



Talent Development Secondary Business Plan

2011-2016

Talent Development Secondary Growth Plan

Talent Development Secondary is in the middle of a significant growth strategy that currently maps out the expansion of the organization through 2016. The key goals of this growth strategy are to:

1. Recruit 20-30 schools to implement the Talent Development Secondary/Diplomas Now model as part of our I3-funded independent evaluation. This study should provide compelling evidence that Talent Development/Diplomas Now creates an effective whole school environment, identifies students in need of intervention through Early Warning Indicators, and provides an integrated, tiered student support model that helps students recover and remain on track to promotion, graduation, and post-secondary education.
2. Extend our work in key Diplomas Now cities throughout 6-12 feeder patterns to ensure that there is a continuum of support for students and teachers throughout their secondary education.
3. Expand our work into school districts that who do not currently partner with Diplomas Now, both through the expansion of Diplomas Now to new cities and markets and through the adaptation of the Diplomas Now architecture to implement integrated whole school reform, early warning systems, and tiered student services in school districts where the founding Diplomas Now partners do not have the capacity to serve.

Talent Development Secondary believes that meeting these goals will ensure that our organization has a direct impact on graduation and dropout rates in 12-16 of America's largest cities. This impact will provide an evidence base that will influence secondary education policy at a scope and scale far beyond what our direct work could accomplish, and will allow Talent Development Secondary to remain fiscally sustainable in a new, locally focused service model without sacrificing its core values, culture, or strategies.

Interim Goals

This growth strategy is anchored in the scale-up of the Diplomas Now initiative, and focused on three phases:

Phase 1 (FY2011-FY2012): The goal of Phase 1 of our growth plan is to recruit 20-30 schools that will implement the Diplomas Now model as part of our I3 study. 20-30 schools will give us the sample size needed to demonstrate impact at scale and validate the Diplomas Now approach through our randomized control trial. Recruitment for the study involves recruiting schools from across the 12 cities that all Diplomas Now partners operate, and selecting pools of schools that our third party evaluator then randomly assigns as either implementation or control schools. For example, we recruited a total of five schools in Detroit; MDRC then selected two as implementation schools and three as control schools.

This recruitment has resulted in 32 schools (15 high schools, 17 middle schools) committing to implement the Diplomas Now model in their schools through FY2015.

Because the Diplomas Now schools are clustered in “hub” cities, Diplomas Now is able to begin to shift its core service model from one where facilitators managed by the national office travel across the country to various sites to one where facilitators are hired locally in each city and managed by a local field manager. This service model allows us to build stronger relationships with our schools and districts, create more productive and cohesive project teams in each city, and significantly cut costs associated with travel and other administrative expenses.

The first step in this shift to local project teams will be the hiring of field managers for each of our key Diplomas Now cities by the end of Phase 1. The field managers will focus on project management and accountability, build the reputation of Talent Development and—in conjunction with our other partners—Diplomas Now, and engage in local fundraising that will ensure sustainability after the conclusion of the I3 grant and study.

In addition to the work across our 11 Diplomas Now cities participating in the I3 study, Talent Development will continue to build capacity and in some cases enter the final phases of SIG-sponsored work in some non-DN cities such as Norfolk, VA and Peoria, IL. Additionally, Talent Development will continue to work with several schools in Baltimore, and engage in limited start-ups of non-Diplomas Now sites in Buffalo, New York.

During Phase 1, we served as many as 36 schools while continuing to aggressively recruit.

Phase 2 (FY2013-2014): Phase 2 focuses on growing Talent Development through deepening the implementation of Diplomas Now in the I3 schools by expanding the grade levels served at each of the study schools. The addition of these grade levels results in greater use of the Talent Development curricula across multiple grades, and extends the use of core teaching and learning strategies across the entire middle or high school.

During Phase 2, we will begin to build our local instructional teams in our Diplomas Now/I3 cities. This will involve shifting from traveling instructional facilitators that provide service to approximately 3-5 cities, to a locally hired and managed instructional team that will work full-time in cities with 4 or more schools. We have been able to pilot local instructional teams in several markets for the 2012-2013 school year, and hope to shift to fully local teams in time for the 2015-2016 school year.

