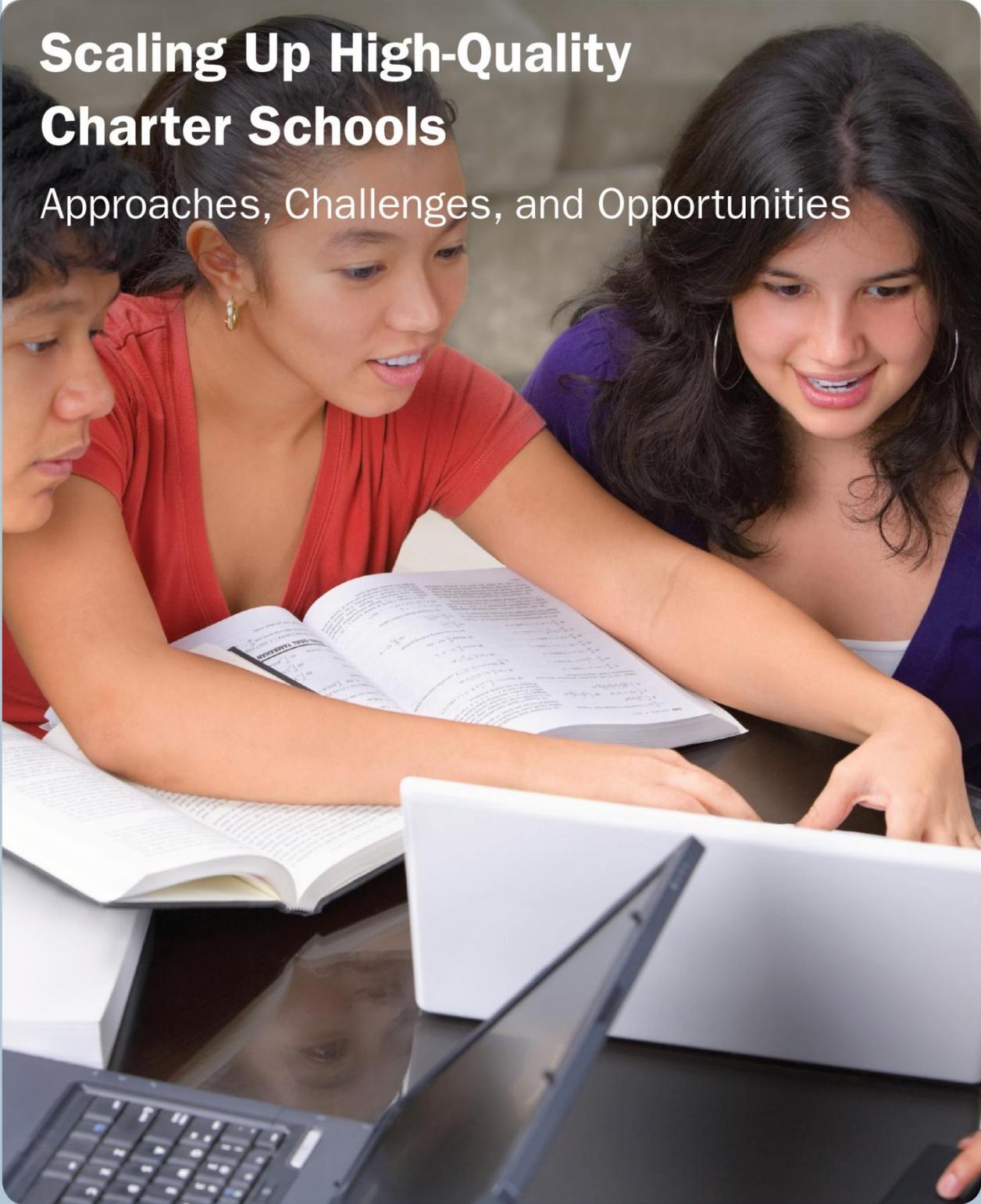


National **Charter School** **Resource** Center

.....
at LEARNING POINT ASSOCIATES

Scaling Up High-Quality Charter Schools

Approaches, Challenges, and Opportunities



| September 2010

A Research Brief from the NATIONAL CHARTER SCHOOL RESOURCE CENTER

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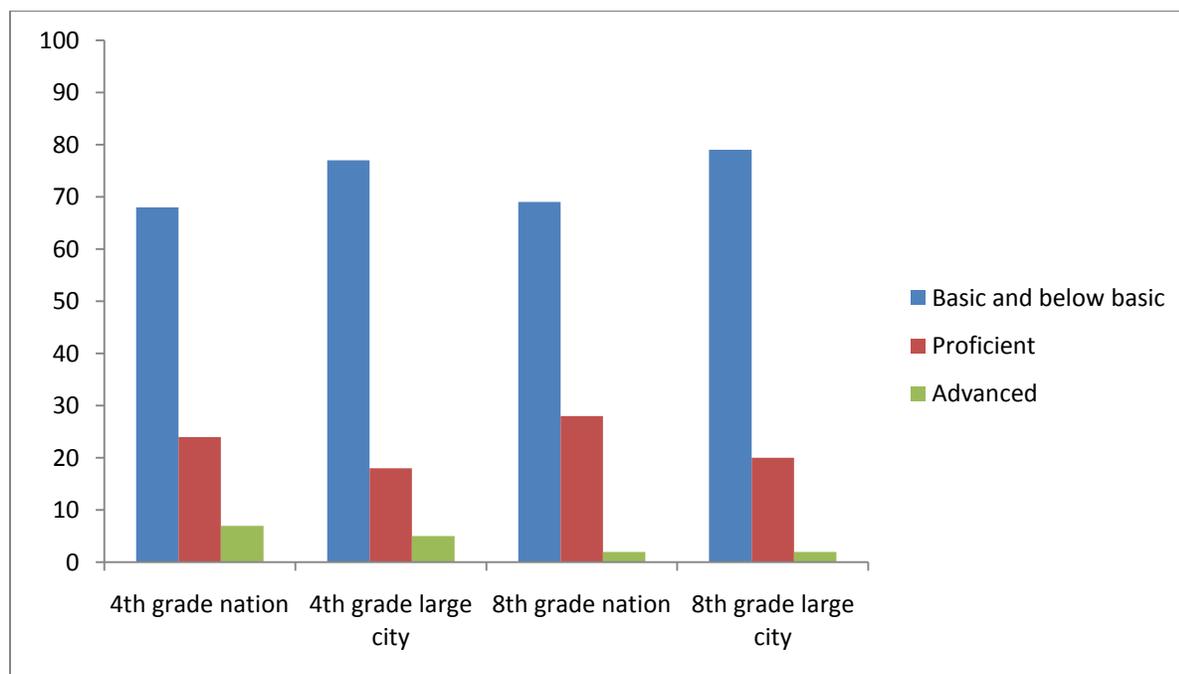
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Introduction

The simple, but powerful, credo at Harlem Success Academy is that every child can succeed. The leaders of this charter school have delivered on their mission, in that students at the school ranked first among all public charter schools in the state in mathematics and second in language arts on the 2009 state assessment. A number of public charter schools in urban areas have demonstrated similar results, proof points that schools of excellence can thrive in large cities and provide low-income parents and students of color with high-quality educational options.

Although these proof points exist, they are not yet widespread across the country. In fact, as Figure 1 shows, 68 percent of fourth graders and 69 percent of eighth graders in public schools scored at the basic level or below on the 2009 National Assessment of Educational Progress (NAEP) reading assessment, with students in large cities performing even worse, with 77 percent of fourth graders and 79 percent of eighth graders performing at the basic level or below. Clearly, across the United States, more schools like Harlem Success Academy are needed to dramatically improve student achievement and prepare all students for success in the 21st century.

Figure 1. 2009 NAEP Results for Fourth Graders and Eighth Graders in the Nation and Large Cities



Source: National Center for Education Statistics. (2009). *The Nation's Report Card: Trial Urban District Assessment Reading 2009* (NCES 2010-459). Washington, DC: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics.

