



Disruptive Innovation in an Urban School District: Denver's Luminary Learning Network

Alan Gottlieb – Write. Edit. Think. LLC



ABOUT THIS STUDY

In early 2015, a group of principals from Denver Public Schools approached the Gates Family Foundation for technical and strategic guidance in their quest to gain more autonomy over decision-making, finances, and operation of their innovation schools. The Foundation had long been a supporter of independent charter schools as a strategy for improving student outcomes, but hadn't invested significantly in district schools. Recognizing the opportunity for the Foundation and others to learn from the process of exploring new models for governance and investment, Senior Vice President for Education Mary Seawell asked Colorado-based journalist Alan Gottlieb to cover, in real time, the unfolding events that are chronicled in this case study.

ABOUT THE AUTHOR

Alan Gottlieb is a writer, editor, communications consultant, and nonprofit entrepreneur with 20 years of experience in education policy and education journalism. He is co-founder of Chalkbeat – a national news nonprofit focused on pre-K–12 education, policy and practice – and winner of a Heartland Regional Emmy Award for his part in producing “Standing in the Gap,” a four-part documentary examining segregation in Denver Public Schools 20 years after the end of court-ordered busing. From 1988 to 1997, Gottlieb was a reporter with The Denver Post, whose work focused primarily on urban social issues, including public housing, homelessness, and, from 1995 to 1997, Denver Public Schools. His coverage of DPS earned several regional journalism awards. From 1997 to 2007, Gottlieb served as education program officer at The Piton Foundation in Denver, focusing much of his work on issues of educational equity and socio-economic school integration.

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And two people who helped create the conditions for the LLN years before: Alyssa Whitehead-Bust, who led the creation of many of the district's most heralded reforms, and Rob Stein, former principal at Manual High School, one of the first innovation schools in DPS.

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FOREWORD

By David Osborne

In many cities, charter schools overseen by strong authorizers are dramatically outperforming traditional public schools. This is true in New Orleans, Washington, D.C., Boston, New York, Newark, Camden, Indianapolis, Memphis, Denver, and other cities.¹

The success of these charters appears to stem from a number of factors, including their genuine autonomy to create innovative school models that meet the needs of their particular students and their genuine accountability for performance: they close if they fail and expand or replicate if they succeed.

The outstanding performance of these urban charter schools has led many districts to experiment with methods to emulate charter conditions for their own schools. Few have gone about it in exactly the same way, and some cities even have several different models of “charter-lite” schools within one district. Indianapolis has probably gone the furthest toward charter-like conditions; its “innovation network schools” are not-for-profit organizations with their own boards, with five-to-seven year performance contracts with the district, and their employees work for the nonprofit, not the district.²

Denver has created “innovation schools” since 2008, when the state legislature passed the Innovation Schools Act. Staff at these schools are still district employees, but almost all have opted out of the collective bargaining agreement. The innovation schools have experienced increased but partial autonomy and accountability, and that half-way status has led to widespread frustration. Principals and teachers have been frustrated when the district refuses to honor the autonomy promised in their innovation plans, whether to purchase what they need, opt out of required district meetings, or manage their own professional development. And school board members have been frustrated that innovation schools have not, on average, performed better than traditional public schools, at least through 2015.³ (There is some evidence that they began to outperform in 2016.)

Those frustrations led a group of principals to propose an improvement on the model: an “innovation zone,” with broader autonomy, and run by an independent non-profit with its own board of directors. After protracted negotiations, district leaders agreed to let the four schools involved opt out of many district meetings and some central services and receive the funds instead, some of which they could use as they chose. The board of this “Luminary Learning Network,” as its members named it, doesn’t authorize the schools, but it can replace principals. In turn, those principals expect the board to protect them from district micromanagement.

Alan Gottlieb’s paper does an excellent job of describing the process by which the LLN came to be, as well as its first year of experience. It leaves us with some important questions, the answers to which will probably determine if the zone produces the improved outcomes its founders promise.



¹ *Urban Charter School Study: Report on 41 Regions, 2015* (Stanford, CA: Center for Research on Education Outcomes, 2015); and David Osborne, *Reinventing America's Schools: Creating a 21st Century Education System* (New York: Bloomsbury, 2017).

² Osborne, *Reinventing America's Schools*, pp. 202-210.

³ *Ibid.*, pp. 179-181.



- 1 Will the LLN schools get the degree of autonomy they need to create excellent schools: control over their budgets, their hiring, promotion, firing, and pay scales, as well as the freedom to craft unique educational models?
- 2 Will the schools be held accountable for student learning? Will they be replaced by better operators if students are falling behind, and will they be encouraged to replicate if their students are racing ahead? Consequences like this create urgency on the part of all employees to overcome obstacles and improve student learning; hence they appear to be a critical difference between strong and weak charter sectors.
- 3 If and when an LLN school is closed or replaced for poor performance, will the political backlash be strong enough to inhibit future action by the LLN and DPS boards? Since the LLN schools are still staffed by DPS employees, will the backlash involve more than one school, spreading through the LLN and then to other DPS schools? If so, it could threaten the re-election of DPS board members, the surest way to force them to back away from real accountability for schools. Or will the LLN be more like the charter sector, where one operator may protest a closing, but competing school operators look at it as an opportunity to get another building?
- 4 Do the LLN schools exist in an environment with enough parental choice to allow them to differentiate their school models in ways that meet the needs of hard-to-reach students? If they want to adopt a particular model – whether expeditionary learning or dual language immersion or Montessori or STEM – will parents who feel that model doesn't suit their children have other options that satisfy them? Or will they resist such changes, because they lack other good options?
- 5 Finally, will innovation zone status prove an advantage in recruiting the talent necessary to succeed in urban schools?

The answers to these questions will determine a great deal about the future of the innovation zone experiment in Denver.

David Osborne is the author or co-author of several books on public sector reform, including Reinventing Government. His latest is Reinventing America's Schools: Creating a 21st Century School System, which includes a chapter on Denver. He directs a project on the same topic at the Progressive Policy Institute.



Colorado's first independently run innovation zone of public schools was born on April 28, 2016⁴, when the Denver Public Schools (DPS) board of education gave its unanimous blessing to the creation of a unique network of district schools empowered to operate with many of the freedoms normally reserved for charter schools.



The road to establishing the Luminary Learning Network (LLN) was not always smooth, and the process required significant give and take between the LLN and DPS – a district already known nationally for its efforts to ensure families and students have access to a robust array of public school choices. Over the past decade, DPS had moved toward a “portfolio model,” ceding a growing proportion of its school management to charter school networks, and allowing an increasing number of district schools to gain autonomies through innovation status.⁵

With this as a backdrop, some within the district questioned why the new zone was necessary. But when a small cadre of DPS principals stepped forward in the spring of 2015 to request more freedom from district constraints, school board members sensed an opportunity to move DPS in a new direction.

“We have made a strong statement that more flexibility and autonomy is the direction we want to move,” DPS Board President Anne Rowe told the principals in an October 2015 meeting. “Implementing that at scale is incredibly messy, and is presenting huge challenges. I see this as an opportunity for us to learn about what I believe are the systems changes we need to be thinking about to be successful.”

The theory was that – unbound from the district and its many required trainings, meetings, central services, and policies – LLN schools could sharpen their focus on the unique needs of their students, buying back only those district services they deemed most crucial. This role reversal – where zone schools would become paying customers of DPS central services – was fundamental to the design.

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— Anne Rowe, DPS Board President

⁴ The Colorado State Board of Education ratified the DPS board decision two months later.

⁵ See Page 9 for a graphic depicting the overall governance structure of Denver Public Schools, and Page 27 for a chart detailing various school types and key features.



"The traditional governance model of the school district – where the district is the governing entity responsible for setting all the practices, systems, and rules for all public schools, and then also is the operator of the majority of public schools – is one that has a lot of conflict in it...so it is worthwhile to think about other governance models that could allow for more continuity and more permanence, that are less subject to political vicissitudes, and that can generate innovation and quality."

– Tom Boasberg, DPS Superintendent



What's more, the LLN's envisioned structure would create a nonprofit organization whose board and lean staff would help the zone schools innovate, protect their autonomy, and hold the school leaders accountable for the performance of their schools. Given the uneven pace of change and improvement in many of the district's own internally-run innovation schools, the school board was eager to grant the LLN schools greater autonomy in exchange for greater accountability and, board members hoped, stronger results.

The idea of 'zones' – groups of schools within districts where the rules are different – has been tried in a number of places nationally, from New York City in the 1990s to the current Memphis iZone, a sweeping turnaround effort prompted by state takeover. More recently, the local school board in Springfield, Mass., pioneered a new, "third way" governance model aimed at protecting school-based autonomies by willingly ceding control of a cluster of struggling schools to a newly formed nonprofit with a majority of independent board members.

