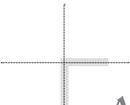# Hopes, Fears, & Reality

A BALANCED LOOK AT AMERICAN
CHARTER SCHOOLS IN 2005

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About NCSRP and *Hopes, Fears, & Reality*

The University of Washington's National Charter School Research Project aims to bring rigor, evidence, and balance to the national charter school debate. Its goals are to 1) facilitate the fair assessment of the value-added effects of U.S. charter schools, and 2) provide the charter school and broader public education communities with research and information for ongoing improvement.

Hopes, Fears, & Reality is the first publication from NCSRP. This report will be published annually and will explore controversial, developing, or pressing charter school issues. NCSRP intends to identify the root causes, illuminate complexities, and move beyond polemics to elevate the level of the discussion around each problem, without making specific arguments for or against any position in the debate. NCSRP hopes that this report will be useful to charter school advocates, skeptics, and people curious about this new form of public education.

For more information and research on charter schools, please visit the NCSRP website at www.crpe.org/ncsrp. Original research, state-by-state charter school data, links to charter school research by other groups, and more can be found there.

CHAPTER *3*

Bringing Charters to Scale

Robin J. Lake

Most disputes about charter schools revolve around disagreements between charter supporters and opponents. Yet one controversy is lodged firmly in the charter school movement: How should charter schooling be taken "to scale"? That is to say, how should the number of charter schools be increased to reach dramatically more students with the highest quality of charter schools possible?

At some risk of oversimplification, it can be said that on one side of the debate there exists a national push toward replication of successful schools, investment in school management organizations, and expansion of state laws to allow for many more charter schools. On the other side are those who favor approaches that respect and foster the sometimes-messy grassroots or homegrown origins of the charter school movement. Despite this oversimplification of a complex set of people and ideas, events this past year demonstrated the charter school community quickly dividing along these lines. The outcome of this debate may determine the fundamental character of charter schools for years to come.

HOW MANY CHARTER SCHOOLS ARE ENOUGH?

When people refer to "scaling up" the charter school movement, they often mean different things. One way to think about the issue is that charter schools will be adequately "at scale" when there are enough high-quality charter schools to satisfy parental and government demand. Another view is that charter schools will not be "at scale" (regardless of parental demand) until they are able to deliver on their most important promise, which is that there will be enough of them competing with school districts to force traditional public schools to improve.

Whichever view advocates hold, most agree that the charter school movement, in 2005, is still, for most states and school districts, a small fish in a big pond of school reform strategies.[1] There are notable exceptions in some cities and school districts, such as Washington, D.C. These exceptions are the result of isolated state charter laws designed to encourage a lot of charter schools to open quickly to facilitate competition and choice. In other cases, concentrations of charter schools reflect strategic choices by school district superintendents or board members that are trying to use charter schools as a way to replace failing district schools or to increase options for parents. But in the end, the numbers show small percentages of students served and caps that limit the number of future charter schools.

Clearly, supporters of the movement hope it will mature into a more mainstream reform that improves academic life for a greater numbers of students. To that end, charter school funders, founders, policymakers, and critics of public schools and public services are increasingly calling for strategies to take successful schools "to scale," while working toward that aim through legislative lobbying and political activism. During the past two years, no charter school conference was complete without a session on "getting to scale," while big investors such as the Bill and Melinda Gates and Walton Family Foundations made significant grants to help speed charter school growth through technical assistance, replicable school designs, and other means.

There is a missionary tone to the message of charter school advocates, a belief that an expanded charter movement is urgently needed to overcome the odds on high drop-out rates, low levels of family satisfaction, and disappointing overall achievement. There are different theories on *how* to dramatically increase the number of American charter schools, but few charter supporters would be happy to see charter school growth stop where it is today.

At the same time, charter school opposition is alive and well, with teachers unions and other groups continuously working to slow charter school growth through legislative lobbying and political activism.

WHY CONSIDER NEW APPROACHES TO CHARTER SCHOOL GROWTH?

Advocates are eager to find new ways to speed charter school growth because creating new schools one-by-one has proven time-consuming and too often results in uneven quality. Schools started by groups of talented and innovative local teachers or community-based organizations are still necessary, in this view, but so is an effort to take working models and use their core ideas in additional places.

Increasing the numbers and average quality of charter schools is very important to localities such as New Orleans, Chicago, and New York City, which have concluded that their schools are not going to turn around quickly enough to avoid harm to children and sanctions under *No Child Left Behind*. (See Chapter 5 for a discussion of charters as a school "turnaround strategy.") Some communities are convinced they need to create many new schools, but they do not have access to local expertise or organizations capable of providing them quickly or reliably. In these communities, importing a successful, functioning model from elsewhere is a very attractive option.