In addition to deepening our implementation and impact in our Diplomas Now schools, Talent Development Secondary may also enter 2-5 new school districts with the Diplomas Now partnership. These new district partnerships are likely to result from either the addition of new areas where all Diplomas Now partners have the opportunity to serve (Jacksonville, FL) or districts that explored the potential for a Diplomas Now partnership, but were unable to commit to participation in the I3 study (Seattle, WA; Jefferson Parish, LA; Orlando, FL), or inner-ring suburban districts in metro areas where the Diplomas Now partnership already serves the central city district (San Antonio, TX; Detroit, MI). Finally, Talent Development is exploring partnerships in cities and school districts in non-Diplomas Now districts on a limited basis. These partners include Buffalo, NY; Portland, ME; and Tulsa, OK.

The end of Phase 2 will see growth to 59 schools.

Phase 3 (2015-2016): Phase 3 focuses on three core strategies for growth. First, we hope to extend our work in the Diplomas Now study sites in order to collect an additional two years of data from sites in order to give us the most robust dataset possible regarding high school graduation rates and matriculation to high school outcomes for study schools. Second, Talent Development Secondary and Diplomas Now hope to expand their partnership with Diplomas Now districts to work with more 6-12 feeder patterns within the Diplomas Now cities.

In cases where Diplomas Now has high schools enrolled in the study, this will entail working with the middle schools that are either in feeder patterns or close geographic proximity to our study schools. Where we currently have middle schools enrolled in the study, we hope to also work with the high schools that serve the highest numbers of Diplomas Now middle school students—either through traditional feeder patterns, or through analyzing application and enrollment patterns in open enrollment districts. Finally, we hope to use the results of the I3 to enlist new school districts to enlist new Diplomas Now districts wherever all the DN partners exist. Where the partners don't exist, but we receive interest from districts in implementing the proven elements, we will use our TDS field offices to provide technical assistance in building the processes and the structures with already existing local resources which can approximate the DN partner services. We will undertake this work on a fee-for-service basis and will develop an affiliate relationship with these districts and the schools which implement the core elements of the model.

During this final phase of the growth plan, we expect to see the shift to local teams fully realized, and will be able to scale to new schools in existing cities utilizing our Talent Development Secondary teams in each of our Diplomas Now sites. We expect that expansion to new schools will benefit significantly from the relationship with district personnel, school leaders, and community and civic organizations. Talent Development plans to serve as many as 100 schools by the end of Phase 3 of our growth plan. Appendix B, the TDS Growth Table, shows predicted growth by number of high schools and middle schools from FY11 through FY16.

Fiscal Model for Growth

Over the next several years, Talent Development Secondary is leveraging its I3 grant and subsequent scale up to support a transition from a fiscal model driven almost exclusively by program fees to a multi-sector revenue model that allows for sustaining our core work, while scaling to additional districts and schools and enhancing our supports for locally based teams.

Currently, Talent Development Secondary is operating on a multi-sector revenue stream consisting of 15% private funding, 40% program fees, and 80% government funding. For FY13, we are projecting revenues of \$13,374,012 and expenses of \$13,161,493, with a projected surplus of \$255,375 based on this funding model.

As Talent Development Secondary expands through FY16, we anticipate that both our costs and revenues will approximately double, with estimated revenue of \$30M and estimated expenses of \$30M. Over the next several years, Talent Development Secondary is embarking on a fundraising campaign that will allow us to continue to expand and sustain our work past the conclusion of the I3 grant funding in FY16. We have launched this fundraising campaign by forming a partnership with United Way Worldwide and securing early commitments from Glaxo Smith Kline, Chase Bank, and Michigan Future Schools as well as several local United Way chapters.

