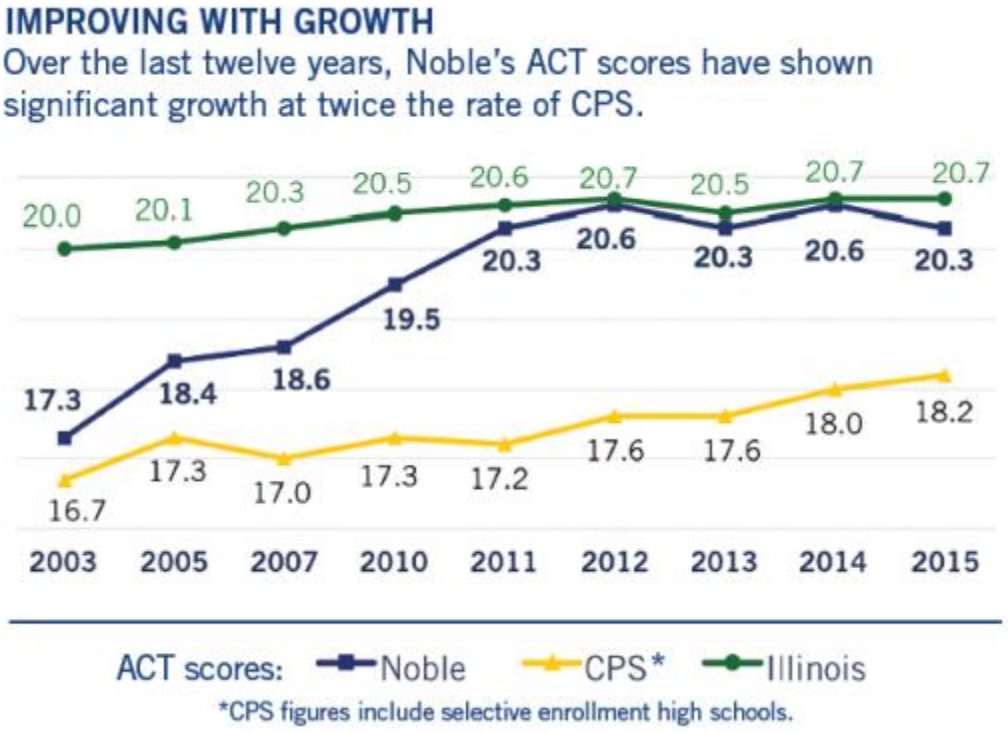
Noble Network of Charter Schools

Named the best-performing public charter school system in America as the winner of the 2015 Broad Prize for Public Charter Schools

A Proven Solution

Noble was founded by two Chicago Public School teachers and is the highest performing network of open-enrollment public high schools in the city.

- **Founded in 1999**
- **16 campuses**
- **11,000 students**
- **6,500 alumni**
- **90% college enrollment**
- **81% first generation college students**



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Demographic Comparison

Noble is committed to serving neighborhoods with the highest need for a quality public high school.

High Schools	Noble	CPS
Total Students	11,000	112,007
Minority	98%	92%
Low Income	89%	87%
Special Education	16%	14%

A System that Works

Noble was founded on many of the same entrepreneurial principles that drive successful businesses. This has resulted in improved academic growth over time.

- Focus on human capital
- Autonomy with accountability
- Strong culture
- Data-driven decision making
- Shared best practices

When comparing 11th grade ACT performance, 8 of the top 10 non-selective high schools in Chicago are Noble campuses.

2014 TOP TEN HIGHEST PERFORMING NON-SELECTIVE PUBLIC HIGH SCHOOLS

1. Noble Network of Charter Schools
2. Noble Network of Charter Schools
3. Noble Network of Charter Schools
4. Noble Network of Charter Schools
5. Noble Network of Charter Schools
6. Noble Network of Charter Schools
7. Noble Network of Charter Schools
7. Noble Network of Charter Schools
7. CICS Northtown Academy
10. Perspectives - Rodney D Joslin Campus
10. Chicago Math & Science Academy