Building many schools on one core plan is not a new idea. Montessori schools follow a template of sorts. So do parochial schools, and it is normally a template different in both subtle and significant ways from Jesuit schools, a particular type of Catholic school. With the exception of parochial schools, which blossomed practically overnight in Eastern cities after an 1870 Baltimore convention of Catholic leaders, the spread of most of these new schools has been pretty gradual. It was accomplished largely by experienced leaders moving on to launch another school, bringing with them the experience and lessons learned in establishing the last one. The charter movement's challenge is to replicate its best schools well and much faster than most older models.

Several active schools of thought exist on what will best encourage the spread of more high-quality charter schools. With the exception of for-profit or non-profit orientations, these ideas are far from mutually exclusive:

- Provide intensive technical assistance to individual school founders and charter authorizers.
- Replicate successful schools via non-profit "charter management organizations" (CMOs).
- Encourage for-profit education management organizations (EMOs) to run many schools in many locales.

- Invest in local and national infrastructure (new facilities, back office support, and the like) to simplify the task of running a school and eliminate the need for school leaders to be business and education experts.
- Encourage new sources of school founders—religious organizations, community groups, and the like—to open and run charter schools.
- Remove structural or political barriers to entry such as legislative caps, lack of appropriate buildings, or low per-pupil funding in order to attract more providers.

Disagreements about which of these scale-up approaches merits the greatest investment is causing significant disagreement within the charter school movement. This year in Chicago, national and local foundations put significant financial resources behind creating and supporting networks of school designs capable of replication. In doing so, they largely turned a deaf ear on arguments for a more "grassroots" approach of supporting intensive technical assistance for people eager to launch individual schools. Similar investment decisions in California and other communities the previous year lead some to believe that the charter movement is moving away from its community-based origins, instead funding and promoting larger management organizations over "mom and pop" community-based schools. For example, in California a new organization, CharterVoice, was formed when the California Charter Schools Association took on a pro-growth orientation in order to "advocate on behalf of a diverse range of charter schools and the students they serve and . . . not support advocacy efforts that seek to limit the charter school movement to only specific types of charter schools."[2] Others are deeply skeptical that the "management company" strategy can be a financially viable approach to scale, as most CMOs rely heavily on foundation funding to run their schools and most EMOs have yet to turn a profit.[3, 4]

Reflecting this philosophical divide, several pioneering charter school support organizations have, in the past two years, lost funding support from the major foundations investing in charter schools. In most cases, these organizations are no longer in operation. Technical assistance organizations in California, Washington, D.C., and Chicago all lost foundation support. An effort to create a national advocacy organization for charter schools had a false start when a more decentralized, membership-oriented version had its funding pulled.

Taking their place are new entities, such as New Schools for Chicago, calling for faster growth and more consistent quality via "scalable" practices. Philanthropies supporting such organizations are placing a bet that the future of charter schools will look more like

FIGURE 1: NEWSCHOOLS VENTURE FUND'S CHARTER SCHOOL GROWTH PROJECTIONS BY PROVIDER TYPE , 2002–2020
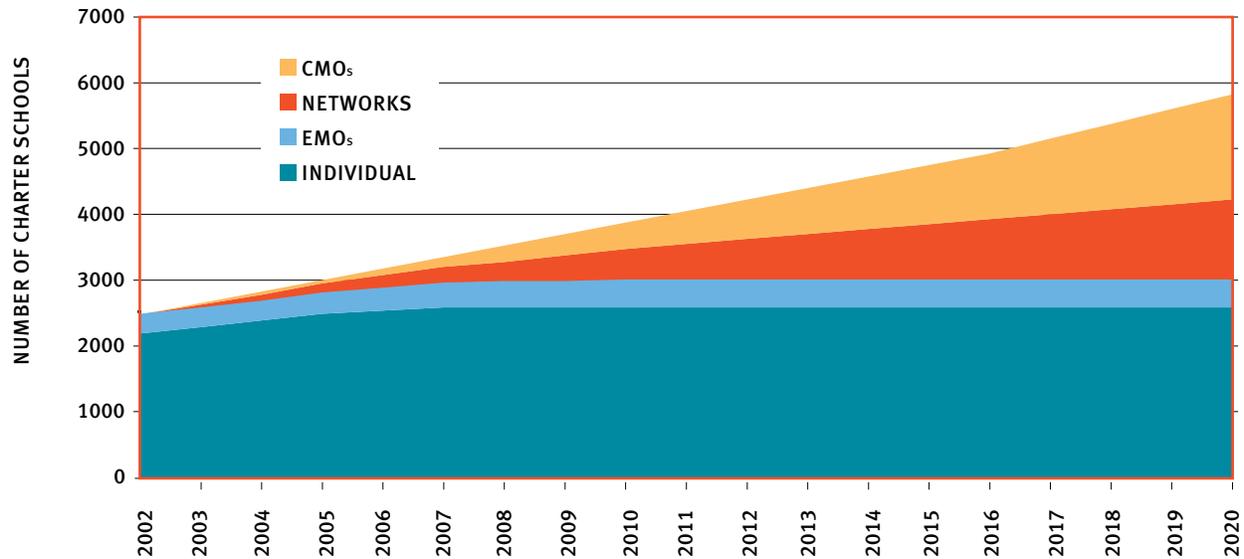
the one envisioned by networks of related schools and CMOs than the one envisioned by grassroots and community-based organizations. The NewSchools Venture Fund's 2004 projections for charter school growth under various start-up mechanisms are based on the assumption that the lion's share of new charter growth between now and 2020 will come from networks and CMOs, not network groups or profit-oriented EMOs.

