



The Mind Trust

A Milestone year

ANNUAL REPORT 2012

The Mind Trust has “has singlehandedly changed the tenor of the debate surrounding the city’s schools and brought an army of education talent to Indianapolis in recent years.”

Columnist **Matthew Tully** in *The Indianapolis Star*, Oct. 10, 2012



The Mind Trust

Dear friends,

Last year was a significant one for Thomas Stephens,* a second-grade Lawrence Township student. Thomas, who was in foster care until recently, began reading at grade level and spending time in a general education classroom in 2012. Those were huge steps from a year earlier, when his emotional handicap was so severe that he had to be taught in a self-contained classroom and restrained while riding the school bus.

Thomas excelled because of FosterEd, an organization incubated through our Education Entrepreneur Fellowship to improve academic outcomes for foster youth. Through FosterEd, Thomas was paired with an educational advocate who helped his teacher get additional training, shortened his bus trip to school, and implemented a behavior-improvement plan.

Much like Thomas, **our 2012 also was filled with incredible milestones.** We helped to launch The Expectations Project, Indianapolis' first nonprofit focused on engaging the faith community in education reform. We ignited momentum for much-needed change in Indianapolis Public Schools, with both *The Indianapolis Star* and the *Indianapolis Business Journal* urging the district's next superintendent to consider the recommendations for reshaping the district laid out in our *Creating Opportunity Schools* report. We awarded our first \$1 million Charter School Incubator awards to two high-quality school operators that together will launch nine schools serving up to 5,000 students. And we celebrated as the Department of Child Services embraced FosterEd, the program that changed Thomas' life, as a statewide initiative.

*The boy's real name could not be used for confidentiality reasons.

Today, because of The Mind Trust's efforts, our city is on the brink of its own milestone: **Indianapolis is better positioned than at any point in its history – and than virtually every city in the country – to dramatically overhaul its K-12 education system.**

With help from supporters like you, over the last six years The Mind Trust has recruited some of the nation's best, established, entrepreneurial education organizations to Indianapolis. We've helped to incubate groundbreaking new initiatives addressing some of education's most pressing challenges. We've started a nationally unique Charter School Incubator to entice the nation's best school-leadership teams to launch world-class schools in Indianapolis. And we've advanced bold plans for propelling systemic education change in our city.

This work has given Indianapolis a rare combination of strengths: a network of high-impact education groups, a robust pipeline of talented educators and innovators, a blueprint for a high-functioning school district, and a powerful tool, the Charter School Incubator, to make the blueprint a reality more quickly.

The Mind Trust has laid the foundation in Indianapolis for the kind of dramatic, citywide education change that makes the transformative results Thomas experienced possible for all students. With your support, **we can bring Indianapolis closer to providing every child, regardless of his or her circumstances, the chance to receive an excellent education.**

For us, that is the ultimate milestone.



David Harris, Founder and CEO

2012



A Milestone year

January 2012: *Creating Opportunity Schools* report sparks a year of discussion

“The reform agenda proposed by The Mind Trust puts Indianapolis ‘on the leading edge of...efforts to redefine the school system.’”

Paul T. Hill, Director of the Center on Reinventing Public Education, on The Mind Trust’s *Creating Opportunity Schools* report, *Education Week*, Jan. 24, 2012

The Mind Trust released our 160-page *Creating Opportunity Schools* report in December 2011, detailing a bold vision for transforming Indianapolis Public Schools (IPS). The report’s release sparked more than a year of discussion about the best way forward for the district, including more than 90 media articles and a series of 24 Community Conversations organized by a host of key groups to generate public input (see page 6).



February 2012: The Mind Trust selects fellow to launch the city’s **FIRST** education reform nonprofit focused on the faith community

The Mind Trust selected our seventh Education Entrepreneur Fellow, Nicole Baker Fulgham, to launch a faith-based education reform nonprofit, **The Expectations Project**. The initiative harnesses the passion for social justice among members of various faith communities and inspires them to be advocates on behalf of better educational opportunities for all children. The Expectations Project will provide support to faith-motivated individuals, congregations and organizations in Indianapolis to develop media campaigns and mobilize the broader community to advance transformational change for low-income public schools.



“Pastors must get involved. Our influence is greatly needed. A great professor once taught me, ‘Preaching may bring people out of the world, but education will get the world out of people.’”

Rev. Dr. Clarence Moore, pastor of Northside New Era church, in a 2012 *Indianapolis Recorder* article about The Expectations Project



The force behind the movement: **Nicole Baker Fulgham**



For The Expectations Project’s founder, Nicole Baker Fulgham, ensuring all students have access to better educational opportunities is personal. Fulgham attended Detroit Public Schools, and though she graduated and went on to attend the University of Michigan, she saw many of her peers fall through the cracks of a challenged school system. Fulgham taught through Teach For America and earned her PhD before leading Teach For America’s faith community relations initiative, through which she mobilized communities of faith to support Teach For America’s mission. She launched The Expectations Project to build upon her experience engaging the faith community around education reform.