Risk Factors/Contingency Plans

Talent Development Secondary and Diplomas Now have considered several risk factors associated with our expansion:

District budgeting scenarios preclude increases in local funding via program fees—Many of our partner school districts continue to face budget crises, and there is the possibility that budget shortfalls continue throughout the remainder of our growth cycle. In the case of districts find themselves in the position where they are unable to increase their funding commitment through local operating funds, Talent Development Secondary and Diplomas Now have considered several contingencies to ensure that program fees are secured:

1. Explore investing categorical funds in Talent Development Secondary/Diplomas Now—With ESEA waivers changing the landscape of categorical federal funding, particularly as concerns Title I, we hope to engage our partner school districts in discussions around increasing the commitment to Diplomas Now through the use of Title I, Title IIA, and other categorical federal funds. Because many current and potential Diplomas Now schools will be considered “Priority” schools in states with approved ESEA waivers, we are hopeful that districts have significant opportunities to leverage federal funding for these schools.
2. Increase funding through curriculum-only sales to cluster and single-site districts— Currently, Talent Development Secondary makes limited sales to schools that choose only to use one or more of our curricular programs without engaging in larger school transformation. This work has the potential to significantly increase the revenue generated by Talent Development Secondary without significantly increasing the expenses incurred by the organization. During Phase 2 of our growth plan, Talent Development Secondary will be making a concerted effort to increase the amount of curriculum-only sales to provide additional revenue as a hedge against district shortfalls. In cases where we anticipate that districts will not be able to make a full commitment to funding the Diplomas Now model, we will redirect revenue generated from our curriculum-only sites.

Turnover in District Leadership—Frequently, external partnerships initiated in school districts by one superintendent, mayor, or other district leader can find themselves in limbo when district leadership

changes. In order to survive the inevitable changes in district leadership and ensure a solid, sustainable foundation to continue and expand our work in hub districts, Talent Development Secondary and Diplomas Now will deploy the following strategies:

1. Reinforce and Communicate our Evidence Base—As interim results from the I3 study become available, we intend to share these with district and school leaders, corporate and civic partners, and the education community. In today’s education reform environment, we know that deepening our evidence base and communicating this to our supporters is critical to sustain our reputation during periods of district turnover.
2. Develop a multi-sector network of support for our work—Research and experience have demonstrated that organizations that create a network of advocates across government, corporate, and civic lines are most capable of sustaining their work over an extended period of time. Knowing this, Talent Development Secondary and the Diplomas Now partners have been engaging multiple stakeholders and community members in an effort to inform them about our work, share our results, and recruit their support for our work in their communities. We will continue to engage in this outreach, in order to develop a strong and diverse network of partners that will help Talent Development Secondary and Diplomas Now sustain their work despite changes in school leadership and the political landscape within our hub cities.

Saturation in Key School Districts—In some school districts, assertive efforts to close struggling schools and a declining student population have resulted in a smaller number of schools that meet the criteria for Talent Development Secondary/Diplomas Now partnership. At the same time, an increasing number of school reform and support organizations are focusing on the subset of schools that are most challenged in a given school district. Therefore, one of the risks Talent Development/Diplomas Now has considered is a saturation of partners in some of our key school districts. The contingencies we have developed in case of district saturation are:

1. Providing technical assistance to other service providers—In some school districts, we can consider providing technical assistance to other non-profit service providers, aimed at building their capacity to replicate and adapt the Diplomas Now conceptual architecture in schools where they serve students. This technical assistance will often focus on creating teacher teams and professional learning communities among teachers, developing Early Warning Indicator data systems and blueprints for delivering tiered student support, and integrating teacher teams with external service providers. We are currently piloting this approach in a partnership with the United Way of New York City, and hope to expand this approach to other markets in the future.
2. Expanding into New School Districts-Currently, Talent Development Secondary is building the core of its growth plan around the expansion of the Diplomas Now model in the 12 cities participating in the I3 study. However, Talent Development Secondary and the Diplomas Now

partners have already identified several additional school districts that could partner with Diplomas Now to improve the local and national graduation rate. During FY13, we anticipate exploring partnerships with Orlando and Jacksonville, Florida. Over the next three years, there are several other urban school districts that are either currently or potentially partnering with each of the Diplomas Now partners. Expansion into these cities would help to compensate for saturation in other markets.