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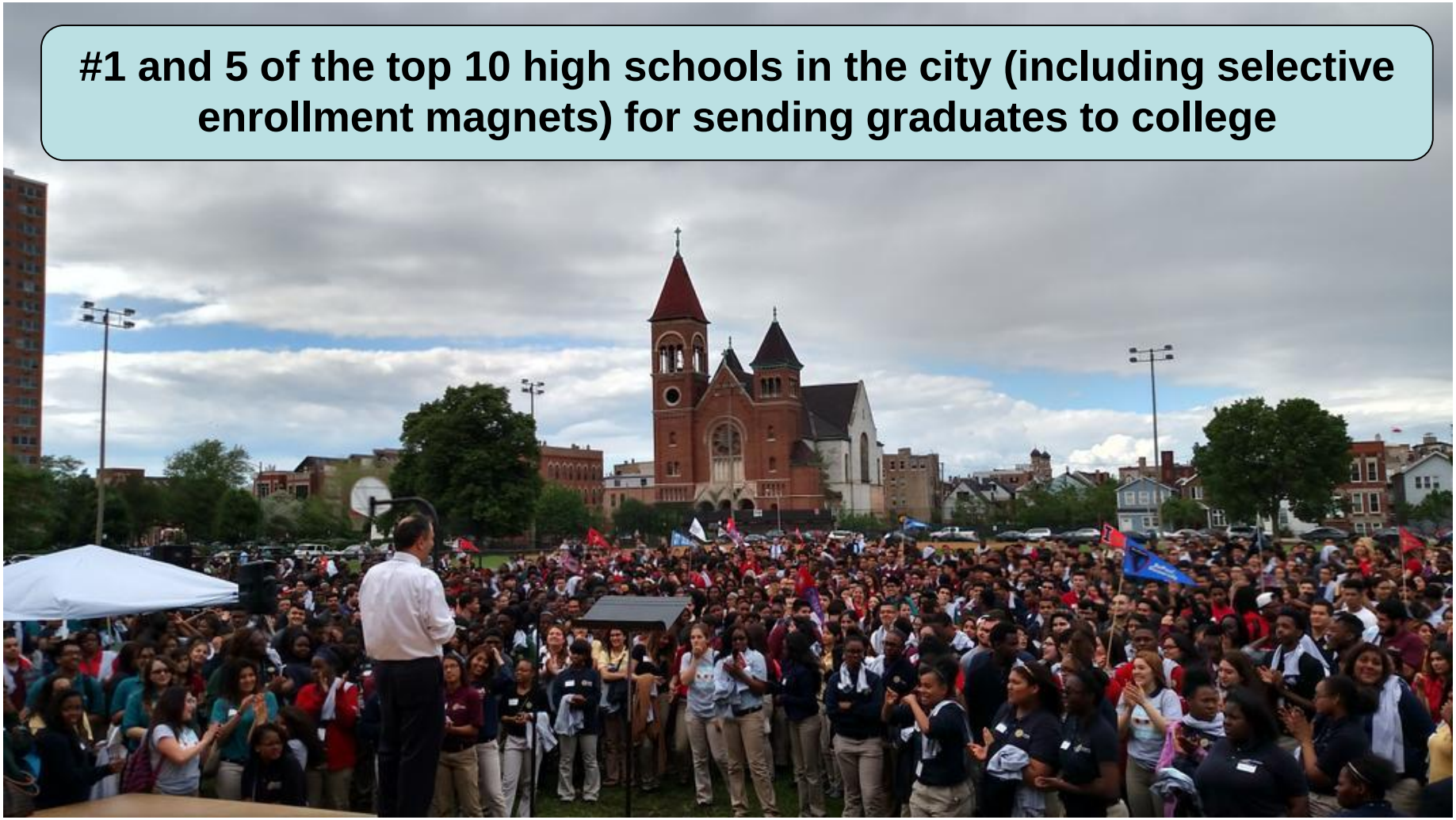
Changing lives

#1 and 5 of the top 10 high schools in the city (including selective enrollment magnets) for sending graduates to college



My background: Matt Niksch

- Noble's Chief College Officer (since 2012)
- Previously at KIPP Foundation (3 yrs), McKinsey (5 yrs), and Lockheed Martin (3 yrs)
- Former Broad Resident
- MBA, Chicago Booth
- MSEE, Virginia Tech
- BSAAE & BSEE, Purdue

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Summer 2013

The need for a strategic plan

- Questions about governance:
  - 15 principals reporting to Superintendent/CEO
  - Some "Chiefs" reporting to CEO, others Asst. Supt.
- Questions about growth:
  - Expand beyond Chicago?
  - Expand beyond High Schools?
  - How big can we (should we) get?
- Questions about mission:
  - Do we need to radically change the approach to achieve highest student outcomes?
    - Campus autonomy
    - Instructional beliefs