The number of students enrolled in charter schools in the United States more than tripled between 2000 and 2008, from 340,000 to 1.3 million students. Although this is a significant increase, students in charter schools still represent only 2.6 percent of all public school students (Aud, Hussar, Planty, Snyder, Bianco, Fox, et al., 2010). Schools like Harlem Success Academy

are certainly making a difference for a relatively small number of students in some areas of the country, but many more schools like it will be needed to dramatically improve student achievement across the nation.

The first Harlem Success Academy Charter School opened in 2006. Three similar schools, modeled on the original, opened in 2008, and the leaders of the Success Charter Network plan to open 40 similar high-performing charter schools in New York City over the next decade. How can the success of high-quality charter schools like the Harlem Success Academy be scaled up so more students can benefit from these schools of excellence? This critical question is the focus of this brief. We will first examine charter management organizations, like the Success Charter Network, explore other options for scaling up high-quality charter schools, review challenges related to scaling up, and then highlight opportunities for policymakers and leaders of schools, districts, and the charter school community.

Charter Management Organizations

One approach to scaling up high-quality charter schools is through charter management organizations (CMOs). CMOs are nonprofit organizations that manage public charter schools. They function as small districts by providing services related to operational support, curricular and instructional development, human resource management, performance oversight, facilities, and budgeting. Listed below are a few facts about CMOs from a recent report from the Center on Reinventing Public Education (Lake, Dusseault, Bowen, Demeritt, & Hill, 2010):

- In 2008, there were 82 CMOs operating 562 schools, approximately 12 percent of charter schools nationwide.
- CMOs exist in 23 states and the District of Columbia, but the majority of CMOs are in five states (California, Illinois, Texas, Arizona, and Ohio). Moreover, many CMOs are concentrated in large urban areas, such as Los Angeles, New York City, New Orleans, Chicago, and the District of Columbia.
- In their student demographics, charter schools operated by CMOs look much like traditional public schools, in that 78 percent of CMO charter school students are minorities (as compared with an average of 74 percent in the districts in which CMOs are located) and 54 percent qualify for free or reduced-price lunch (as compared with an average of 52 percent in the districts in which CMOs are located).

CMOs are a relatively new phenomenon. Minnesota passed the nation's first charter law in 1991 and in the mid-1990s for-profit education management organizations (EMOs) began to provide charter schools with a range of services. These for-profit organizations generated controversy about the role of the private sector in running public schools. In part as a response to that controversy, nonprofit CMOs were launched in the late 1990s as organizations that were committed to scaling up high-quality public charter schools without making a profit (Smith, Farrell, Wohlstetter, & Nayfack, 2009).

One example of a CMO is Aspire Public Schools, which was one of the first CMOs in the country. The goal of the organization is to improve the quality of educational options that are available in low-income areas in California. To achieve this goal, Aspire is creating a system of high-quality charter schools that will serve as a model for districts in running high-quality schools that serve all students. Because many CMOs view their organizations as more mission-driven and responsive to the needs of schools than the districts with which they compete, they also would like to avoid the excessive bureaucracy that they view as problematic in many school districts. At the same time that a CMO, such as Aspire, serves as a model, it also pressures the district to change in response to competition from its charter schools (Colby, Smith, & Shelton, 2005).

CMOs are not focused only on sustaining existing high-quality charter schools, but also on replicating and scaling up their model. Funders, such as the NewSchools Venture Fund and the Charter School Growth Fund, have invested heavily in CMOs as a promising strategy to scale up high-quality charter schools that will be sustainable over the long term. Initially, these funders believed that CMOs could create economies of scale and leverage their experience and expertise across multiple schools (NewSchools Venture Fund, 2006). As we will discuss later in this brief,

CMOs were not able, however, to realize these efficiencies as quickly as the funders had hoped. Policymakers also have been impressed by the success of CMOs and have begun to feature charter schools and CMOs in federal and state plans for education reform. Secretary of Education Arne Duncan has included support for charter schools as a key component of Race to the Top. In fact, the restart model, in which a charter school operator would “restart” a low-performing school, is one of the four turnaround models that low-performing schools must choose from in order to qualify for Title I School Improvement grant funds from the U.S. Department of Education.