Marketing Strategies of Talent Development Secondary/ Diplomas Now

Talent Development/ Diplomas Now creates brand awareness through its websites (www.talentdevelopmentsecondary.com and www.diplomasnow.org) as well as through various annual national conferences and training programs (Diplomas Now Summer Institute, School Transformation Facilitators' Training, Principals' Institute, Coaches Institute, and Instructional Facilitators' Content Training). Beyond its immediate constituency, TDS/ DN markets itself by seeking state certification as an approved School Turnaround Partner; it is currently approved in a dozen states and several cities, and is cited on the United States Department of Education Best Practices list. Regional Directors and Field Managers also reach out to school districts in their regions as appropriate. TDS has created a number of brochures and one-page marketing flyers describing various components of the program which are shared at regional, state, and district awareness events. In addition, Diplomas Now has contracted with a national marketing firm, The Hatcher Group, which has helped to create the DN brochure and various collateral materials; strategically placed reports, editorials, and press releases; and trained and assisted local DN teams in media relations. The Hatcher Group also generates a monthly Diplomas Now newsletter, highlighting DN accomplishments and media attention from around the country.

Talent Development Secondary/ Diplomas Now Significant Funders

The Diplomas Now collaboration was the recipient of a federal I3 grant of \$30 million over five years, with a PepsiCo matching grant of \$6 million during the same period. In addition, Diplomas Now has secured over \$7.4M in commitments from local governments, along with approximately \$5.2M in federal AmeriCorps funding to support implementation in I3 study sites and other high needs schools. Finally, Diplomas Now has secured over \$6.6M in additional private funding. These private funders have included Glaxo SmithKline at \$350K, Michigan Future Schools at 408K, Chase Bank, and United Way Chapters in Los Angeles at \$200K and Philadelphia at \$300K, and the initial PepsiCo grant of \$5 million.

Diplomas Now School Level Funding Model

Component	Description	Cost
Talent Development Secondary School Transformation Facilitator (Salary and Fringe)	Full-time Johns Hopkins University employee who serves as site coordinator, providing technical support, facilitating collaboration among stakeholders, ensuring implementation of model components, and tracking progress toward the shared goals of the school and the DN team.	\$ 100,000
Communities in Schools Site Coordinator Costs (Salary and Fringe)	Provides for a full-time site coordinator who works with those students facing the greatest challenges. Site Coordinators are experienced social workers with Master’s in Social Work qualifications	\$ 80,000
City Year Corps Member Team	City Year provides 8-15 corps members (depending on school size). Corps members engage in ongoing academic, social, and emotional support and provide targeted interventions such as tutoring and mentoring.	\$ 100,000
TD Curriculum Materials	Covers the cost of all student and teacher materials (texts, software, manipulatives, etc.) for Talent Development extra help math, language arts, and student success courses	\$ 100,000
Talent Development Technical Assistance	Provides 60 days of technical assistance for school leadership and teachers.	\$ 120,000
Partnership Fee	The partnership fee covers the cost of student assessment, data analysis, and reporting	\$ 10,000
Communities in Schools Network Costs	Provides for the delivery of community-based services to students	\$ 20,000
Conference Fees	Registration and travel costs associated with summer training opportunities for school staff members	\$ 7,200
Diplomas Now Direct Costs		\$ 537,200

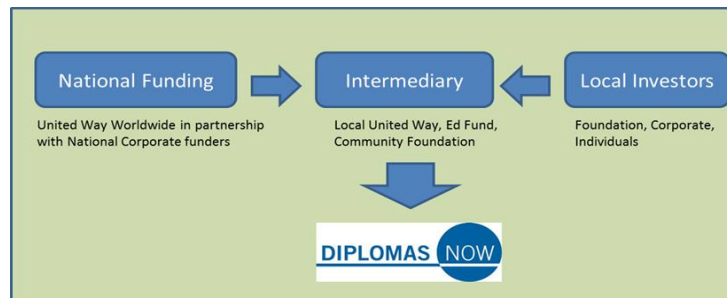
Diplomas Now Funding Campaign Overview

Diplomas Now is an innovative school turnaround model that is a collaboration between Talent Development Secondary, City Year and Communities In Schools supported by a public-private partnership between the federal Department of Education, local school districts, and the private sector. In August 2010, the U.S. Department of Education awarded Diplomas Now a prestigious Investing in Innovation (i3) grant to validate the model's early promising results. Diplomas Now, the only secondary school transformation model to be awarded an i3 grant, has partnered with MDRC, a leading research organization, to study the impact of Diplomas Now on school attendance, behavior, course performance, and graduation rates in some of the nation's highest need schools. This study is the largest randomized control trial of secondary school reform in the country and will evaluate the effectiveness of Diplomas Now compared to other reforms. The scope of the Diplomas Now network, research study and district and federal partnerships provides a ground-breaking opportunity to influence local and national policy for turning around low performing schools.