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SY '13-14

Our approach

- Single Director of Strategy (Broad Resident) running process:
  - 1:1 interviews with every Principal and Chief
  - Initial focus on surfacing comprehensive list of key questions (and ideas/opinions)
- Move quickly to initial answers for discussion, vetting, and evolution with key stakeholders:
  - Superintendent/CEO, Asst. Superintendent
  - Principals & Chiefs
  - Board members
  - Key donors (not on board) and city stakeholders
- "Publish" plan in June 2014

NOBLE | STRATEGIC PLAN 2020

Over the next five years, we will focus on providing the best results we have ever seen for as many students as we can reach. Our strategic vision focuses on three key areas:

BEST IN INDUSTRY *PERFORMANCE*

ENDURING *ORGANIZATIONAL HEALTH*

DISCIPLINED *GROWTH*

BEST IN INDUSTRY PERFORMANCE

Though we are Chicago's top performing school operator, we are not satisfied with out-performing the alternatives our students face.

We define best in industry performance to mean:

- Our students graduate at a rate on par with the highest income quartile, 75%
- Our students achieve a 22 on the ACT, and 3-year cohort growth of 7 points.
- Our students live healthy lives, with 90% passing the fitness requirements.

In addition to the current work from our Academics, College, and Health and Fitness teams, we will focus on three areas:

1. DEFINED PERFORMANCE
2. TALENT
3. STUDENT RETENTION

NOBLE | DEFINED PERFORMANCE

BEST IN INDUSTRY PERFORMANCE | ORGANIZATIONAL HEALTH | DISCIPLINED GROWTH

Defined performance metrics allow us to:

- hold ourselves accountable to results,
- identify areas in need of support, and
- grow in a way that supports our continued performance.

PATH FORWARD

- We have defined key performance indicators (KPIs) for each area of our organization.
- We have also defined minimum thresholds for key indicators – ACT score, 3-year cohort growth, and college graduation rate – as part of our green-lighting criteria.

NOBLE | TALENT

To accomplish our performance goals, talent is our most important lever. We are currently assessing performance across our organization. We will use this data to refine our strategy to recruit and retain a sufficient pool of diverse, high performing talent.

PATH FORWARD

- We aim to fill every predicted opening by the end of the school year, with the goal of securing 5 Noble-quality candidates for each open position.
- Focusing on retention will keep our recruitment needs as low as possible. We are working to retain 85% of our high performers.
- We believe diverse perspectives are necessary to achieve optimal results. Diversity is emphasized in our search for candidates, but our hiring of candidates will continue to be based solely on performance.

STUDENT RETENTION

We are committed to our students staying with us through graduation.

- Our annual retention is currently 88.6%.
- Examining our cohort retention is a higher bar. Ignoring transfers out of our geographic region, as a Network we retain 69.9% in the five years following the start of freshman year.

PATH FORWARD

- We will pilot initiatives to improve retention, sharing resulting best practices across the Network.
- We set the bar at 90% student retention annually.
- We are working to increase our five-year cohort retention to 75%.

ORGANIZATIONAL HEALTH

TOP PERFORMANCE ENDURING ORGANIZATIONAL HEALTH DISCIPLINED GROWTH

Organizational health allows us to perform at our highest level. We define this to mean:

- We are aligned on a clear vision. To execute this vision, we have the structure and practice for sound decision making.
- We clearly communicate our organizational identity and the opportunities we offer to our stakeholders.
- We effectively navigate threats to our organization.

To accomplish this, we will use three strategies:

4. ORGANIZATIONAL STRUCTURE

5. MARKETING STRATEGY

6. THREAT ASSESSMENT

ORGANIZATIONAL STRUCTURE

TOP PERFORMANCE ENDURING ORGANIZATIONAL HEALTH DISCIPLINED GROWTH

PRINCIPLES

- It will be headed by a single servant leader with a sustainable number of reports.
- A lean leadership team will assist him in decision making.
- The Principals and Chiefs teams will replicate this structure.
- Each leader will provide their team with autonomy as well as any needed support and development.
- We will hold team members accountable to clear, measurable outcomes that are aligned to our organizational vision.