But there were also potential pitfalls, many of them unknowable. How would the LLN's schools provide services they had decided not to take from the district? How would the district become more responsive to a

subset of schools while continuing to serve all students? What would the management structure of the LLN look like, and who would sit atop that structure?

Through negotiations that led to the board's approval of the LLN, many of those questions have been answered – at least on paper. And by the end of the 2016-17 school year, the LLN had begun to emerge as an organization that was showing the larger school district that there were viable new ways of doing business.

Principals could spend the lion's share of their time in their buildings, rather than being pulled off-campus for meetings or competing priorities multiple times per week. They could receive personalized, highly relevant coaching from hand-picked, top-flight educators, and separately receive rigorous evaluations from a team led by the LLN executive director. School leaders could also use their newfound budget flexibility to staff their schools in ways that better served their student populations.

Teachers from very different schools could organize to form a council that would design professional development strands focused on issues most relevant to teachers in the LLN. Cross-campus trainings and social gatherings could help build stronger professional networks for teachers.



Perhaps most important, by the end of its first year in operation the LLN showed signs of changing the larger district in fundamental ways. In 2017-18, DPS rolled out budgeting flexibilities pioneered by the LLN to a handful of the district's innovation schools, and announced that all district innovation schools would receive these flexibilities the following school year.

Superintendent Tom Boasberg said the LLN and future innovation zones could potentially help DPS resolve an internal tension that plagues most school districts.

"The traditional governance model of the school district – where the district is the governing entity responsible for setting all the practices, systems, and rules for all public schools, and then also is the operator of the majority of public schools – is one that has a lot of conflict in it," Boasberg said. "So it is worthwhile to think about other governance models that could allow for more continuity and more permanence, that are less subject to political vicissitudes, and that can generate innovation and quality."

Despite that strong endorsement, real tensions remained between the LLN and DPS senior leadership throughout the innovation zone's genesis and into the first year of operation, with the school board at times serving as mediator.

Perhaps a degree of friction is unavoidable when disruptive change is afoot. Perhaps that friction can even be productive in the long run, and lead to better outcomes for kids. This report examines the often-difficult process of creating something new — a new system of DPS schools no longer managed or operated by the school district, yet still intricately tied to it through employment, authorization, and accountability.



An Idea Takes Shape

Denver Public Schools is no stranger to innovation. The district's transformation toward a portfolio system of school management began under Michael Bennet (DPS Superintendent from 2005 to 2008, now a U.S. Senator) and has deepened since Boasberg (Bennet's deputy superintendent and lifelong friend) took the helm in 2009. Leveraging a 2008 state law known as the Innovation Schools Act, DPS moved quickly and aggressively to grant schools innovation status, motivated by the idea that having waivers from certain state, district, and collective bargaining mandates could unshackle schools to improve student outcomes.

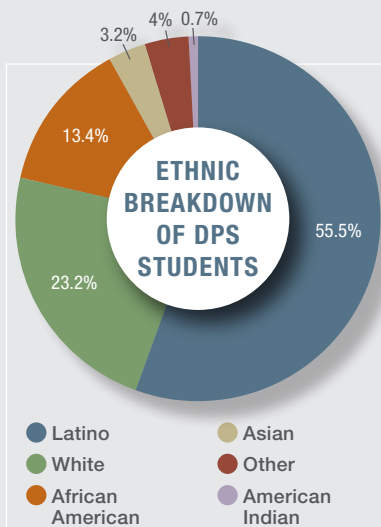
Between the law's passage and the end of the 2010-11 school year, 20 DPS schools gained innovation status – and as of the 2017-18 school year, the district is home to 49 innovation schools (including the four LLN schools).

Simultaneously, DPS bucked the national trend of big-city district ambivalence toward charter schools by actively facilitating their growth. The district allowed charters to share district buildings with district-run schools, and leased district facilities to charters at cost. Then, in 2012 DPS created a first-in-the-nation common enrollment system that allows parents to use a single form to apply to all schools, whether district-run or charter. Through these actions, the school board and Boasberg have demonstrated their belief that governance structure takes a back seat to student outcomes. If achieving a major boost in student learning means giving over a growing proportion of its operations and management to charters and innovation schools, so be it.

QUICK FACTS DENVER'S PORTFOLIO OF SCHOOLS

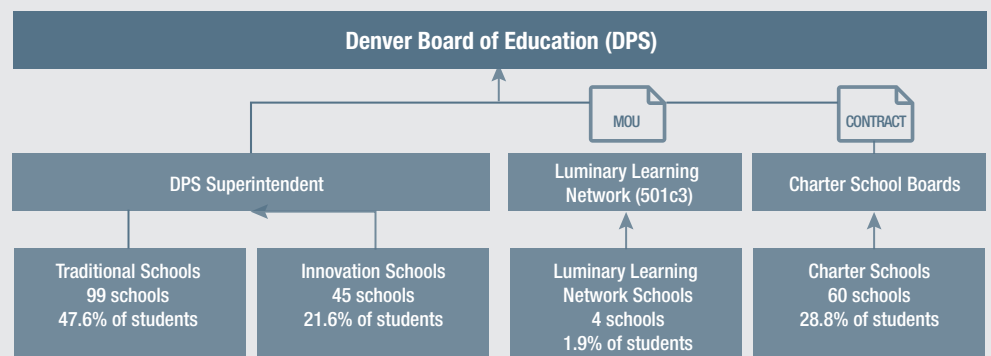


As of the 2016-17 school year, 67.3% percent of Denver Public Schools' 92,331 students qualified for free or reduced lunch (an indicator of poverty) and 36.8% percent were English language learners. Both of these figures reflect much higher rates than Colorado as a whole (42.1% free/reduced lunch and 14.3% English language learners). The racial and ethnic makeup of DPS' students is as follows:



As of the 2017-18 school year, the district includes a total of 208 schools:

- 99 traditional district schools
- 45 district innovation schools, which are run by the district but receive waivers from some state and district rules
- 4 Luminary Learning Network innovation zone schools, which remain DPS schools but are governed by an independent nonprofit board authorized by the DPS board
- 60 charter schools, which are authorized by the DPS board but independently governed





As DPS school board president from 2011 to 2013, Mary Seawell had become a strong believer in the power of decentralized school authority to improve student outcomes. While she supported the district's embrace of innovation schools, over time she observed that the autonomies granted to schools through their innovation plans were at times not respected or adhered to by central office personnel. She believed schools needed the autonomy to do things differently.

At the same time, Seawell observed that the district's process for authorizing innovation schools was far weaker than its charter school authorizing practices. This meant that some innovation schools were performing worse than schools without the additional autonomy. She worked with Alyssa Whitehead-Bust, then DPS' Chief Academic and Innovation Officer, to strengthen the innovation school authorizing process. "New school work should be the same, regardless of governance type – charter, innovation, or traditionally district-run," Whitehead-Bust summarized.

Meanwhile, by 2015 many innovation school leaders were chafing at what they perceived as a tightening of district oversight. From their perspectives, DPS had pulled back some of the freedoms that had been granted through their innovation plans. Two of these principals, Zach Rahn and Frank Coyne, reached out to Seawell – who by then had become Senior Vice President for Education at the Gates Family Foundation (GFF), a thought partner and funder operating in Denver's school reform space.

In a meeting that also included two DPS board members, Rahn and Coyne provided examples of what they saw as the DPS administration's compliance mindset. Most onerous, they said, were new expectations that the innovation school principals must attend certain district meetings, regardless of whether those meetings were in their view relevant or helpful to those charting different courses from the majority of DPS schools.

Under the previous structure, Rahn said, innovation schools could get away with skipping the occasional meeting of this sort, or even several meetings. "This year it is very different," he said. "The message is, 'You'd better be there, in your seat, every time.'"

In addition, some innovation school leaders were especially unhappy that DPS had taken a few of the innovation schools – which previously had been grouped together under one mission-aligned supervisor – and had spread them, along with traditionally district-managed schools, under several instructional superintendents.

DPS leaders said that the intent of these requirements and practices was both to help the school leaders grow professionally and also to foster more innovation throughout the district. However the principals reported that the unintended result was to undermine their autonomy and ability to add value to one another as network of similarly innovative leaders.

GFF hosted several meetings to allow Rahn, Coyne, and other school leaders the space to think through and further define what could best enable them to accelerate student achievement in their schools.

The outcome of those meetings was a letter to Boasberg signed by 17 innovation school leaders, asking the superintendent to involve them more directly in decisions about how their schools would be supervised. The letter also requested nine specific autonomies for a network of innovation schools, including the freedom



*"New school work should
(have the same level of rigor),
regardless of governance type —
charter, innovation, or traditionally
district-run."*

— Alyssa Whitehead-Bust,
former DPS Chief Academic and Innovation Officer



to hire their own network leader, receive a greater share of per-pupil funding, create their own human resources and teacher hiring systems, and form an "accountability committee" that would take on many governance roles for the zone.