Other Approaches to Expanding the Supply of High-Quality Charter Schools

Dramatically improving student achievement across the nation to ensure that all students are prepared for success in the 21st century is a monumental task. CMOs have begun to tackle this task, but they cannot be expected to provide high-quality educational options for all students in the country. Thus, policymakers and leaders in the charter school community will need to consider a range of approaches to scale up high-quality charter schools. Following are brief descriptions of three additional approaches that might be used to scale up high-quality charter schools (Colby et al., 2005; Lake et al., 2010).

- **The Portfolio Approach.** Like CMOs, the Chicago International Charter Schools (CICS) has one governing board that holds the charter for all of its schools. However, rather than replicating the same model in many schools as CMOs do, it creates a portfolio of different types of charter schools. It does this by contracting with various providers to open schools on campuses throughout the city. This approach combines flexibility of design and accountability as each school within the CICS portfolio can follow their own school design, but each is ultimately accountable to CICS for quality and student outcomes.
- **The Advocacy Approach.** The mission of the National Equity Project (NEP), formerly the Bay Area Coalition of Equitable Schools, is to provide students in the San Francisco Bay Area with access to high-quality schools. The organization neither exercises direct control over the schools in its network nor mandates a particular design. It provides coaching support to small schools that focus on student-centered learning, but schools implement a variety of designs that are responsive to local needs. The NEP is not a network of charter schools, but their structure could be adopted by the charter school community. They provide three tiers of support that charter school networks might consider as one possible model for future development. First, they provide site-specific coaching at the school level to help launch the schools and then work closely with staff to deepen the focus on continuous improvement. Second, they work with district leaders to create a policy environment that supports the new and existing schools in their network. Third, they work with community-based organizations to raise awareness about the quality (or lack thereof) of the educational options available and then mobilize the community to advocate for the creation of more high-quality educational options. This is a place-based model that requires deep knowledge of the community and strong relationships with multiple stakeholders, but it might be a feasible option for networks of single charter schools in a particular geographic area (Colby et al, 2005).
- **The Franchise Approach.** The Knowledge Is Power Program (KIPP) started with one successful charter school and then began to replicate its model. As the KIPP founders began to scale up, they agreed that the most essential element of the KIPP model was the school's culture, which is articulated in KIPP's "five pillars." The five pillars are high expectations for students; commitments from students, parents, and teachers to the school; a relentless "no excuses" focus on student outcomes; strong leadership; and extended time in school. Rather than maintain direct control over each school and hold one charter for all of its schools, the national KIPP office allows schools to use the KIPP

name if they agree to implement the five pillars. If the national office is not satisfied with the quality of implementation or student outcomes at the school, they reserve the right to revoke the privilege to use the KIPP name. The national office also provides assistance with recruiting, selecting, and training leaders for KIPP schools and sharing best practices across the network. Thus, the KIPP network functions as a franchise in that each school holds its own charter and assembles its own governing board. Some regional KIPP offices do function as CMOs (in Washington, D.C., for example), so the organization as a whole takes a blended approach (Colby et al., 2005).

Challenges Related to Scaling Up High-Quality Charter Schools

Although some charter school scale-up organizations, like CMOs, have been successful in scaling up high-quality charter schools, they also have encountered a number of challenges that have prevented them from realizing the potential that many funders and policymakers expected (Lake et al., 2010; Education Sector, 2009).