One consequence of this approach is that several major foundations investing in charters (e.g., the Bill and Melinda Gates, Pisces, and Walton Family Foundations) are increasingly offering replication grants to help "successful" schools expand the number of schools following their design or model. Foundation-funded efforts in 2003 and 2004 included a $40 million-plus charter school accelerator run by NewSchools Venture Fund to help start new non-profit networks of charter schools.[5] Another $5.7 million gift to Aspire Public Schools from the Bill and Melinda Gates Foundation was said to be an endorsement of charter management organizations. According to the executive director of the Gates Foundation's Educational Programs, Tom Vander Ark: "We have a better chance of seeing a much higher quality of school when schools are part of a network. You get a proven model."[6]

What has failed to emerge from the feuding within the charter community is a sensible plan for empirical research and development. It is likely that no single strategy is sufficient and that a more empirical approach might help reveal how various approaches

Source: Adapted from Kim Smith, "How do we grow the movement and bring charters from the margins of public education? How much is enough growth?" From Margins to Mainstream: Building a Stronger Charter School Movement (Washington D.C.: Progressive Policy Institute, 2003).

could complement each other to leverage knowledge without sacrificing the energy and appeal of grassroots charter school advocates.

REPLICATING GREAT SCHOOLS IS NOT EASY

To explore the potential for a more empirical research agenda, the National Charter School Research Project recently surveyed major profit and non-profit management organizations to document the lessons they are learning about replicating successful schools and the barriers they face. The survey revealed daunting challenges. Putting aside predictable complaints about unfriendly charter laws, unfair caps, and insufficient funding, the most serious barriers include:

- deciding if and when the central organization should allow sites to adapt the model school's culture and curriculum;
- dealing with unstable political support, including hostility from once-friendly school boards, or supportive superintendents being replaced by hostile ones;
- finding multiple sites in specific cities or neighborhoods to reach certain populations, take advantage of favorable politics, or reduce costs;
- developing or finding people skilled in network functions, not just running a successful school, who can create central technology infrastructure, recruiting and training systems, and provide real estate and other start-up services; and
- finding and training school leaders and staff who believe in the model and can implement it successfully.

The point is not that the replication strategy is flawed, but rather that every plausible scale-up strategy, including replication, faces significant barriers.

DIVERSE APPROACHES TO SCALE CAN COMPLEMENT EACH OTHER

Each of the theories of action to charter school scale described above has its own potential strengths and weaknesses. The intensive technical assistance approach tries to build capacity of local school founders, but relies heavily on the assumptions that school founders will be plentiful and that stringent charter school oversight will be the main quality control mechanism.

The CMO and EMO strategies attempt to spread effective school designs. They rely less on the independent inspired leader to invent a school design by providing the backbone of a program along with needed technical assistance and management support. However, these programs inevitably lack the tight connection to the local context that can be achieved through grassroots development, while the non-profit models operate at a high per-pupil cost and have yet to prove themselves financially sustainable without foundation support.

Strategies intended to build support infrastructure or remove barriers to entry aim to increase the supply of providers by lifting legislative caps, allowing more agencies to sponsor schools, and providing higher per-pupil funding and more facilities support. This approach makes it easier to start schools but provides no answer to provider supply or inside-the-school problems such as assuring quality instruction and finding capable leaders and staff. If uneven quality is the result, long-term political viability may be in jeopardy.

Finally, "good people" theories, such as seeking out capable community leaders or training new school leaders, can create new leaders, but perhaps not enough to meet large-scale needs.