The letter prompted a meeting with the district's senior leadership, who sought to address the principals' concerns within the district's existing management structure.

For four principals, however, the original goal of ensuring autonomy had given way to a new vision for a radically different system under which to operate their schools. These leaders forged ahead with plans to build an autonomous innovation zone: Rahn, from Ashley Elementary School; Coyne, from Denver Green School; Jennifer Jackson, principal of Cole Arts and Science Academy; and Julia Shepherd, principal of Creativity Challenge Community (C3) elementary school.



LUMINARY LEARNING NETWORK: SCHOOL PROFILES



ECE – 5th Grade
Zach Rahn, Principal

ECE – 5th Grade
Jennifer Jackson, Principal

K – 5th Grade
Julia Shepherd, Principal

ECE – 8th Grade
Frank Coyne, Principal

Ashley Elementary is an Early Childhood Education (ECE)-5 school with an extended school day. Ashley utilizes one-to-one technology to deliver rigorous instruction to a diverse group of students, the majority of whom are students of color. Four out of five Ashley students are eligible for the free and reduced lunch program.

Cole Arts & Science Academy is an ECE-5 school with a focus on the arts, science, and literacy. Cole uses restorative practices to address behavioral issues. The majority of students are students of color, and nine out of 10 students are eligible for the free and reduced lunch program. Cole serves the highest-need population of students in the LLN.

Creativity Challenge Community is a small K-5 school that leverages unique community partnerships. The school has a small student-to-teacher ratio, and students take ownership of the school's culture. Few students are students of color, and the majority of families are higher-income.

Denver Green School is an ECE-8 school with a focus on sustainability. The school utilizes a distributed leadership model, with three "lead partners" sharing the role of school leader, and a staff group that makes decisions about the school by consensus. Two-thirds of students are students of color, and two-thirds of students are eligible for the free and reduced lunch program.

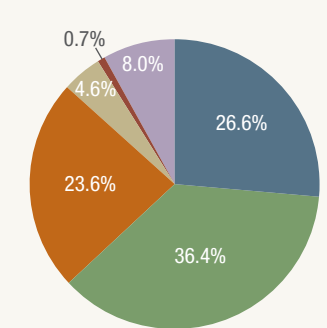
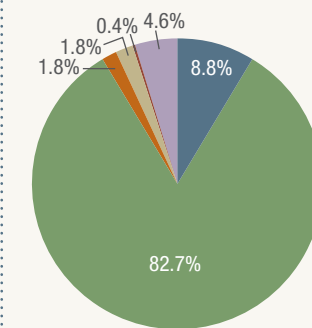
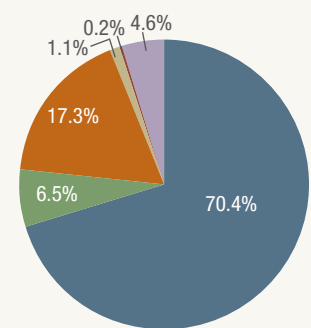
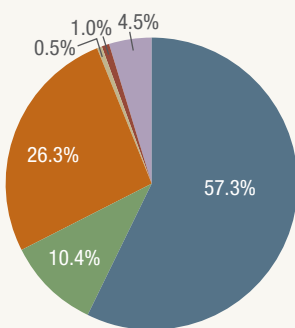
2016-17 Enrollment: 403 students

2016-17 Enrollment: 527 students

2016-17 Enrollment: 283 students

2016-17 Enrollment: 538 students

KEY ● Hispanic/Latino ● White ● African American ● Asian/Pacific Islander ● Multiple Races ● American Indian



English Language Acquisition: **42.7%**
 Special Education: **9.9%**
 Free and Reduced Lunch: **82.9%**

English Language Acquisition: **46.9%**
 Special Education: **15.2%**
 Free and Reduced Lunch: **89.9%**

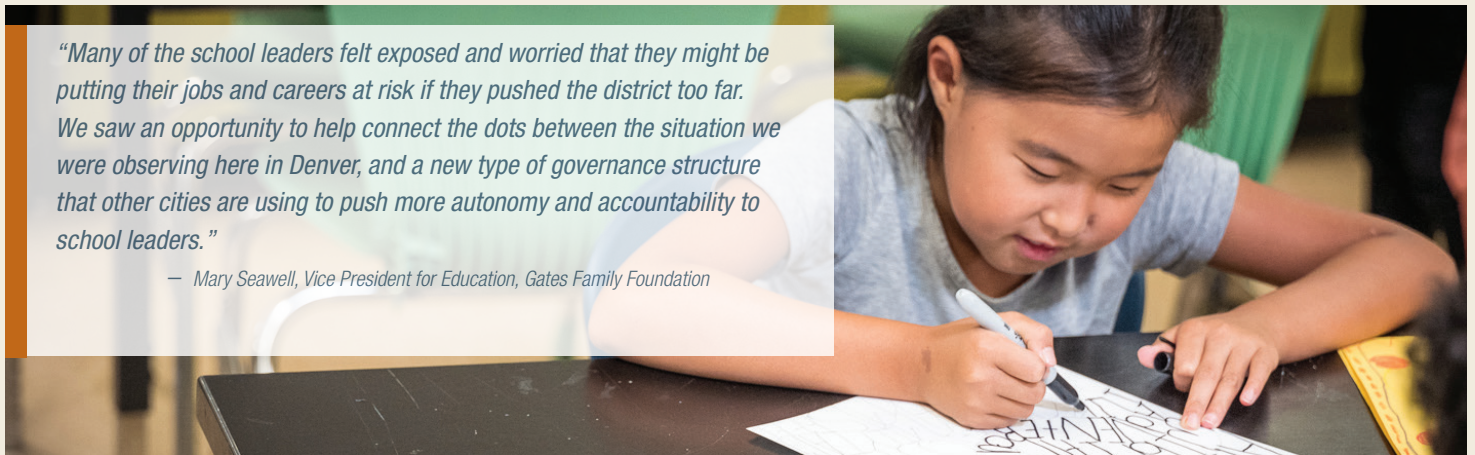
English Language Acquisition: **2.5%**
 Special Education: **5.3%**
 Free and Reduced Lunch: **9.5%**

English Language Acquisition: **24.9%**
 Special Education: **12.8%**
 Free and Reduced Lunch: **64.5%**



“Many of the school leaders felt exposed and worried that they might be putting their jobs and careers at risk if they pushed the district too far. We saw an opportunity to help connect the dots between the situation we were observing here in Denver, and a new type of governance structure that other cities are using to push more autonomy and accountability to school leaders.”

— Mary Seawell, Vice President for Education, Gates Family Foundation



To provide the four school leaders with context and a learning network, Seawell introduced them to work in other innovation zones around the country, including the Springfield Empowerment Zone Partnership created by Boston-based nonprofit Empower Schools. The Springfield model pioneered several key features to address sustained autonomy for schools, including the creation of an independent nonprofit to manage zone schools, and a contract with the district that allocates most decision-making authority and per-pupil resources to zone schools. Through the involvement of third-parties like GFF and Empower, the DPS school leaders also gained political cover in situations where their interests and those of their bosses diverged.

“Many of the school leaders felt exposed and worried that they might be putting their jobs and careers at risk if they pushed the district too far,” Seawell said. “We saw an opportunity to help connect the dots between the situation we were observing here in Denver, and a new type of governance structure that other cities are using to push more autonomy and accountability to school leaders.”

GFF also provided seed funding for the project, and Seawell and Empower Schools co-founder Brett Alessi led the design process, offered strategic guidance, and provided technical assistance.



After months of research and discussion, the school leaders met with Boasberg to share their vision for a path forward, which they hoped would:

- **Create an independent, third-party entity** – a lightly staffed nonprofit organization – to provide day-to-day support for network schools;
- **Entrust the new nonprofit’s board** – to include representatives from the district, the schools, and the community – with ensuring accountability, including authority to hire and fire principals;
- **Outline all other roles and responsibilities in a Memorandum of Understanding (MOU)**, which would be hammered out in collaboration with district leaders, with the bulk of educational authority ceded to the network and its schools.

Boasberg expressed support for the zone concept and pledged to get behind it, but he said that the idea of placing school principals and DPS representatives on the nonprofit’s board could pose a raft of potential conflicts of interest. Further negotiations would be necessary to address these and other details.

Meanwhile, momentum for the zone was gaining steam. In December 2015, the school board unanimously passed a resolution signaling the expectation that DPS staff should work with the zone’s proponents to develop a formal, detailed plan well outside the “business-as-usual” approach.

“The Board encourages the consideration of significant innovations in governance, finance, and administration,” the resolution read in part. And, to make it clear the schools would bear additional responsibilities as well, the resolution went on to say: “The zone must meet the highest levels of accountability for creating high-performing schools within the zone.”