- **Facilities.** Most charter schools must find and finance their own facilities. Although it has become more difficult for charter schools to obtain financing because of the state of the economy and regulations on the financial sector, only 10 states and the District of Columbia provide charter schools with per-pupil funding for facilities annually (Education Sector, 2009). One promising practice that a handful of districts have used to alleviate this problem is providing high-quality charter schools with heavily subsidized space in city school buildings. This is currently the exception, however, and not the norm.
- **Resource-Intensive Strategies.** CMOs have typically not realized the economies of scale that some funders anticipated. One reason is that many of the most effective components of charter schools are resource-intensive, such as extended school days and providing a range of intensive supports for struggling students. Because significant resources must be invested at each school to support these program components, economies of scale have not been achieved across the network of schools. In addition, CMOs are often committed to small schools that facilitate the development of strong communities of teachers and students. Small schools, however, entail higher per-pupil costs than do traditional public schools, which tend to be larger. Moreover, in order to establish a culture of discipline and achievement at the school, CMOs often prefer to build out the school by adding one grade each year. This strategy is also quite expensive as the CMO must subsidize many costs until the school reaches its full capacity.
- **Financing.** A recent study of charter school financing conducted by Ball State University revealed that charter schools across the nation received less per-pupil funding than district schools received. In fact, the average state disparity was 19.2 percent, or \$2,247 per pupil (Batdorff, Maloney, & May, 2010). This situation is even more difficult for new charter schools because most states do not fund start-up costs for charter schools. Charter schools also often further widen the gap because they go beyond the practices of many traditional district schools to offer resource-intensive components such as additional instructional time and a range of supports for struggling students. To open their schools and support them in a manner that is consistent with their model, charter school scale-up organizations must rely heavily on contributions from philanthropy. Because the resources of philanthropic foundations are not unlimited, reliance on foundations will become a barrier to scaling up high-quality charter schools across the nation when more charter school scale-up organizations strive to replicate their models and compete for the limited philanthropic support available (Education Sector, 2009).
- **Talent.** Charter school scale-up organizations invest a great deal of time and energy recruiting and training teachers and school leaders who are passionate about implementing the vision and mission of the organization. Charter school scale-up organizations are continually seeking mission-driven teachers and leaders who will do everything in their power to improve student achievement, often working long hours in

the process. Identifying this talent, retaining these educators, and reducing high teacher turnover and burnout associated with long days and high standards is resource-intensive for these organizations.

- **Mission Creep.** As a result of the success of many charter school scale-up organizations, district leaders and policymakers have begun to encourage them to respond to Secretary Duncan’s challenge to turn around the 5,000 lowest performing schools in the nation. Because starting a new school is quite different from turning around a low-performing school, if a charter school scale-up organization wants to take on this challenge, it will have to carefully define its mission and grow in ways that are consistent with that mission.
- **Extending Success in Elementary School to High School.** Although there are some notable exceptions, most charter school scale-up organizations have focused on developing high-quality elementary schools. In order to ensure that their students have high-quality options that extend across the K–12 spectrum, charter school scale-up organizations or other funders will need to invest in the development of high-quality educational designs for high schools. Leaders can begin with examples of success such as the Noble Network of Charter Schools in Chicago or YES Prep Public Schools in Houston (Newstead & Howard, 2006).

Scaling Up: Options for Policymakers and Charter School Leaders

Scaling up high-quality educational options for all students is a formidable undertaking. Policymakers and leaders of schools, districts, and the charter school community should consider some of the following options when developing a comprehensive approach to scaling up schools of excellence.

Federal, State, and Local Policy Actions

Policymakers at the local, state, and federal levels should consider policies that will eliminate barriers for high-performing charter schools and provide them with incentives to scale up (Lake et al., 2010; Education Sector, 2009).

Federal Level

- Restructure ESEA to incentivize excellence by rewarding schools with additional funding if they deliver results for all students.
- Continue to provide federal funds to support the scaling up of high-quality charter schools through the U.S. Department of Education’s Charter Schools Program Grants for Replication and Expansion of High-Quality Charter Schools Charter Schools Program.

State Level

- Eliminate barriers on charter schools, such as state caps.
- Provide charter schools with equitable per-pupil funding that is weighted for student needs.
- Develop incentives and alternative routes to certification that will attract talented teachers and leaders and enable them to work in areas of the greatest need without being required to meet all traditional certification requirements.

District Level

- Subsidize access to district buildings.
- Encourage charter schools and traditional schools to share best practices that will benefit all students.
- Support a wide variety of high-quality educational options for students and parents. Instead of attracting national CMOs, urban districts might consider growing their own CMOs by asking high-performing schools to replicate themselves or incubating innovative design teams who will launch new high-quality stand-alone charter schools. One promising model is New Schools for New Orleans, a nonprofit organization that recruits promising charter school operators, provides assistance with securing facilities, and incubates new operators who are committed to meeting areas of local need (Hess, Palmieri, & Scull, 2010).