PATH FORWARD

- The Board supports our re-organization, advising us to tier into these changes.
- Lead Principals will ensure active management and support, while creating leadership opportunities for proven talent.
- A single leader for the Chiefs team assists with team cohesion.

ORGANIZATIONAL STRUCTURE

TOP PERFORMANCE ENDURING ORGANIZATIONAL HEALTH DISCIPLINED GROWTH

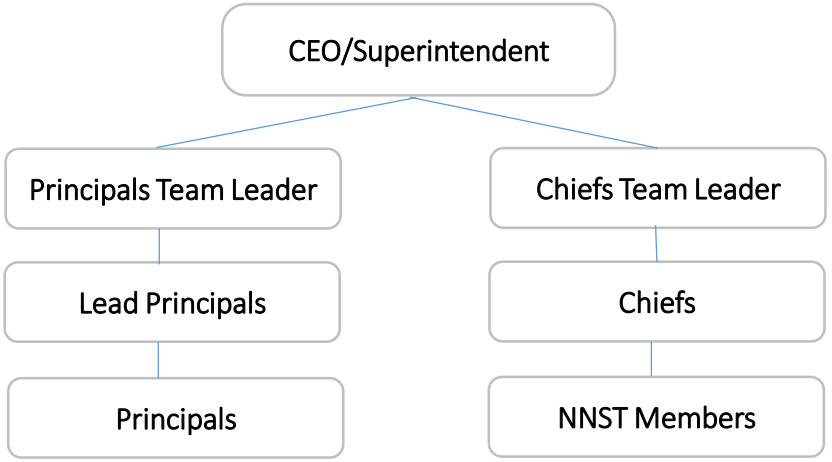
2014 -15 Steps

Active management of Pals Team
By 7/1/2014, Lead Pals hiring process begins.
At the latest, Lead Pals are instated 1/1/2015.

One cohesive Chiefs Team
By 7/1/2014, we move to a single leader of the Chiefs Team.

2015 -16 Steps

Move to Single Leaders for Each Team
We complete the transition to single servant leaders for each team. At the latest, this is completed by 1/1/2016.



MARKETING STRATEGY

Though there is substantial evidence that we have a premium brand, there is more we can do to:

- understand how we are perceived by students and families, potential hires, donors, and community partners.
- communicate who we are as an organization, and what services we have to offer our stakeholders.

PATH FORWARD

- We will develop a comprehensive marketing strategy to ensure we effectively communicate who we are and what we offer.
- We will add centralized support, bringing on a Marketing hire in 2015.

NOBLE | THREAT ASSESSMENT

Our organization faces significant threats. While it is impossible to predict exactly which challenges we will face in 2020, by assessing the probability of political, financial, media and legal threats and preparing our best response, we will protect the future health of our organization to the greatest degree possible.

PATH FORWARD

- We will assess any political, financial, media and legal threats to ensure that we are as prepared as possible.

DISCIPLINED GROWTH

To ensure our continued performance and organizational health, we must be disciplined in how we grow. Given the options Chicago students face, we believe it is imperative to grow to the extent we can. We define disciplined growth as:

- prioritizing performance and organizational health before growth, to protect our ability to provide an excellent education for the students we serve.
- only growing if we have sufficient talent, leadership, enrollment, and financial resources to perform at the highest level across the Network.

To do this we will prioritize four areas:

7. MARKET RESEARCH
8. GROWTH STRATEGY
9. STUDENT RECRUITMENT
10. THOUGHT LEADERSHIP

MARKET RESEARCH

While there is evidence of substantial demand for a Noble education, there is more we can do to understand the market for a Noble seat and its variation across the City of Chicago.

In order to be prepared for any conditions that might inhibit our growth in Chicago, we will assess other markets.

PATH FORWARD

- We will assess demand for a Noble seat across the City to ensure we optimally locate new campuses.
- We will assess the market in other areas, in case our growth in Chicago is restricted.

GROWTH STRATEGY

BEST IN INDUSTRY PERFORMANCE ORGANIZATIONAL HEALTH DISCIPLINED GROWTH

We have re-focused the financial criteria we use to green-lighting expansion:

Overall Network Criteria	
Cash Reserves	We maintain at least $15M in cash reserves.
Liquidity Ratio	We maintain a CL/CA ratio of at least 1:3
Net Assets	We maintain assets of at least 30% of total.
Administrative Costs	We keep Support Team costs below 10% of total revenue.
Criteria for Each Campus Proposed	
Sustainability	At scale, the campus will pay for all expenses on public funds.
Network Balance	The campus will not reduce the budget of any existing campus.
Ongoing Occupancy Cost	Including debt service, occupancy will not exceed $1,500. per pupil.
Capital Expenditures	The campus is within our target range for capital expenditure.