A month later, Boasberg departed with his family for a six-month sabbatical in Argentina, and the board, at Boasberg’s urging, appointed Chief of Schools Susana Cordova as acting superintendent.

Boasberg’s absence proved a complicating factor at times, as leaders from the district, the schools, GFF, and Empower began negotiating in earnest.

“We had to get enough of the parameters of what Tom was comfortable with upfront,” Cordova said. “I had to be really transparent around, ‘You’re just going to have to trust that the team is doing the right work, and in the right way.’”

Boasberg accepted that, Cordova said. So with green lights from Boasberg and school board, the LLN team and DPS senior staff were ready to begin the hard work of developing the governance, accountability, and finance structures for the innovation zone.

The Devil in the Details: Governance and Accountability

Details about how the LLN innovation zone would be governed led to some of the most difficult-to-resolve disagreements. Viewed broadly, school leaders and their champions wanted to squeeze as much sustainable autonomy as possible out of the negotiations. From their perspective, this meant placing governing authority in a third-party, not-for-profit entity – the Luminary Learning Network – to protect the schools from changes within the district.

District officials felt uncomfortable with this arrangement, fearing it could create a litigious environment. At a February 2016 meeting, DPS General Counsel Jerome DeHerrera tried to persuade LLN representatives that instead of creating a third-party organization, LLN could be “a DPS entity.”

Ultimately, however, the two parties agreed to enter into a Memorandum of Understanding (MOU) and service contract to accompany the three-year innovation zone plan, with the understanding that the documents would require review and approval by both the district and the State Board of Education.



LUMINARY LEARNING NETWORK SETS NEW CONDITIONS FOR AUTONOMY, ACCOUNTABILITY

Below are the LLN’s key features; an expanded chart comparing the LLN to the other types of DPS schools – traditional, innovation, and charter – is provided on Page 27.

Legal Structure	The LLN is an independent 501(c)(3) organization whose relationship to DPS and LLN schools is articulated in an MOU approved by the DPS Board of Trustees and an innovation zone application approved by the CO State Board of Education.
Governance	The DPS board delegated operational and management authority of the LLN schools to the LLN board. The nine-member LLN board is comprised of five community members, two LLN school leaders, and two DPS representatives. The LLN leaders and DPS representatives are restricted from voting on some issues, as described in the LLN’s Conflict of Interest Policy.
Authorization	DPS staff developed an ad-hoc authorization process to create the LLN, and the DPS board voted unanimously to authorize the LLN’s innovation plan for a three-year term starting in 2016-17. Future groups of schools with common interests that would like to join the LLN or apply to be a separate DPS Innovation Zone will undergo an authorization process managed by district staff. The DPS board must approve any new school joining an innovation zone. The DPS board may revoke innovation status of the LLN or any of its schools at any time for poor performance. There is no appeals process to the Colorado Board of Education for not approving or renewing an innovation zone.
Budgeting and District Services	In addition to DPS’ standard school-based budgeting (SBB) allocation, LLN schools may opt out of an additional set of district services (including professional development, curriculum, and the support of instructional superintendents) in exchange for corresponding per-pupil funds. This funding structure has come to be known within the LLN and the district as SBB+.
Principal Accountability	All LLN faculty and staff members remain employees of DPS. Decisions about principal hiring and firing are made by the LLN board. If the DPS superintendent objects, the issue may be elevated to the DPS board.
School Accountability	LLN schools commit to move up one rating band on DPS’ School Performance Framework (SPF) within three years, or, in the case of schools starting in green and blue bands, maintain an SPF score of 70 percent or above. The DPS board may decide not to renew the Innovation Zone after three years. There is no state appeal process.



Under the MOU, the LLN would be established as a 501(c)(3) nonprofit, “whose sole purpose is to support the Innovation Zone” schools. The LLN board would be made up of nine people: five community representatives, two school leaders, and two district leaders – “possibly” some combination of school board members and the superintendent. And, significantly, the LLN board would work to resolve disputes between the schools and the district, sending disagreements to the DPS school board only when resolution proved impossible.

The LLN would also serve as a watchdog, protecting school autonomies from policy changes at DPS. Finally, it would hold schools accountable for results, and have the ability to make changes, should one or more of the schools underperform.

Another major sticking point was the LLN leaders’ desire to ensure that hiring, supervising, retaining, and firing principals was the role of the LLN, not of the superintendent and central office staff. This desire ran counter to a longstanding DPS policy that clearly places full authority over all personnel decisions with the superintendent.

At an April 2016 meeting attended by the full DPS senior leadership team, DPS leaders made it clear that the district could not live with a policy that cut the superintendent out of the loop, which is how they interpreted the LLN’s proposal.

Cordova said that the school leaders and the LLN advisers seemed unduly concerned about school autonomy over issues like principal hiring. “It’s really a non-issue, because in 99.9 percent of cases, school communities and the superintendent come down on the same side when making principal hiring decisions,” she said. “I just don’t think it’s actually a valid fear that a group of people with an agreed upon set of values and principles come to conclusions that are dramatically different.”

Ultimately, the two parties resolved the dispute by including language in the plan that ensured the LLN would have authority over the schools, without specifically contradicting DPS policy. It reads:

“The LLN shall have the authority to decide all matters of administrative or supervisory detail in connection with the operation and maintenance of (zone schools) as long as these matters are not in conflict with the law or with DPS Board of Education policy. The LLN shall have the freedom to create an administrative structure for supervision and accountability throughout the zone. LLN shall have the authority to decide all matters of administrative or supervisory detail in connection with the operation and maintenance of the zone.”

Underlying each of these disagreements was an issue of basic control. School leaders, GFF, and Empower wanted freedom for the schools to chart their own course. This included choosing which – if any – district-mandated meetings and professional development sessions to attend, which district services to purchase, and whom to hire to staff and lead the schools. Ideally, this would mean that the LLN board would be able to sign off on these decisions without having to circle back to DPS officials or the Denver school board.

On the other side, while DPS agreed that the schools should have freedom to choose which district practices they wanted to be part of, officials initially insisted that they still would have to adhere to any district policies they hadn’t specifically waived out of in their individual innovation school plans or the zone’s plan.

District officials wanted the schools to inform the district which practices from which they wanted to opt out. The LLN team insisted that this approach be flipped: schools would by default opt out of everything that was optional, and would let the district know if they desired to opt in to any DPS practices.





In many ways this disagreement got to the heart of what true autonomy meant to the school leaders.

“From a school leader perspective, what is beautiful about the zone – and why the contractual relationship and independent governance is essential – is that urban education in general struggles to get out from in front of itself,” said principal Rahn. “We get a list each week of hundreds of to-dos (from the district), half of which have no impact on the operations of my school on a daily basis. So the idea here is if we are outside of those (mandates), we can create systems and focus our goals and priorities and energy on the things that are going to matter to kids at our schools.”

Still, letting go of its control over these things was a struggle for DPS. As late as April 22 – six days before the school board’s vote to approve the innovation zone plan and MOU – district staff inserted into a draft MOU a clause that would have significantly narrowed the district practices from which the zone schools would be exempt. In the final negotiation session before the board vote, that clause was removed.

From board president Rowe’s perspective, the disruptive change this could potentially cause was one of the main attractions of the experiment.

The shift in mindset necessary to change this dynamic “will take time,” Rowe said. “We will make mistakes. We need to learn from those mistakes and react nimbly” rather than being afraid to experiment. “Being disruptive without being destructive is the idea, and that can be a fine line,” she said.

The MOU approved by the school board April 28 contained the following language:

“Consistent with their status as Innovation Schools and their Zone Plan and based on their commitment to accept strong accountability for improved school performance, the (zone schools) will be exempt from District meetings, initiatives, practices and requirements unless such practices or requirements are adopted to ensure compliance with applicable, non-waived, legal obligations, or in cases when the BOE determines that the practice or requirement applies to all District schools and has not been subject to waiver.”

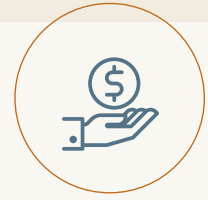
All parties seemed to agree that LLN schools should accept strong accountability in exchange for increased autonomy. Rowe said the LLN needs to demonstrate “significant improvement in student outcomes, including engagement, attendance – the whole picture. And LLN schools need to be leading the way in attracting and retaining talent.” The plan articulated each school’s commitment to moving up one performance band on the district’s five-band School Performance Framework within the first three years of the zone’s existence, with the ultimate goal of reaching the highest level – blue, or “distinguished” – or, in the case of schools starting in green and blue bands, maintain an SPF score of 70 percent or above.

As the zone launched, Ashley was in the second-lowest performance category (orange, or “accredited on priority watch”), Cole was in the middle category (yellow, or “accredited on watch”), and Denver Green School was one level higher (green, or “meets expectations”). C3 was already in the top-performance category (blue, or “distinguished”) – one of just 11 Denver schools to achieve “blue” status in 2016.