March 2012: The Mind Trust’s **FIRST** round of Incubator awards draws talented applicants

A competitive group of 35 teams from 18 states applied for The Mind Trust’s first round of Charter School Incubator awards.

April 2012: *Creating Opportunity Schools* report prompts IPS to respond with its own plan for change

Four months after the release of The Mind Trust's *Creating Opportunity Schools* report, IPS responded to the plan with its own 34-page report. An *Indianapolis Business Journal* editorial summarized the contrast between the reports:

“The differences between the plans boil down to values. (IPS Superintendent Eugene) White is betting that top-down, bureaucratic centralized control will result in better-educated children, while The Mind Trust believes in pushing decisions to the lowest level possible and giving teachers and administrators room to innovate. Red tape versus flexibility; when was the last time overhead, regulation and sameness outperformed freedom and entrepreneurship? We can't think of an example, either.”



May 2012: Indiana adopts our fellowship initiative as its **FIRST** comprehensive effort to improve academic outcomes for foster youth

FosterEd, a program The Mind Trust helped incubate through our Education Entrepreneur Fellowship, combats the academic achievement gap among foster children by providing them with trained experts to serve as education advocates. Because of the success of FosterEd's pilot program in Marion County, in May the Indiana Department of Child Services announced it would adopt FosterEd as a statewide initiative.

Jesse Hahnel, who was a classroom teacher before leading the KIPP Foundation's research and development team, was awarded The Mind Trust's fellowship in 2010 and with The Mind Trust's support, launched FosterEd. The organization's success has led to its expansion from a privately funded pilot serving about 1,700 Marion County foster children to a publicly funded statewide initiative serving 9,000 Indiana foster children. In addition to Indiana, FosterEd operates in California and Arizona.

2012:
First Christel
House DORS school
launched

2013:
First Phalen
Leadership Academy
launched

2014:
First Christel
House Academy
expansion school
launched

2020:
Together, the
networks will have
launched nine
schools serving up
to 5,000 students



June 2012: The Mind Trust names our **FIRST** two Charter School Incubator award winners

The Mind Trust announced the George and Veronica Phalen Leadership Academies and Christel House Academy as the first recipients of our Charter School Incubator awards. Through this nationally unique incubator, The Mind Trust awards \$1 million to teams of innovators to start or expand networks of some of the nation's best public charter schools in Indianapolis.

Phalen Leadership Academies is launching five K-8 “blended learning” schools, where students engage in classroom lectures before rotating into small group instruction, online instruction, project-based group work or individual projects – based on their learning styles and ability levels. The first Phalen Leadership Academy will open in August 2013.

Christel House is building a five-school network that includes two types of schools. The K-12 model replicates its Christel House Academy, which is located on Indianapolis' south side and has produced some of the best results in the state among low-income students, and another school model called Dropout Recovery Schools (DORS), which prepares former high-school dropouts for college and career success. The first DORS opened in Fall 2012, and the first Christel House expansion school will launch in 2014.

Founding a school to honor his parents: **Earl Martin Phalen**



Earl Martin Phalen grew up in foster care in Massachusetts at a time when 70 percent of black boys in the system would end up in prison. Phalen instead attended Yale University and Harvard Law School and has become one of the nation's best education innovators.

Phalen credits his success to the support of the loving parents who adopted and raised him, George and Veronica Phalen. The Mind Trust is helping him to launch a network of schools named in their honor to provide children living in low-income communities with the same support - and give them a chance to defy odds that, like the ones Phalen faced, are unfavorable. “Education has always been my calling,” Phalen said. “I know that even though statistics are grim for children going to school in underperforming districts, the possibilities are great for them if they’re given the right support.”

July 2012: The Mind Trust's national network develops a comprehensive report



Our national network, CEE-Trust, has grown into a 30-member organization of city-based education reform groups from across the country. Last summer, CEE-Trust released a report, *Kick-Starting Reform*, detailing the strategies of three organizations that are driving significant change. The report includes profiles of New Schools for New Orleans, the Skillman Foundation in Detroit and The Mind Trust, concluding with a core set of lessons that are applicable for leaders interested in reforming their cities' public K-12 education systems.