The Diplomas Now randomized control study is evaluating 32 secondary schools implementing the Diplomas Now partnership along with 30 comparison schools in 11 districts across the country. MDRC will track data on cohorts of students as they begin middle and high school and follow them through the length of the study. However, the i3 grant only covers 2-3 years of evaluation of partner schools (depending upon which year they began implementing Diplomas Now).

In order to ensure the successful completion of the i3 study which includes data on high school graduation, Diplomas Now is launching a four year \$20 million fundraising campaign. The campaign will leverage the national footprint of Diplomas Now and a partnership with the United Way Worldwide to secure national funds to serve as a challenge grant to catalyze local match funding in every city to ensure the long-term sustainability of partner schools and the successful completion of the Diplomas Now research study.

The national funding campaign will provide local Diplomas Now markets an opportunity to convene potential funders in their city, as well as a platform to show those funders that their contributions will have a greater reach through the leveraging of the national match. Diplomas Now cities have the opportunity to work with an intermediary such as the local United Way chapter that could add another level of match, effectively tripling the amount of local funding raised in each market.



Talent Development
Secondary

Growth FY2011-FY2016

City	Phase 1						Phase 2						Phase 3					
	FY 11			FY 12			FY 13			FY 14			FY 15			FY 16		
	# of Middle Schools	# of High Schools	Total	# of Middle Schools	# of High Schools	Total	# of Middle Schools	# of High Schools	Total	# of Middle Schools	# of High Schools	Total	# of Middle Schools	# of High Schools	Total	# of Middle Schools	# of High Schools	Total
Baltimore	2	1	3	2	1	3	2	1	3	2	1	3	2	1	3	2	1	3
Baton Rouge	0	0	0	2	1	3	2	1	3	2	1	3	2	1	3	2	1	3
Buffalo	0	0	0	0	0	0	1	1	2	2	1	3	1	3	4	3	3	6
Boston	0	1	1	1	2	3	2	2	2	1	2	3	2	2	4	3	3	6
Chicago	0	1	1	0	1	1	0	3	3	0	3	3	3	3	6	3	3	6
Columbus ¹	0	0	0	0	0	0	0	3	3	0	3	3	3	3	2	3	3	7
Detroit Metro	2	0	2	2	2	4	2	2	4	2	2	4	2	2	6	4	3	7
Jacksonville	0	0	0	0	0	0	0	0	0	0	0	1	1	2	2	2	1	3
New Orleans/Jefferson	0	0	0	0	0	0	0	0	0	0	0	1	1	2	2	2	1	3
Los Angeles	2	0	2	3	0	3	3	2	5	3	2	5	4	6	5	4	3	7
Miami	0	1	1	2	2	4	3	3	6	3	3	6	3	3	6	3	3	6
New York	0	0	0	0	2	2	1	2	3	1	2	3	2	5	3	3	3	6
Norfolk	3	0	3	3	0	3	3	0	3	0	0	0	0	0	0	0	0	0
Orlando	0	0	0	0	0	0	1	1	2	1	1	2	2	2	4	2	2	4
Peoria	0	1	1	0	1	1	0	1	1	0	0	0	0	0	0	0	0	0
Philadelphia	3	0	3	2	0	2	5	0	5	5	0	5	2	7	5	2	7	7
Portland ME	0	0	0	0	0	0	0	1	1	0	1	1	0	1	1	0	1	1
San Antonio	1	0	1	0	0	0	1	1	2	1	1	2	2	3	3	3	3	6
Seattle	2	0	2	2	0	2	2	0	2	2	2	3	2	2	3	3	2	5
Tulsa Oklahoma	0	0	0	0	0	0	1	1	2	1	1	2	1	1	2	1	1	2
Washington DC	1	1	2	2	1	3	2	1	3	2	2	3	2	2	4	4	2	6
Total	16	6	22	21	13	34	30	26	56	29	30	59	45	34	79	54	42	96