“From a school leader perspective, what is beautiful about the zone – and why the contractual relationship and independent governance is essential – is that urban education in general struggles to get out from in front of itself.”

— Zach Rahn, Principal, Ashley Elementary



The Devil in the Details: Finance

One surprising realization that emerged during finance negotiations was how difficult it is for the district to separate expenses from individual departments and express them in terms of per pupil spending, since many expenditures are interdependent and targeted to support certain schools. So many central departments provide services to schools and stake claims to pieces of the funding, that the total gets whittled down significantly before it reaches schools and classrooms.

As part of the financial work for the LLN, DPS broke down how many dollars in per pupil revenue went to specific programs and initiatives under each district department.

Between 35 and 40 percent of a school's budget is not under the direct control of the principal, though only about 5 percent is held back for "central office administrative costs."

Mark Ferrandino, DPS' chief financial officer, said that while it is technically accurate that "between 35 and 40 percent" of a school's budget is not "under the direct control of the principal," only about 5 percent is held back for "central office administrative costs." The rest goes to centrally administered programs for school-based expenditures, such as transportation, facilities maintenance, athletics, and special education center programs. But the district had never unbundled some of these costs in this way before.

Ferrandino laid out two broad options for funding the zone schools. One, which he openly favored, involved taking the standard DPS student-based budgeting (SBB) model – providing each school with its share of per-pupil operating revenue, "weighted" with extra funds for students requiring special services – and then adding back any funds tied to district services from which LLN schools decided to opt out. This came to be known as SBB+.

The second option was a charter funding model, under which schools receive 100 percent of per-pupil revenue, minus roughly 3 percent to cover "documented central administrative costs" as allowed by state law.

Initially, the LLN team favored charter-like funding, because DPS charter schools receive the lion's share of per pupil revenue and then buy back select services they want or need from the district – a model that also resonated philosophically with the independently run LLN. But Ferrandino said trying to implement something similar without the guidance of state statute would be onerously complex. It would require starting from the assumption that schools would get all their per-pupil funding, he said. Then a team would have to comb through every program to determine what fees could be charged to the schools to fund services.

During meetings with the LLN team, Ferrandino cited two complicating factors as examples. First, unlike district schools, Colorado charter schools do not receive extra "weighted" funding for students who require additional services, including gifted and talented students, and students eligible for free and reduced lunch – so nor would the zone schools, if they decided to go with a charter funding model.

Second, while DPS fully funds full-day kindergarten in district-run schools, charter schools receive only what the state provides – 58 percent, plus a bit of the district's mill levy override funding – a special property tax approved by district voters – for each kindergarten student. Again, the net result would still fall significantly short for zone schools under the charter funding model.

Moreover, there was a strong consensus among DPS senior staff that if LLN schools wished to remain in the DPS fold, then they needed to subscribe to the district's deep commitment to equity by helping to fund some initiatives and programs that benefited the district as a whole. The LLN school leaders found this argument persuasive. They believed it supported a shared value of what it means to be a district school and differentiated them from charter schools.

After analyzing these variables, the LLN team decided to go with the SBB+ funding model. And there was another compelling reason to go with SBB+: "If part of what we're trying to do is ultimately change the way schools are funded in DPS, it makes sense to start with their standard funding formula. It's potentially more transformational for the system," Seawell said.



But deciding on the model did not yield instant agreement between the two parties. Like all Colorado districts, DPS was facing a crunch caused by a tight state budget and various quirks in the state constitution that make school finance arcane and convoluted. Painstaking, line item-by-line item negotiations ensued, during which LLN representatives and DPS officials debated which services should be mandatory – and therefore paid for by LLN schools – and which they could forego, capturing dollars for their schools.

Negotiations continued through much of the spring of 2016. In the end, LLN schools were granted increased flexibility over instructional services provided by the district. Assuming all optional services were declined, Ashley ended up with a \$126,205 budget premium, Cole \$158,420, Denver Green School \$96,314, and C3 \$170,377. While it was not as much financial autonomy as the LLN team believed the schools should get, it was a good starting place for the LLN's first year, and both sides agreed to re-visit during launch with the benefit of more time.

A last sticking point was language in the MOU concerning how and when DPS could decide that providing LLN schools with a pro-rata payback for declined services would increase costs to the district or reduce money available to non-zone schools. This question, district leaders felt, hit at the heart of DPS' commitment to equity.

"Part of our role is to ensure that 100-plus other schools aren't getting a raw deal because you guys are getting a deal you feel good about," Chief Operating Officer David Suppes told zone representatives. "We take this very seriously."

The LLN team argued that the language DPS was proposing for the MOU was too broad, and would give the district almost complete latitude to decide when not to provide LLN schools with additional funding to compensate for services they decided not to use.

In the end, DPS softened the MOU's language, but the district still has a great deal of discretion in deciding when to allocate or withhold funds:

"The District shall provide to the (zone schools) their pro-rata share of funds associated with District services to which they have opted-out, if such pro-rata share can reasonably be calculated and implemented, and if the withdrawal of such funds will not result in a long term measurable increase in cost to the District nor a long term measurable reduction in the funding available to other schools within the District."

Some zone leaders worried that DPS could potentially use this language to undermine the LLN's main purpose: to act as a disruptive force that pushes the district into new ways of operating.

Negotiating this deal with the LLN's four schools was relatively easy. But should additional schools join the innovation zone, or should new zones form, DPS will face some tough, existential decisions, Ferrandino said.

"I was very clear with the board: Doing it for these four schools is fine, but if we're to take this to scale we would have to talk about the tradeoffs," he said.



For example, the two sides agreed that LLN schools should continue to pay into district-wide athletic programs, even though as elementary schools they did not benefit from athletics. This decision was significant, because it exemplified the LLN leaders' recognition that they were part of the larger district system of schools and should support certain district initiatives even if their own school did not receive a direct benefit. Allowing individual schools to opt out of these types of shared services would create a potential equity issue that all sides agreed was untenable.

On the other hand, the LLN was allowed to opt out of contributing to more discretionary district programs such as the *imaginarium*, DPS' innovation center. "Eventually, if you get enough schools in the zone, *imaginarium* might not be able to exist," Ferrandino said.

The board will have to demonstrate a willingness to think clearly and make tough decisions down the road, Ferrandino said. "The question for the board is: Do they want to move fast on this, or do they see this truly as a pilot that they are going to allow to move forward for three years with no other schools allowed to enter? The board still struggles with this. In the same conversation I have heard them come down in different places, because they are still trying to figure this out."

Board member Barbara O'Brien said in the summer of 2016 that she had been "forthright" with all parties that she doesn't see any wisdom in expanding the zone until three years have passed and the board can evaluate whether the innovation zone has borne fruit in the form of markedly improved student achievement.

"Do kids learn more, and faster?" O'Brien said. "That's the key question. If not, why would we expand it? What is the point of autonomy for autonomy's sake? On the other hand, if they can demonstrate real impact, isn't that enough reason to restructure the district?"

Board president Rowe agreed that the LLN could be the camel's nose under the tent. "We are going to learn a lot," she said. "In 10 years will we have 10 zones? Or will all schools start from a place of autonomy? I don't know what it will look like. What I do know is that if we keep the structures and systems in place that we have now, and everyone just works harder – if that's possible – we'll continue to have only incremental progress. And that's not why any of us are here."



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— Barbara O'Brien, DPS Board Member



Launching the Luminary Learning Network

After a summer spent determining how to best exercise new autonomies and deploy additional funds, the four Luminary Learning Network schools started the 2016-17 school year having made several notable changes to their allocation of both financial and human resources.

All four schools leveraged SBB+ resources to fund additional personnel to support each school’s unique needs. For example, Denver Green School brought in a supporting staff member to help the school implement restorative practices – which address student misbehavior with conflict resolution rather than punishment – while Cole Arts and Science Academy brought in paraprofessionals for math and literacy intervention. Several schools purchased specific instructional supports and contracted with outside experts to assist with implementation. Ashley Elementary purchased supplementary online math curriculum and secured the assistance of a mathematician to train teachers, while C3 brought in additional nursing services, as well as instructional support for students who had fallen behind.

Each school leader also identified two to three high-impact strategies aimed at improving student achievement, along with goals and corresponding plans for implementation. Executive coaches, chosen by the school leaders at the beginning of the year, spent up to 10 hours a month with each school leader, providing consistent, rigorous, and specific feedback aimed at supporting leaders to achieve their goals.