More Research Is Needed

Policymakers and foundation leaders might consider funding a comprehensive national research and development program to evaluate charter school programs across the country, identify what works, and determine the extent of the impacts on student achievement. Public and philanthropic funds can then be concentrated on scaling up those schools or programs that demonstrate the most dramatic results. Throughout these scale-up efforts, resources should also be invested to ensure that the model is implemented with fidelity and to build the capacity of the organization to put in place the components that will lead to successful scaling (Roob & Bradach, 2009).

Additional research also is needed to identify the components of the “black box” of high-quality charter schools. For example, exploratory analyses of quantitative and qualitative data related to successful charter schools in Boston revealed that some important components of these schools were principals’ ability to select their staff, teachers’ use of targeted instructional strategies for struggling students, more instructional time for students, and a variety of supports for struggling students (Therriault, Gandhi, Casasanto, & Carney, 2010). More rigorous research about the impact of each of these components on student learning will help both high-quality charter schools and traditional schools to concentrate their investments in those areas that will demonstrate the greatest impact.

Clear Definition of Mission

- One of the first steps in scaling up an effective model is to identify the core functions and mission of the organization. The Bridgespan Group has worked closely with charter schools and nonprofit organizations to scale up success. Through a thoughtful analysis of the data related to program impacts, Bridgespan helped leaders of the Harlem Children’s Zone to clarify their mission, diversify their funding structure, develop metrics to measure outcomes, and then focus not on providing more services in the community, but rather on zeroing in on the quality delivery of core services that delivered the greatest impact for children in Harlem (Bridgespan Group, 2004). After clearly defining their mission in a similar way, CMO leaders might continue to scale up through CMOs or they might choose another approach, such as the KIPP franchise model or the CICS portfolio approach. Different organizations will choose different paths because Bridgespan has found that once the mission of the organization is clearly defined, leaders can see vividly which services are central to delivering on the mission and which might be better outsourced to another organization. Depending on the core services that CMOs define as essential, future options for CMOs might include (Lake et al., 2010; Education Sector, 2009):
 - Collaborating with organizations, such as the Leona Group, that provide back-office services
 - Relying on organizations, such as Teach for America or New Leaders for New Schools, to recruit and train teachers and leaders or develop local programs to train charter teachers and leaders such as the Teacher U Training Institute in New York City, a project cosponsored by Hunter College, the school district, and several CMOs

- Developing partnerships with universities and other nonprofits that can provide charter school students with supports and greater opportunities for expanded learning
- Focusing only on incubating and launching new high-quality charter schools
- Launching organizations that are devoted to facilities or other time- and resource-intensive services (For example, Rocketship Education recently announced the formation of a new independent real-estate development organization that will serve the unique facilities needs of the charter school community.)

Use of Technology to Reduce Costs

- Lake et al. (2010) suggest that hybrid or blended instructional models, in which students receive instruction both online and in more traditional face-to-face settings, might be a promising strategy to improve the quality of instruction at the same time that it reduces costs for charter schools. Although high-quality research on blended approaches for K–12 learners is still quite scant, existing evidence suggests that blended approaches have a greater impact on student learning than either purely online or purely face-to-face approaches (Means, Toyama, Murphy, Bakia, & Jones, 2009). One charter school network that implements a blended model, Rocketship Education, delivers impressive results as it manages the highest performing low-income elementary schools in San Jose and Santa Clara counties in California (Newstead, Wright, & Colby, 2010). Rocketship also recently received the national Innovation Award from the Charter School Growth Fund for the financial efficiency it achieves by redirecting dollars that are saved through the online delivery of instruction to fund an extended school day, build facilities, and hire content specialists who can provide struggling students with targeted supports.

Conclusion

Although some high-performing public charter schools have provided the nation with proof that Harlem Success Academy’s mission—every child can succeed—can become a reality, these schools of excellence are still too far and few between. In the same way that one school model cannot meet the needs of all students, a variety of approaches will be needed to scale up the success of these existing and emerging exemplars. Policymakers and leaders of schools, districts, and the charter school community should continue to invest in innovative educational options, thoughtfully examine what works, and then concentrate public resources on those practices that will best prepare all our students for success.

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