August 2012: The city convenes its **FIRST** community-wide conversation series about the future of IPS

The release of our *Creating Opportunity Schools* report sparked a tremendous level of discussion about the best way forward for IPS, including a series of community meetings about how to improve K-12 education in Indianapolis. Several key groups, including Indianapolis Mayor Greg Ballard's office, IPS, the United Negro College Fund, the Greater Indianapolis NAACP, La Plaza, Stand for Children, United Way of Central Indiana, the Indianapolis Urban League and The Mind Trust, convened the 24 forums that began in August. At the conversations, more than 600 residents weighed in on topics such as the need for high-quality pre-K and the elements of excellent schools. Feedback gathered through these forums and more than 5,100 surveys was used to create a report detailing what Indianapolis residents envision for their schools.

What people said about *Creating Opportunity Schools* in 2012:

“The idea of shifting money out of the bloated central office to put it where it’s most needed – the schools – is long overdue. The notion of giving those who work in the schools more autonomy to do what is best for students is crucial. The push to lure more education leaders to the city is vital. Many of us support the report’s idea of mayoral control, but that has run into opposition. That’s fine. It’s only one part of the report, and the debate over it underscores why the city needs to have this conversation.”

Columnist **Matthew Tully**, *The Indianapolis Star*, Jan. 15, 2012

“The Mind Trust has proposed a plan for an IPS renaissance, a rebirth of a district relentlessly focused on results for our city’s children.”

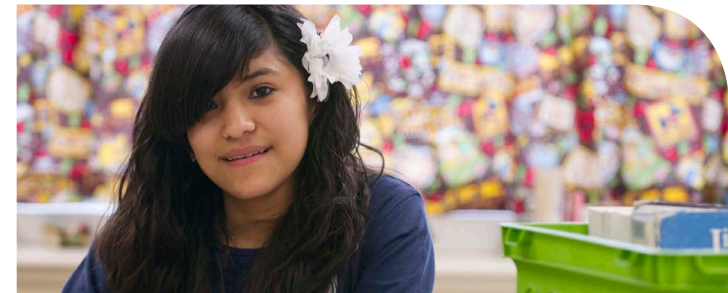
Michael McQuillen, Indianapolis City-County Council member, District 12,
Indianapolis Business Journal, Feb. 18, 2012

“Indianapolis Public Schools is broken, and drastic changes are the only way to fix it. The status quo simply isn’t acceptable anymore. Local education-reform group The Mind Trust is leading the charge for an IPS overhaul.”

Indianapolis Business Journal editorial, June 16, 2012

“Improving on the dismal voter turnout of 2010 for IPS (school board) should be a safe bet this fall...The reasons: division over (Superintendent Eugene) White’s leadership and over the reorganization of the district called for by The Mind Trust.”

The Indianapolis Star editorial, Aug. 28, 2012



September 2012: Local media outlets report that *Creating Opportunity Schools* framed the debate in the 2012 IPS Board election

In the months leading up to the November IPS Board election, Indianapolis news outlets reported that our *Creating Opportunity Schools* report was an integral part of the election discussions. *The Indianapolis Star*’s Scott Elliott reported, “It was The Mind Trust, an Indianapolis education reform organization, that put forward a sweeping plan to completely reshape IPS last December, generating months of discussion about the district’s best path going forward. Elements of that plan, and the notion that big change is needed for IPS, are receiving plenty of debate as part of the election campaign.”

October 2012: The Mind Trust exceeds goal for our **FIRST** major fundraising campaign, 13 months ahead of schedule

The Mind Trust launched the \$18 million **Grow What Works** campaign in May 2011 to grow to critical mass the network of education talent and innovation we have built in Indianapolis since 2006. In October, we reported we exceeded the campaign goal more than a year ahead of schedule, having raised **\$19.2 million**.

Through Grow What Works, The Mind Trust invested in the six initiatives we recruited or helped to launch in Indianapolis that are making the biggest difference in changing education in the city: **Teach For America, The New Teacher Project, College Summit, Stand for Children, Summer Advantage USA** and **Teach Plus**. The Grow What Works campaign also has supported The Mind Trust's **Charter School Incubator** and **Education Entrepreneur Fellowship**.

These investments have equipped schools with more excellent teachers and school leaders, paved the way for more low-income kids to go to college, helped students to advance during the summer months and given parents, students and teachers a powerful voice in education. The Mind Trust also increased the number of excellent schools and built upon Indianapolis' status as the best place nationally to launch innovative new schools and transformative education initiatives.



Grow What Works' impact

	2009-10	2012-13
Teach For America	43 incoming corps members	104 incoming corps members
The New Teacher Project	39 teaching fellows	51 teaching fellows
Summer Advantage USA	863 Indianapolis scholars	1,800 Indianapolis scholars
College Summit	567 high school seniors	735 high school seniors
Teach Plus	17 teaching policy fellows	20 teaching policy fellows
Stand for Children	Non-existent in Indianapolis	Fully-fledged group with 8,200 supporters

November 2012: The Mind Trust attracts outstanding applicants for our second round of Charter School Incubator awards

Thirty teams from 18 states and two countries applied for our second round of Charter School Incubator awards. From that pool, we were thrilled to select two of the nation's best charter networks – **Rocketship Education** and **KIPP** – for our \$1 million prizes. We announced those winners in March 2013.