LLN SCHOOL	ADDITIONAL FUNDING USED FOR:
Ashley Elementary	<ul style="list-style-type: none"> • Additional Special Ed paraprofessional • Additional paraprofessional for intervention • Stipends for teachers working extra hours to support clubs and tutoring
Cole Arts & Science Academy	<ul style="list-style-type: none"> • Additional Special Ed paraprofessional • In-house guest teacher (basically a permanent sub)
Creativity Challenge Community (C3)	<ul style="list-style-type: none"> • Additional nursing services for students with health needs • Additional paraprofessionals for intervention
Denver Green School	<ul style="list-style-type: none"> • Increased hours with a school psychologist • Additional paraprofessionals for intervention and restorative justice • Stipends for teachers working in August to write curriculum
<i>All schools also invested in professional development specific to their school models.</i>	

Simultaneously, the LLN partners got to work setting up the new nonprofit – building the board and hiring a network director to support schools and serve as a liaison to the district. The board was intentionally constructed so that the community members comprised the majority. Seawell became board chair, joined by four additional community members, two LLN school leaders, one DPS board member, and one representative of DPS senior staff, designated by Boasberg. The LLN board also established a conflict of interest policy, where the LLN principals must recuse themselves from discussions on hiring, firing, or evaluation of school leaders.

Even as the school year was just getting started, the four school leaders said they noticed a huge increase in the amount of time they were able to spend in their buildings, without being pulled away for district-mandated meetings. That alone was making a big difference, they said.

“I am most impactful when in my building,” Cole Principal Jennifer Jackson told LLN board members at a fall retreat. “I high-five kids every day. I do lunch duty. I walk into classrooms. All of that matters. And amazingly enough, this is the first time I’ve been out of my building all year.”

In October, the LLN board hired Jessica Roberts, who came to the LLN from YES Prep, a nationally recognized network of high-performing charter high schools in Houston. She had worked there in increasingly senior positions in the finance and accounting department. But she had also been a middle school math teacher for five years, and had started a non-profit providing after school opportunities for under-resourced youth.





Based on input from LLN school leaders and teachers, Roberts developed a school review process. School leaders are held accountable for gains in student achievement, but also receive targeted feedback from a team of respected peers – including leaders from other zone schools and executive coaches – following twice-yearly formal site visits. Meanwhile, the primary responsibility for evaluating the school leaders' job performance falls to the LLN executive director. This structure intentionally separates coaching and evaluation, distinguishing it from the DPS management structure, whereas in most cases instructional superintendents usually fill both roles of coach and evaluator.

DPS Superintendent Boasberg said the LLN's school review process was one of the strongest features of the new innovation zone. "The peer-to-peer school review process is really worth learning from," he said at the end of year one. "It is a thoughtful and innovative new practice, and where these practices prove successful, the (DPS) board can learn from them and scale them."

Cole Principal Jackson said the six-member team that reviewed her school in October was both frank and constructive.

"Everyone who came gave feedback because they deeply want Cole to get better and love the school," Jackson said. "It was the most honest outside perspective we've ever had. That level of ripping off the Band-Aid is extremely painful, but I trusted the team running (the review). So I could say, 'These are all the areas we need support in,' and they're going to give that support – and in six months, I'm not going to get fired."

Work to build out internal structures for teacher development was also underway. The LLN convened a Teacher Advisory Council made up of 13 teachers from all four LLN schools "to provide structures and supports to educate the whole child, by creating more action-oriented, collaborative, teacher-driven professional learning opportunities, while holding the zone accountable to the community," as Cole teacher and council member Nathan Hoston described it.

The teacher council is intended to serve as a bridge from school to school and from teachers to the LLN board.

An issue not yet resolved is when, whether, and by how many schools the LLN should expand. Throughout the 2016-17 school year, Roberts fielded calls and emails from DPS schools interested in joining the innovation zone.

Interest was so strong that the LLN hosted an informational meeting in late September, attended by more than a half-dozen DPS principals, as well as Boasberg. But when Roberts began following up with those principals, she discovered that some were concerned that applying to enter the zone might alienate the superintendent and their supervisors.

Three of the interested leaders were already or were seeking to become executive principals, who lead more than one school. They joined DPS officials, LLN board members, and Empower Schools staff members on a site visit to the Springfield Empowerment Zone. When they returned, Boasberg reached out to them and, in response to their concerns, offered access to the same SBB+ funding and the option to consider forming their own networks or innovation zones.

Those three school leaders decided to accept the district's offer and not to apply to join the LLN.

Ultimately, the LLN received just two applications to join the network in 2017-18. One school was denied, after a joint LLN and DPS review of the school's readiness for entry. The second school passed muster with both the LLN board and DPS portfolio office. On the last day of the school year, however, the school's teachers voted down the move into the LLN.

Under state law, without teacher approval, a school cannot join an innovation zone.

"The beauty of the LLN is that schools have to opt in. The design is supposed to be empowering to teachers and school leaders," Seawell said. "If that isn't present from the start, then it's a bad fit all around. We see this as the process working as it should."



"Everyone who came gave feedback because they deeply want Cole to get better and love the school. It was the most honest outside perspective we've ever had."

— Jennifer Jackson, Principal, Cole Arts and Science Academy







Year One Results

In August 2017, the Colorado Department of Education released results from the previous year's Colorado Measures of Academic Success (CMAS) tests, and in October DPS released its School Performance Framework (SPF) ratings – color-coded scorecards intended to show at-a-glance how each school is performing.

Since the SPF is the tool the district will use to determine whether the board should re-authorize the LLN schools, results on the framework were significant: Three of the four LLN schools met their three-year performance goals in year one.

LUMINARY LEARNING NETWORK YEAR ONE – PERFORMANCE AND ACCOUNTABILITY

	SPF MEASURE Percentage Points Earned and Rating		PERFORMANCE RATINGS
	2016 (PRIOR TO LLN)	2017	
 ASHLEY ELEMENTARY	34.40%	↑ 45.49%	<ul style="list-style-type: none"> ● ACADEMIC GAPS ● ACADEMIC STUDENT GROWTH ● PERFORMANCE AT GRADE LEVEL ● STUDENT/FAMILY SATISFACTION
 GREEN MOUNTAIN ELEMENTARY	46.67%	↓ 41.12%	<ul style="list-style-type: none"> ● ACADEMIC GAPS ● ACADEMIC STUDENT GROWTH ● PERFORMANCE AT GRADE LEVEL ● STUDENT/FAMILY SATISFACTION
 CHALLENGE COMMUNITY	84.07%	↑ 86.31%	<ul style="list-style-type: none"> ● ACADEMIC GAPS ● ACADEMIC STUDENT GROWTH ● PERFORMANCE AT GRADE LEVEL ● STUDENT/FAMILY SATISFACTION
 Denver Green School <small>Denver Public Schools</small>	61.68%	↑ 73.66%	<ul style="list-style-type: none"> ● ACADEMIC GAPS ● ACADEMIC STUDENT GROWTH ● PERFORMANCE AT GRADE LEVEL ● STUDENT/FAMILY SATISFACTION

WHAT DOES DPS' SCHOOL PERFORMANCE FRAMEWORK (SPF) MEASURE?

Academic Gaps

How effectively a school is serving students regardless of background, ethnicity or ability.

Academic Student Growth

How much progress students show on state assessments from one year to the next.

Performance at Grade Level

How well students perform on state assessments in a given year.

Student/Family Satisfaction

How much progress students show on state assessments from one year to the next.

Based on how many points a school earns in each area of the School Performance Framework (SPF), each Denver school receives one of five ratings.

2017 PERCENTAGE POINTS EARNED	
	DISTINGUISHED >79.5%
	MEETS EXPECTATIONS 50.5%–79.5%
	ACCREDITED ON WATCH 39.5%–50.5%
	ACCREDITED ON PRIORITY WATCH 23.5%–39.5%
	ACCREDITED ON PROBATION <23.5%

NOTE: A school can only earn a green or blue on the overall SPF if it earns a green or a blue on the Academic Gaps component.



The Denver Green School made the biggest gains over the previous year on the SPF – climbing nearly 12 percentage points in overall performance within the “green” category. C3’s performance rose slightly within the highest “blue” band, and Ashley Elementary climbed up to the yellow category from orange. Only Cole slipped on the number of SPF points earned, though its SPF rating of yellow held steady.

Close observers of DPS suggest that SPF results should be viewed with a critical eye, however, because the 2017 SPF formula changed substantially from the previous year. For example, in 2017 the SPF metrics weighted district-administered early literacy tests more heavily than in prior years, which helped boost ratings in many schools.





State standardized test results painted more of a mixed picture, but revealed enough bright spots to encourage network leaders.

Denver Green School and C3 posted strong results, both in terms of achievement status – a snapshot of students meeting or exceeding expectations at a fixed point in time – and growth – student progress on test scores compared to a cohort of students with similar characteristics.

In English Language Arts, Denver Green School’s results were particularly impressive, because low-income students, English language learners, and students of color posted high rates of growth.