We target 75% of initial capital covered by philanthropy and expect to contribute 25%.

GROWTH STRATEGY

BEST IN INDUSTRY PERFORMANCE **ORGANIZATIONAL HEALTH** **DISCIPLINED GROWTH**

We have emphasized performance, talent, and demand:

Performance	
Academics	As a Network, we achieve a minimum average ACT score of 20. As a Network, we have 3-year cohort growth of 5.2 points.
College Graduation	Our Network college graduation rate at least 30% , post-Class of ’10.
Talent	
Hiring Velocity	As a Network, we have 3 Noble-quality hires per open position.
Retention	As a Network, we retain a minimum of 75% of school-based staff.
Leadership	We have the school leadership needed to manage the school successfully.
Enrollment	
Demand	We predict we will enroll 90% of our enrollment target at the proposed site.
Target Population	The campus proposed will be at minimum 75% free/reduced lunch. As a Network, our students will be at minimum 80% free/reduced lunch.

NOBLE | GROWTH STRATEGY

We will continue to open high schools.

- We are the only high-performing operator in the high school space, meeting a unique need for Chicago public students. With finite resources, opening middle schools would require making trade-offs with high school expansion.
- While working in lower grade levels would mean higher high school student scores, we have not found this necessary to meet our performance targets.
- We have not found opening feeder middle schools necessary to aid high school enrollment. Instead, we are prioritizing strategic partnerships with existing feeder middle schools.

GROWTH STRATEGY

BEST IN INDUSTRY PERFORMANCE | ORGANIZATIONAL HEALTH | DISCIPLINED GROWTH

We will continue to open in Chicago.

- We have concentrated resources in Chicago to support us in accomplishing our goals, including a local and supportive Board, a network of philanthropic and political support, and a premium brand.
- Expansion elsewhere would require substantial investment in infrastructure. Given finite resources, we can reach more students by staying in Chicago.
- We have committed to fundamentally improving the odds for low-income students in Chicago. Accomplishing our 2020 goals will allow us to approach regional/national expansion from a position of strength.
- Growing in Chicago in the short-term will allow us to shore up our high-need areas, avoiding potential problems under stress of regional or national growth.

NOBLE | STUDENT RECRUITMENT

Our ability to enroll our target population is key to our mission as well as our financial health.

- Over 80% of our funding is allocated based on our student enrollment. In the Far West and South Sides, we have struggled to meet our enrollment targets.
- As an open enrollment network, we cannot dictate our student population. Because service to low income students is our first priority, our efforts to recruit our target population are particularly important.

PATH FORWARD

- We will add centralized support for student recruitment to improve our ability to fill every Noble seat.
- Our strategy will focus on reaching our target population. At minimum, each new campus will be 75% free/reduced lunch status. As a Network, we will be 80%+ free/reduced lunch.

THOUGHT LEADERSHIP

While we have always been an open-source organization, we will now pursue thought leadership opportunities.

By sharing Noble tools and practices, we can:

- gain political goodwill,
- generate revenue,
- improve brand awareness and,
- most importantly, impact a larger number of students.

PATH FORWARD

- We will identify tools and practices to share, evaluating the cost to ensure we do not deplete our service to current students.

SUMMARY

- Noble remains best in Chicago in serving low-income students.
- Our goal is to become the best performing network in the nation.
- Noble will continue to only replicate high schools.
- Noble remains committed to impacting public education in Chicago.
- We have changed our green-lighting process to focus on performance benchmarks and sufficient demand, as well as financial parameters.
- If these requirements are met, we are poised to reach 25 schools in 2020. With 25 schools, Noble will impact a significant portion of Chicago public school students, with national implications.

