

PERSONALIZED LEARNING POLICY PLAY #4: INCUBATE OR CREATE A NONPROFIT ORGANIZATION TO SUPPORT PERSONALIZED LEARNING IN SCHOOLS AND DISTRICTS

CONTEXT

In an effort to encourage the development of personalized learning, some state education agencies are establishing a dedicated office focused on innovation (see Play No. 8). Public sector agencies, however, often face political and bureaucratic challenges in fostering innovation, limiting the impact such offices can have. Changes in elected state leadership, for instance, may lead to changes in statewide priorities as well as leadership of the innovation office—undermining the sustainability of personalized learning efforts. State agencies’ efforts to support innovation may also be hindered by procurement, personnel, and other policies and systems that make them less nimble or adaptable than nonprofit or private organizations.

Another challenge for state education agencies is that many foundations choose not to fund public sector entities. Even agencies that do receive private funding often face challenges in allocating and targeting funds effectively. In contrast, nongovernment organizations have greater flexibility in deciding how to use philanthropic dollars and which types of initiatives to target with external funding.

PLAY IN ACTION

To sidestep these challenges, a state innovation office or point of contact could incubate or create a nonprofit organization that may be better suited to taking on certain functions that support innovation. This type of independent organization could also leverage public funding by applying for, receiving, and distributing philanthropic funds for public-private partnerships to promote innovation and personalized learning. Independent nonprofits can also serve as advocates for innovation with state policymakers, schools, and districts, working to spur demand for new models. For example, an organization might coordinate “field trips” for policymakers, principals, and civic leaders to visit schools in and outside the state that are implementing personalized learning models, or put together forums where schools and districts interested in personalized

learning can hear from national experts. This type of advocacy is better suited to an independent organization than a state agency.

The Colorado Department of Education helped incubate the Colorado Education Initiative (formerly the Colorado Legacy Foundation) to catalyze bold, comprehensive improvement in public education. Although the state already had an Office of Blended and Online Learning, state officials saw a need for an independent nonprofit organization that could support the state's goal of closing the achievement gap through personalized learning. CEI now works with external groups such as the International Association for K–12 Online Learning, Education Elements, and 2Revolutions to provide tools and resources to schools and districts that want to implement innovative models. District partners include Boulder Valley School District and Denver Public Schools. As an independent organization, CEI has greater flexibility than a state education agency to collaborate with education organizations, foundations, and businesses.

Kentucky has also successfully established a nonprofit organization supporting innovation in schools. In 2013, the state Department of Education created the Fund for Transforming Education in Kentucky (the Fund), a foundation modeled after the Colorado Education Initiative. The Fund is an independent nonprofit that seeks external funding from foundations, corporations, and individuals to support state initiatives, including multiple ones related to personalized learning. The Fund also supports

innovation districts, which receive autonomy from certain state regulations in Kentucky in exchange for committing to implementing innovative practices (see Play No. 11). In addition, the nonprofit will establish an Innovation Fund (similar to the ideas outlined in Play No. 1) to provide teachers and school leaders with three types of competitive grants: research, pilot, and scaling. The review committee that will evaluate applications and make final grant decisions has not been created yet, but it will include members from the Fund and the Kentucky Department of Education, as well as other experts. The Innovation Fund is slated to award initial grants in August 2014.

At the district level, local organizations may partner with school districts to bring innovation to their community. In collaboration with the New York City Department of Education, the Fund for Public Schools secures private funding, fosters public-private partnerships, and invests in and manages promising initiatives related to school reform. The Fund raised just over \$21 million in 2012 to support multiple school-based and system-wide efforts, including initiatives related to teacher effectiveness, school leadership, and implementation of Common Core standards.

IMPLEMENTATION CONSIDERATIONS

State policymakers seeking to create an independent nonprofit to support education innovation will need to select an appropriate governance model to enable the nonprofit

organization to operate effectively and align its work with other state efforts. The choice of governance model will determine the nonprofit's level of independence.

If the state intends to make a significant upfront investment in launching the nonprofit, and to provide ongoing appropriations to support its operation, state leaders and taxpayers will likely demand a strong official state role in the organization's governance. Members of the state education agency could sit on the board of the nonprofit, allowing the state to have a clear role in shaping the organization's mission, priorities, and initiatives. The commissioner of the Colorado Department of Education, for instance, is an ex-officio member of the Colorado Education Initiative board of trustees. In addition, a state board member and the lieutenant governor are members of the CEI board, allowing the state to have a clear voice in the organization's work. Similarly, members of the board of the Fund for Transforming Education in Kentucky include the commissioner of the Kentucky Department of Education (ex-officio) and the lieutenant governor. Ongoing state financial support could enhance the potential impact and sustainability of the new organization, which could use private funds to leverage state dollars, but could also impact the organization's independence and effectiveness.

Alternatively, state leadership may want to create a more traditional nonprofit organization that does not include any board members selected from state leadership.

Under this structure, the state would simply encourage the creation of the organization and lend the imprimatur of state officials to the organization's efforts to raise private funds. Greater independence may better allow the organization to monitor and publicly discuss the state's successes and challenges in improving educational outcomes, but may also make it more difficult to align the nonprofit's work with state initiatives. One other option might be for state policymakers to provide an initial infusion of funds—matched by private funding commitments—to successfully launch a project, and then ramp down state support over time as the new organization builds a track record of success and increases its private fundraising.

RESEARCH AND RESOURCES

Read about the **history** of the **Colorado Education Initiative** at: <http://www.coloradoedinitiative.org/who-we-are/history-accomplishments/>

Learn more about **CEI's work in personalized learning** and district partners at: <http://www.coloradoedinitiative.org/our-work/next-generation-learning/>

Read a short press release on the history of the **Fund for Transforming Education in Kentucky** at: <http://education.ky.gov/comm/documents/r072tefund.pdf>

More information on the **Fund** can be found at: <https://www.thefundky.org/initiatives>

Learn more about the **Innovation Fund**, which will be established by the Fund for Transforming Education in **Kentucky**, at: <https://www.thefundky.org/innovation-initiative>