“A huge part of the improvement they are seeing is the data feedback loop they have – they use their own interim assessments and are consistently and constantly looking at student data and responding to that data in how they differentiate instruction,” the LLN’s Roberts said.

COLORADO MEASURES OF ACADEMIC SUCCESS (CMAS) OUTCOMES – 2016-2017

		CMAS Standards		Median Growth Percentile	
		Meets or Exceeds Expectations			
		2016	2017	2016	2017
	ELA	19%	↓ 18%	45.0	↓ 36.0
	MATH	5%	↑ 12%	42.0	↓ 32.0
	ELA	20%	↑ 21%	60.0	↓ 49.0
	MATH	12%	↓ 6%	35.0	↓ 17.0
	ELA	70%	↔ 70%	84.0	↓ 65.0
	MATH	57%	↑ 62%	79.0	↑ 87.0
	ELA	46%	↑ 59%	70.0	↑ 81.0
	MATH	29%	↑ 32%	57.0	↑ 60.0

STATUS VS. GROWTH

Educators refer to “status” and “growth” when talking about how schools are serving their students.

- Status refers to how a school is doing at a single, fixed point in time.
- Growth refers to how a school is doing over a period of time (often two years).
- Median Growth Percentile is an indicator that compares student growth rates in schools with similar demographics. Schools with growth rates above 50 are performing above their peers, while those with rates below 50 are performing below their peers.



C3 posted extraordinarily high math growth scores, and high percentages of students continued to meet or exceed expectations in both math and ELA.

Ashley students performed similarly to 2016, with most students showing growth and status scores significantly lower than state averages. However, Roberts sees cause for hope in strong results from a new early literacy curriculum implemented during 2016-17. Grades K-2 don't take CMAS tests, but Roberts said that given the youngest students' response to the new curriculum, she expects to see improved scores next year.

Cole's growth and status started and ended below district averages. Roberts said significant changes in how teachers collaborate, as well as deep training on dealing with students in trauma, should make 2017-18 a better year.

With the LLN on a three-year authorization cycle, it's important to note that during the first year of operation, the network and schools were truly flying the plane while building it. The network lacked an executive director throughout its 2016-17 planning and budgeting periods, until Roberts came onboard more than halfway through the first semester.

Roberts said that she and the LLN board expect all four schools to improve on the SPF and the CMAS in the 2017-18 school year, with LLN support systems fully in place.





Remaining Questions and Opportunities

As the end of the LLN's first school year drew near, the organization's board invited DPS board members and Boasberg to join them for a reflection session. What had everyone learned, what had worked well, what needed shoring up, and what questions still lingered?

Many of those questions have been addressed in this report. But attendees made a few additional points worth noting.

The LLN is modeling a powerful form of shared leadership in its schools. Kartal Jaquette, one of Denver Green School's lead partners, observed that autonomy leads to empowerment and empowerment leads to the confidence necessary to distribute leadership among more people in an organization.

In the context of the LLN and the Green School, he said, that translated into "really valuing teacher voice." Leaders at DGS now feel "empowered, trusted, responsible, and accountable," and that has been passed on to teachers.

"That's a really powerful place for an educator to be, rather than feeling like a pawn in a chess game or a cog in a wheel," Jaquette said. "They feel they are true players in this game."

School leaders also said it would be hard to imagine a principal joining the LLN who wasn't willing to take substantial risks.

"It needs to be inherent in a leader's DNA to be entrepreneurial and a risk-taker," the Green School's Coyne said. "That really should be part of any good school leader, but certainly for someone who could work in an innovation school or zone."

DPS human resources chief Debbie Hearty, who sits on the LLN board, said it is clearer in the LLN than in DPS as a whole "who is sitting at the center" of various processes. School leaders are driving the site review process, and teachers are driving the teacher council, she said. "It's something important for us (the district) to reflect on."

DPS board president Rowe said the LLN has begun to demonstrate that existing in a small, tight-knit organization makes it easier for schools to "be nimble enough to make adjustments for your kids. And that's really hard to do in a district with 90,000 students."

Indeed, since the establishment of the LLN, the idea of leveraging zones as a way to increase autonomy is spreading with energy – between DPS schools expressing interest in joining the LLN, and the district itself actively seeking to prepare school leaders to replicate successful school models and create new networks.

To help prepare the field, the Gates Family Foundation and Empower Schools have joined forces with Bellwether Education and The Laura and John Arnold Foundation to develop EdLead Denver – a first-of-its-kind, six-month fellowship aimed at helping leaders from all sectors – traditional, innovation, charter – learn from each other and develop concrete plans to create, expand or support clusters of schools.

The first cohort started work in November 2017, and leaders are expected to develop action plans by Spring 2018 and begin implementation in the 2018-19 school year. Principal Frank Coyne of Denver Green School, the LLN's highest growth school, is a member of the EdLead cohort and has plans to replicate the successful campus. And as this report is being published, DPS is finalizing its official "Call for New Quality



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— Frank Coyne, Principal, Denver Green School



Innovation Zones”, which will set the parameters for additional schools looking to form new innovation zones in the district. This would be the first time nationwide that a traditional district has issued such an opportunity to school leaders.

The LLN's impact on the central administration is becoming clearer as well. There is some evidence that the zone has achieved its goal of pushing district systems to be more responsive to schools' needs. DPS staff are in the process of determining what services are provided by which district departments, and how to set associated fees.

In fall 2017, the DPS leadership team announced its intent to expand the SBB+ funding model to the three executive principals who lead multiple schools in 2017-18, and possibly to all innovation schools the following year. Details about the DPS 2018-19 budget are still under consideration as this report goes to print.

Yet challenges remain for the LLN and the district. The LLN requires new systems and modes of operating – whether financial, procedural, or philosophical – and much work exists to define these new systems. While the LLN agreed to employ the SBB+ funding model, the two sides did not agree on just how ‘plus’ the + would be. The LLN must both collaborate with the district and nudge it toward developing necessary conditions for school-based autonomy and innovation. Balancing these sometimes conflicting roles will be an ongoing challenge for the LLN, and its relationship with DPS leaders.

The LLN's compliance obligations to the district require almost daily communication between Roberts and senior DPS leadership. The friction this creates is illustrative of the tension of the LLN being a part of the district in some ways, yet independent in others.

“Thoughtfully and effectively managing such a fundamental shift in the role of school-based decision-making naturally takes time and the ability to continually adapt,” said Empower Schools' Alessi.

“I think that is part of the reason why it's so important for the district and zone to forge a strong partnership and a deep level of trust. Only if everyone agrees on the goals, can it be a win for everyone involved,” he said.

Major questions facing the LLN, and its relationship with DPS, include:

- **Can the LLN continue to learn, adapt, and resist settling into a mode of operating similar to that of school districts?**
- **Can the district adapt sufficiently to meet the LLN's needs? Will the district devolve sufficient autonomy over finances and operations to allow schools significant control of their academic programs, operations, and staffing?**
- **Can the LLN's teacher council craft meaningful, relevant professional development that helps teachers become more effective, pushing beyond the traditional “sit and get” delivery of content to a more engaging format?**
- **Will the LLN schools significantly move the needle for their students? Will results on standardized assessments demonstrate increased proficiency and growth by year three?**
- **When will the LLN grow? What will this growth look like? Will other zones be formed? Will the new EdLead Denver fellowship help prepare more school leaders for the opportunity?**
- **How will the district balance its dual role as a school operator and authorizer?**

DPS board member O'Brien said she used to wonder if the LLN could move DPS in meaningful ways – but that over time, she has been pleasantly surprised.

“There's so much on the plate for DPS, there tends to be a default back to just moving things along instead of wrestling them into some new form or new pathway,” she said. “I believe the LLN is helping the district buck this trend, and driving meaningful, systemic changes in DPS as a whole. It has just taken a while.”

DPS Board Member Mike Johnson – who was unseated in the 2017 election, facing vocal opposition to the district's reform agenda – said he, too, is optimistic that paths forged by the LLN can spark fundamental change within DPS – which is one of its primary goals.

“Because of the LLN, we are substantially farther along in the overall process of giving schools in DPS more control over their budgets and what happens in their buildings,” Johnson said. “And in the long run that is incredibly important, because better decisions get made by people closer to problems and because they are then more committed to carrying out those decisions.

“So we need to keep this in context as just one of many things going on in DPS, all aimed at bringing an institution that was created in the early 20th century into the 21st century.”