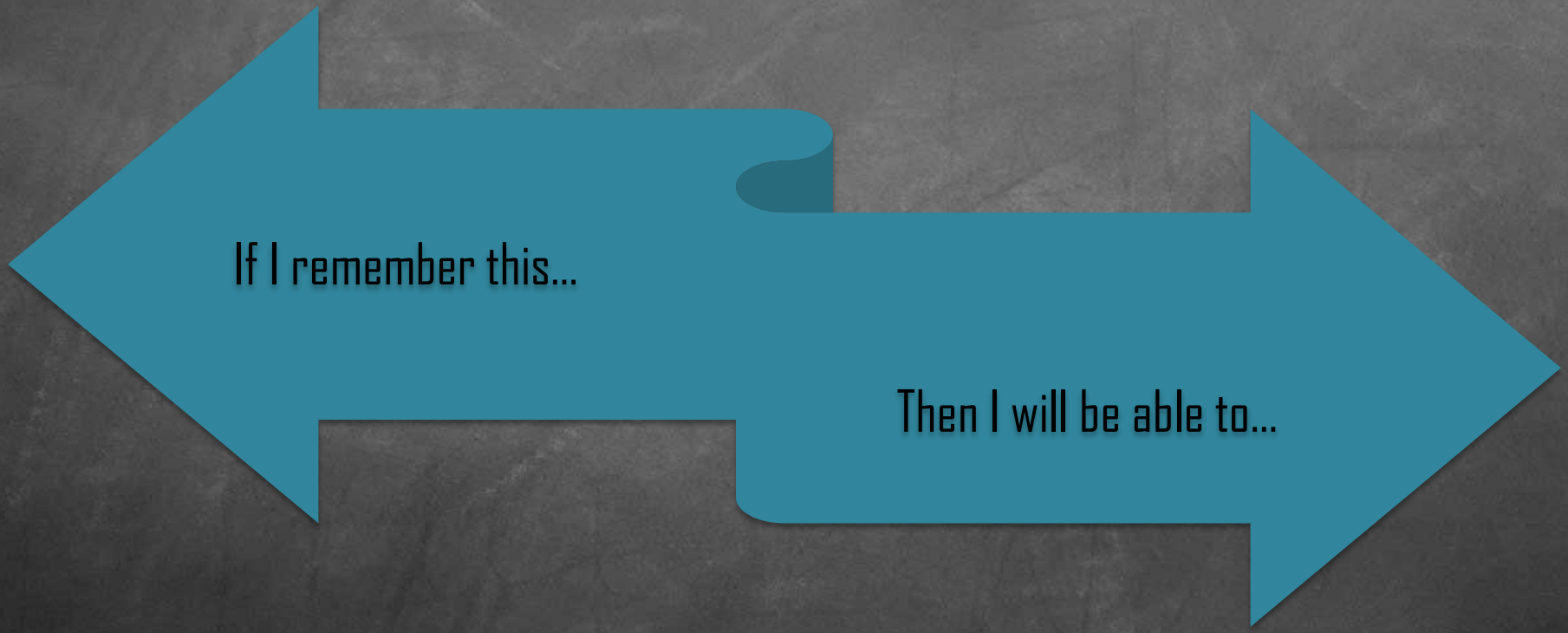
APPENDIX

Green-Lighting Criteria

	NO	YES
Performance		
• We achieve the minimum average ACT score/ACT growth.	<20/5.2	≥20/5.2
• We achieve the minimum average college graduation rate, post-Class of '10.	<30%	≥30%
Talent		
• We have sufficient Noble-quality hires per open position.	<3	≥3
• We retain the minimum percentage of school-based staff annually.	<75%	≥75%
Enrollment		
• We predict sufficient demand to meet our enrollment target threshold.	<90%	≥90%
Student Population		
• We predict a sufficient free/reduced lunch percentage.	<80%	≥80%
Financials		
Campus Proposed		
• The campus proposed is within our range for occupancy cost per pupil.	>$1500	≤$1500
• The campus proposed is within our range for capital expenditures.	No	Yes
• At scale, the campus will pay for all expenses on public funds.	No	Yes
• The proposed campus will not reduce the budget of any existing campus.	No	Yes
Overall Network Indicators		
• We maintain sufficient cash reserves.	<$15M	≥$15M
• We maintain a sufficient liquidity ratio.	<1:3	≥1:3
• We maintain our current level of net assets percentage.	<30%	≥30%
• We keep administrative costs to a sufficiently low percentage of revenue.	>10%	≤10%
Leadership		
• We have the school leadership needed to manage the school successfully.	No	Yes

Strategic Planning

Organizing the present based on the desired future

Strategic Planning

Organizing the present based on the desired future