California-based **Rocketship** will launch an eight-school network serving students in kindergarten through fifth grade. Rocketship's schools have attracted widespread national attention for their success in helping low-income students achieve outstanding results. A recent independent study conducted by SRI International found that the nonprofit operator's blend of individualized and computer-based instruction is leading to significant gains in student achievement. Across its seven California schools, 90 percent of Rocketship students receive free and reduced-price lunch, yet 82 percent of Rocketship students are proficient in math – a pass rate higher than California's statewide rate.

KIPP Indy, which currently operates a middle school, KIPP Indianapolis College Preparatory, will add two elementary schools, another middle school, and a high school to become a five-school network. KIPP, which operates 125 schools in 36 cities, is one of the nation's best charter school operators. A study released this year by independent research firm Mathematica showed that on a national level, KIPP helps the middle school students it serves make significant learning gains in multiple subjects. Over the last three years, KIPP Indy has increased student proficiency on the ISTEP+ by 30 points in English and 39 points in math and received an "A" school grade because of its consistent improvement.

KIPP Indy will open its first expansion school in 2014, and Rocketship will launch its first Indianapolis school in 2015.

2013

December 2012: The Mind Trust team member is named to *Forbes* list



The Mind Trust's Vice President of Education Initiatives, Patrick Herrel, was among 30 education leaders from across the nation selected for *Forbes*' "30 under 30: Education." The list included a broad array of education talent, ranging from founders of nonprofit organizations to rapper

B.O.B., who raises awareness about funding for music education. Patrick leads The Mind Trust's Charter School Incubator and Education Entrepreneur Fellowship, two nationally unique incubators designed to launch excellent charter schools in Indianapolis and help innovators build initiatives that transform K-12 education in the city.

2012 Financial Report

Summarized statement of activities

For the 12 months ending December 31, 2012

Revenue/support

Gifts, grants & sponsorships to The Mind Trust	\$5,931,047
Interest & dividends	\$15,166
Total revenue and support	\$5,946,213

Expenditures

● Investments in partner organizations' programs and initiatives	\$1,961,557
● The Mind Trust's programs and initiatives	\$1,538,441
● Management and general	\$343,554
● Fundraising	\$253,132
Total expenses	\$4,096,684

Additional contributions to be distributed to partners & projects	\$1,849,529
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Summarized statement of position

As of December 31, 2012

Assets

Cash & investments	\$6,769,148
Receivables & prepaid expenses	\$3,581,705
Fixed assets	\$30,438
Total Assets	\$10,381,291

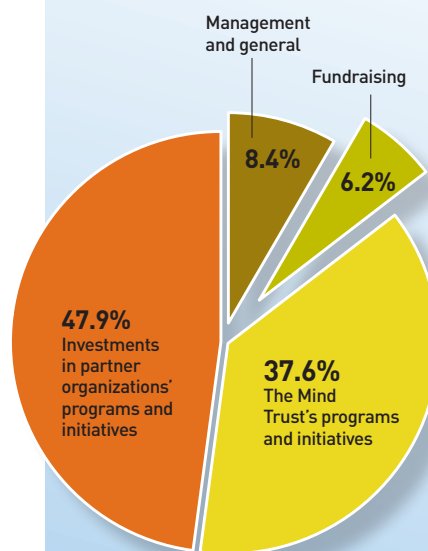
Liabilities and net assets

Accounts payable	\$92,100
Grants payable	\$700,676
Total liabilities	\$792,776

Unrestricted net assets	\$855,421
Temporary restricted assets	\$8,733,094
Total net assets	\$9,588,515

Total liabilities and net assets	\$10,381,291
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The Mind Trust's investments



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Advancing system-wide change, impacting students

Meet donors J.A. and Elizabeth Lacy and their family

As parents of four school age children, J.A. and Elizabeth Lacy are keenly aware of education issues in Indianapolis, and they've been disappointed by the scarcity of meaningful innovation in the traditional K-12 education system to engage students and improve lackluster results. They support The Mind Trust because they see the organization as "a catalyst for new thinking" that advances bold ideas and much-needed change to provide all students with better academic opportunities.



“By researching education issues, advocating for new concepts and incubating innovative, new programs and schools, The Mind Trust spotlights opportunities and attracts resources to produce better results. With The Mind Trust, we have an opportunity to make Indianapolis a national leader in education reform and our schools a community asset.”

J.A. & Elizabeth Lacy, The Mind Trust donors

2012 Contributors

Generous support from contributors makes possible The Mind Trust's work to transform K-12 education in Indianapolis.

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In honor of David and Marion Harris
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