APPENDIX A

Timeline: Innovation Spreads from Schools to a Zone, and Beyond

2008	As DPS Superintendent, Michael Bennet is instrumental in passing Colorado's Innovation Schools Act.
2009	Tom Boasberg, Bennet's deputy superintendent and lifelong friend, takes the helm as superintendent of DPS – where he remains to this day.
2010-11	By this end of the school year, 20 DPS schools have gained innovation status.
2011	As DPS Board President, Mary Seawell works with then-innovation schools chief Alyssa Whitehead-Bust to lead district adoption of stronger policy for authorizing and protecting autonomy of innovation schools.
2012	DPS creates a first-in-the-nation common enrollment system that allows parents to use a single form to apply to all schools, whether district-run or charter.
SPRING 2015	A group of DPS innovation school principals steps forward to request more autonomy; Gates Family Foundation hosts collaborative meetings and site visits to other innovation zones.
DECEMBER 2015	DPS school board unanimously passes a resolution directing district staff to work with four innovation school principals to develop a formal, detailed plan to create an innovation zone.
JANUARY 2016	Superintendent Tom Boasberg departs for a six-month sabbatical; Chief of Schools Susana Cordova is appointed as acting superintendent.
EARLY 2016	Cordova and DPS senior staff meet frequently with Luminary Learning Network leaders to negotiate MOU to establish governance, accountability, finance and other important details to create the LLN innovation zone.
APRIL 28 2016	The DPS Board of Education votes unanimously to create the LLN, to launch in the 2016-17 school year with four schools.
SPRING/SUMMER 2016	LLN schools determine how to best exercise new autonomies and deploy additional funds to meet the needs of their students.
FALL 2016	Four LLN schools start the 2016-17 school year with significant changes to their allocation of both financial and human resources.
OCTOBER 2016	The LLN board hires Jessica Roberts as its Executive Director.
SPRING 2017	Ending its first year, the LLN has begun to demonstrate viable new ways of doing business – notably, a new funding model that provides more budget control to principals, and an innovative peer-to-peer school review process that provides actionable feedback to leaders and teachers in zone schools.
2017-18	DPS rolls out budgeting flexibilities pioneered by the LLN to a handful of the district's innovation schools, and announces its intention to offer similar flexibilities to all innovation schools the following school year.
OCTOBER 2017	Student achievement and school outcome data from the LLN's first year indicate that three of the four LLN schools are on an upward trend, with two LLN schools having charted significant growth (more than 11 percentage points higher than the previous year on DPS's School Performance Framework).
NOVEMBER 2017	First cohort of school leaders join EdLead Denver, a pilot project aimed at helping leaders from all sectors – traditional, innovation, charter – learn from each other and develop concrete plans to create, expand or support clusters of schools.
DECEMBER 2017	DPS prepares to issue a "Call for New Quality Innovation Zones," outlining potential benefits, challenges, and requirements for groups of innovation schools seeking to launch new zones in August 2019



APPENDIX B

Denver Public Schools Portfolio: School Types and Key Features

	DPS TRADITIONAL SCHOOLS	DPS INNOVATION SCHOOLS	LLN NETWORK SCHOOLS	DPS CHARTER SCHOOLS
NUMBER OF SCHOOLS (2017-2018)	99	45	4	60
PERCENTAGE OF DPS STUDENTS	47.6%	21.6%	1.9%	28.8%
GOVERNANCE	School leaders report to instructional superintendents (principal managers) who ultimately report to the superintendent.	<p>The LLN is an independent 501(c)(3) organization whose relationship to DPS and LLN schools is articulated in an MOU and service contract approved by the DPS Board of Education, and an innovation zone plan approved by the DPS board and the Colorado State Board of Education.</p> <p>The DPS board delegated operational and management authority of the LLN schools to the LLN board. The nine-member LLN board is comprised of five community members, two LLN school leaders, and two DPS representatives. The LLN leaders and DPS representatives are restricted from voting on some issues, as described in the LLN’s Conflict of Interest Policy.¹</p>	<p>Charter schools are independent 501(c)(3) organizations governed by boards of community members.</p> <p>Charter schools operate under a charter with the DPS board. Charter operators also have contracts with DPS which are approved and renewed during authorization and renewal.</p>	
AUTHORIZATION	<p>The district issues a “Call for New Quality Schools”² articulating the district’s need for new and expanded school programs; schools submit applications; district staff carry out a quality review process; and the DPS board approves or denies the authorization in a public vote.</p> <p>The DPS board also determines the term of authorization, although innovation schools must receive three-year terms as codified in the 2008 Innovation Schools Act.</p> <p>All DPS schools are subject to authorization renewal and may be renewed by the DPS board for a board-determined term or denied renewal in a public vote. The DPS board may vote to revoke innovation status.</p> <p>The Colorado Board of Education must also vote to approve a school becoming an innovation school.</p>	<p>District staff developed an ad-hoc authorization process to create the LLN, and the DPS board voted unanimously to authorize the LLN’s innovation plan for a three-year term starting in 2016-17.</p> <p>Future groups of innovation schools with common interests that would like to apply to be an Innovation Zone will undergo an authorization process managed by district staff. The DPS board must approve any new school joining an innovation zone.</p> <p>The DPS board may revoke innovation status of the zone or any of its schools at any time for poor performance. There is no appeals process to the Colorado Board of Education for not approving or renewing an innovation zone.</p>	<p>DPS is the exclusive authorizer of charter schools within the district’s boundaries.³</p> <p>The process is the same as for district schools: Charter operators may submit applications in response to the district’s “Call for New Quality Schools”, DPS staff carry out a quality review process, and the DPS board approves or denies the authorization in a public vote.</p> <p>The DPS board also determines the term of charter authorization, which can vary from one to five years.</p>	
FACILITIES	Authorized schools compete for placement in a district facility under DPS’ Facility Allocation Policy. Placements are determined by the DPS board in a public vote. If there are no available facilities, charter schools must find and pay for their own facilities.			



APPENDIX B

Denver Public Schools Portfolio: School Types and Key Features *(continued)*

	DPS TRADITIONAL SCHOOLS	DPS INNOVATION SCHOOLS	LLN NETWORK SCHOOLS	DPS CHARTER SCHOOLS
PRINCIPAL ACCOUNTABILITY	Decisions about principal hiring and firing are made by instructional superintendents.		Decisions about principal hiring and firing are made by the LLN board. If the DPS superintendent objects, the issue may be elevated to the DPS board.	Decisions about principal hiring and firing are made by the charter school board.
SCHOOL ACCOUNTABILITY	Schools receive yearly ratings on DPS’ School Performance Framework (SPF) ⁴ , a report card rating how well a particular school supports student growth and achievement on standardized tests and how well it serves students and families. The DPS board reviews each school against the School Performance Compact (SPC) ⁵ ; the most persistently low-performing schools are designated for restart or closure.		In addition to receiving yearly SPF ratings and yearly SPC reviews, LLN schools commit to move up one rating band on the SPF within three years, or, in the case of schools starting in green and blue bands, maintain an SPF score of 70 percent or above.. The DPS board may decide not to renew the Innovation Zone after three years. There is no state appeal process.	Same as district schools, charter schools receive yearly SPF ratings and the DPS board uses the SPC to evaluate each school for possible closure. If DPS votes to close a charter, the school may appeal the decision to the State Board of Education which may overturn the decision.
BUDGETING AND DISTRICT SERVICES	Schools receive funding allocations through the district’s student-based budget (SBB) formula, which weights per-pupil revenue with extra dollars to support special populations (including students from low-income homes and English language learners). Under the SBB formula, principals have discretion over about 60-65 percent of their school’s budget, while the district holds back about 5 percent for central administrative costs and 30-35 percent for district-administered school-based programs such as transportation, facilities maintenance, athletics, and special education center programs.		In addition to the SBB allocation, Luminary Learning Network schools may opt out of an additional set of district services (including professional development, curriculum, and the support of instructional superintendents) in exchange for corresponding per-pupil funds. This funding structure has come be known within the LLN and the district as SBB+.	Schools receive state per-pupil revenues through DPS. Under Colorado’s Charter Schools Act, the authorizer may retain up to 5 percent of per-pupil revenue for documented central administrative costs associated with the oversight of the charter school. DPS charter schools may buy back certain district services a la carte (like facility use, maintenance, security, and other services). DPS charters also receive a per-pupil share of local mill levy revenues. ⁶
ENROLLMENT	All schools participate in the district’s unified choice and enrollment system. This system is managed centrally, and the district determines school enrollment through an algorithm that maximizes the number of students and families placed in their top-choice schools. Students who do not participate in choice are guaranteed a spot in a neighborhood school. District-managed magnet schools, such as the Denver School of the Arts, set additional criteria for entry for DPS students interested in attending.			

⁴ The School Performance Framework (SPF) is a report card rating how well a particular school supports student growth and achievement on standardized tests and how well it serves students and families. There are five rating bands – blue being the highest, followed by green, yellow, orange and red.

⁵ The School Performance Compact (SPC) is a DPS board adopted policy to identify and designate for restart or closure the most persistently low-performing schools.

⁶ Currently, districts are not required to share mill levy revenues. However, in May 2017 the Colorado legislature passed a bill requiring all school districts to develop a plan to equitably share mill levy revenues by the 2019-20 school year.



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