charter authorizing authority within its scope
2013	<i>July</i> —Tennessee Charter School Center formed with merger of Tennessee Charter School Incubator and Tennessee Charter Schools Association
2015	<i>August</i> —School year begins with 98 charter schools and 24 CMOs serving 29,000 students

Endnotes

1. Tennessee Department of Education. (2015, March). *Charter schools 2015 annual report*. Retrieved from https://www.tn.gov/assets/entities/education/attachments/chtr_sch_annual_report.pdf
2. Tennessee Charter School Center. (n.d.) *Inside charters*. Retrieved from <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>
3. Tennessee Charter School Center. (n.d.) *Tennessee charter school history*. Retrieved from <http://tnchartercenter.org/general/>
4. The former Memphis City Schools (now part of Shelby County Schools) authorized Memphis Academy of Health and Sciences, Memphis Academy of Science Engineering, and Circles of Success. Metro Nashville Public Schools authorized Smithson Craighead Academy.
5. Smithson Craighead Academy operated two schools in Nashville, one of which closed at the end of the 2012–13 school year, and City University operated two schools in Memphis.
6. Tennessee Division of Publications. (n.d.) *Tennessee blue book 2013–2014: Office of the governor*. Nashville, TN: Author. Retrieved from <http://www.tn.gov/sos/bluebook/07-08/7-governor.pdf>
7. Tennessee Race to the Top application. (2010, January 18). See page 13. Retrieved from <https://www2.ed.gov/programs/racetothetop/phase1-applications/tennessee.pdf>
8. The ACT. (n.d.) *ACT high school profile report: The graduating class of 2007, Tennessee*. Retrieved from <http://www.act.org/newsroom/data/2007/pdf/states/Tennessee.pdf>
9. U.S. Chamber of Commerce. (2007). *Leaders and laggards: A state-by-state report card on educational effectiveness*. Washington, DC: Institute for a Competitive Workforce. Retrieved from <http://www.uschamberfoundation.org/sites/default/files/publication/edu/2007%20Leaders%20%26%20Laggards.pdf>
10. Public Impact interview with Erin O’Hara, former education policy advisor in the Governor’s Office of State Planning and Policy, and RTTT director in the Tennessee Department of Education, June 9, 2015.
11. Tennessee Race to the Top application. (2010, January 18). See page 125. Retrieved from <https://www2.ed.gov/programs/racetothetop/phase1-applications/tennessee.pdf>
12. Tn. Pub Ch. 555 (2009) established a new cap of 90 charter schools by 2015 with a cap of 35 in Memphis, 20 in Nashville, and four in Shelby County. Conversion schools—existing public schools that convert into charter schools under a process approved by their local board of education—did not count toward the cap.
13. Tenn. Code Ann. § 49-1-602(b)(2).
14. Three schools received support from both the Incubator and CSGF Tennessee. Liberty Collegiate and Nashville Prep were established with support from the Incubator and formed a CMO with support from CSGF Tennessee. Valor Academy also received Incubator and CSGF Tennessee funds.
15. The Incubator, a 501(c)(3) nonprofit entity, received only \$1.44 million from the \$10 million in RTTT funds. From 2010 to 2014 the Incubator spent about \$14 million; about \$12.56 million came from private philanthropic funding, including more than \$10 million from the Tennessee Charter School Fund contributed by the Walton Family Foundation and Memphis and Nashville foundations.
16. One fellow did not open a new school but accepted a leadership position in the ASD central office. Among the 15 new schools opened under the leadership of Incubator fellows, one school opened under the charter of an existing CMO, and another opened under a non-charter contract with the ASD.
17. These CMOs are: Gestalt, RePublic, Valor, LEAD, KIPP Memphis, KIPP Nashville, and Rocketship TN.
18. CSGF Tennessee funds support four schools that were open before the fund launched in 2010. These schools are in operator networks that received CSGF Tennessee expansion grants. For example, KIPP Memphis Middle School was open before the establishment of CSGF Tennessee, but KIPP Memphis Elementary School opened with CSGF Tennessee funds.
19. Tenn. Code Ann. § 49-1-602(b)(2).
20. Public Impact interviews with Erin O’Hara, June 9, 2015, and Kevin Huffman, former secretary of education, Tennessee Department of Education, June 11, 2015.
21. See Tn. Pub. Ch. 466. Retrieved from <http://www.tn.gov/sos/acts/107/pub/pc0466.pdf>. For authoritative accounts of the ASD, see Smith, N. (2013). *Redefining the school district in Tennessee*. Washington, DC: Thomas B. Fordham Institute. Retrieved from http://edex.s3-us-west-2.amazonaws.com/publication/pdfs/20130423-Redefining-the-School-District-in-Tennessee-FINAL_.pdf; Public Impact: Kim, J., Field, T., & Hargrave, E. (2015). *The Achievement School District: Lessons from Tennessee*. Chapel Hill, NC: Public Impact and New Orleans, LA: New Schools for New Orleans. Retrieved from <http://achievementschooldistrict.org/publications/>

22. Tennessee Charter School Center. (n.d.). *Inside charters*. Retrieved from <http://tnchartercenter.org/2015-16-tennessee-charter-schools-infographic/>. The ASD has authorized Rocketship Education to operate schools in the ASD. Rocketship opened its first school in Tennessee in 2014 in Nashville under a charter with Metro Nashville Public Schools but has not yet opened an ASD school.
23. Based on CSGF estimates.
24. Relay Graduate School of Education. (n.d.) Retrieved from <http://www.relay.edu/>
25. Tennessee Public Chapter 850. (2013). Retrieved from <http://tn.gov/sos/acts/108/pub/pc0850.pdf>
26. Tennessee Public Chapter 721. (2014). Retrieved from <http://tn.gov/sos/acts/108/pub/pc0721.pdf>
27. Senate Bill 2285 passed in 2014 provided for the automatic closure of the lowest performing charter schools outside of the ASD at the close of the school year after the school is identified as a priority school and for the lowest performing ASD charter schools identified as priority schools for two consecutive years beginning in 2015. Tn. Pub. Ch. 721. (2014). Retrieved from <http://tn.gov/sos/acts/108/pub/pc0721.pdf>. House Bill 125 passed in 2015 tolled the application of automatic closure provisions until 2017 for schools identified as priority schools in 2015. Tn. Pub. Ch. 171. (2015). Retrieved from <http://www.tn.gov/sos/acts/109/pub/pc0171.pdf>
28. Tennessee Public Chapter 507. (2015). Retrieved from <http://www.tn.gov/sos/acts/109/pub/pc0507.pdf>
29. Public Impact interview with Darryl Cobb, Partner, Charter School Growth Fund, May 29, 2015.
30. Facilities challenges remain. In Nashville, the district has been unwilling to give charter schools access to district facilities. Unless Nashville schools are selected into the ASD, charter operators in Nashville will necessarily rely primarily on expanding in privately owned buildings and facilities. In Memphis, the district announced in spring 2015 that it would no longer permit co-locations of charter schools with district schools, raising concerns about the viability of charter phase-in conversions. Charters in Memphis will still be able to expand into district buildings by conducting whole-school turnarounds or operating a school selected into the ASD.