Table 1 outlines the various current theories of action for scaling-up quality charter schools. All of these methods are probably needed because they compensate for one another's weaknesses.[7]

TABLE 1: POTENTIAL COMPLEMENTARITIES AMONG CHARTER SCHOOL SCALE EFFORTS

STRATEGY	THEORY OF ACTION	STRENGTHS	WEAKNESSES
Intensive technical assistance for aspiring school providers	Help individual schools build capacity	Taps support for local innovators; support for new ideas	Slow and resource intensive; relies on authorizers for quality control
EMOs, CMOs	Develop and replicate effective school designs	Private investment, scale economies, quality control, support networks	Not highly adapted to local needs; target for political attacks; high central costs
Back office and management support	Free school leaders to focus on instruction	Reduces financial and management problems, avoids scandal	Enables but does not create new schooling options
Pro-charter political advocacy	Lower barriers to entry; fight opposition	Buffers start-ups from hostile environment; lessens school leader burdens	Enables but does not create new schooling options
Charter-specific teacher recruitment and training	Ensure that schools can tap a high-quality labor pool	Reduces school start-up problems and need for early staff turnover	Difficult to adapt recruitment and training to needs of diverse schools

MUCH IS KNOWN ABOUT SCALE-UP . . .

Advocates of charter school replication can learn from past efforts to bring public educational programs or models to scale. A new book by the late Thomas Glennan and Susan Bodilly of RAND summarizes lessons from the world of education. They argue that there are no "silver bullets," that replication requires building capacity to implement and sustain reform, while fostering a sense of ownership at the local level. The process of building reform and going to scale in schools is complex and iterative, according to Glennan and Bodilly.

More relevant lessons for the charter movement may come from outside the public education experience, since charter schools operate outside the normal school district structure. The history of Catholic school networks shows how to construct limited, but effective, central office supports, design accountability systems appropriate to site-managed schools, and create strong mission-oriented school cultures.[8]

Efforts to replicate successful small businesses and non-profit entities demonstrate the need for realistic and sustainable business plans and strategies to ensure that the essential elements that made the original entity effective are, in fact, identified and imitated.[9] Catholic school admirers who focus on the practice of faith in these schools and the delegation of athletics to the Catholic Youth Organization are likely to miss central elements of what makes these schools work—top-down directives about curriculum, instruction, and the educational program allied with quite remarkable independence at the school level regarding finances, budget, tuition, and interaction with parents and community.

. . . BUT WE NEED TO KNOW MORE

Despite the existence of this information, scaling up of charter schools depends quite critically on improving our understanding of these processes. Better evidence on scale-up could help funders and policy makers understand how to:

- accurately evaluate the impact, strengths, and weaknesses of different scale strategies;
- strengthen various scale strategies so they result in the highest-quality schools;

- encourage cities and districts to create conditions to attract and support management organizations or develop other supply sources; and
- import lessons from successful management organizations to influence school district reform strategies.

Also needed is a comprehensive national evaluation of how various scale-up strategies affect school quality. Tantalizing preliminary data from the Brookings Institution indicates that charter schools operated by management companies seem to make greater gains in achievement than other charter schools.[10] But more evidence on this is required before policymakers can act on the findings. Similarly, a useful study could compare the value of different forms of technical assistance, depending on the nature of different problems experienced by start-ups, such as governing board turbulence, trouble finding facilities, and staff turnover.

There is no doubt that the growth of charter schools is at a tipping point today. Whether they continue to grow dramatically or not depends on many factors, including, of necessity, decisions within the charter school community about how to proceed. Should the movement continue to rely on the energy and innovation of local groups? Or should it increasingly rely on the muscle and organizational savvy of management organizations of one kind or another? For those who believe that the charter movement should find ways to provide enough quality schools to serve all students who want or need public school options, a serious new-schools strategy must include a hard look at questions such as these.

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[1] Progressive Policy Institute, *From Margins to Mainstream: Building a Stronger Charter School Movement* (Washington, D.C.: Progressive Policy Institute, 2003). http://www.ppionline.org/ppi_c i.cfm?knlgAreaID=110&subsecID=134&contentID=252250.

[2] For more information on Charter Voice, please visit: http://www.chartervoice.org/why.htm.

[3] Caroline Hendrie, "Managers Team Up to Run Charters," *Education Week*, June 15, 2005.

[4] Marc Dean Millot, "How do we grow the movement and bring charters from the margins of public education? How much growth is enough?" *From Margins to Mainstream: Building a Stronger Charter School Movement.* (Washington, D.C.: Progressive Policy Institute, 2003)

[5] David Bank, "California Venture Group Seeks To Fund Charter School 'Brands'," *The Wall Street Journal*, April 10, 2002.

[6] Joe Matthews, "Charter School Group Gets Gates Grant," *Los Angeles Times*, May 28, 2003.

[7] Bryan Hassel describes the ways EMOs and CMOs can complement each other in "Friendly Competition," *Education Next* 3, no. 1 (Winter 2003). A recent report by Susan Colby, Kim Smith, and Jim Shelton and the Bridgespan group provides a useful mapping of the various approaches to new school development and their relative strengths and weaknesses.

[8] Mary Beth Celio, "Building and Maintaining Multischool Networks: Lessons to be Learned from the Catholic Schools," *Working Papers in Public Policy Analysis & Management,* 94-12, (Seattle: Graduate School of Public Affairs, University of Washington, 1994).

[9] G. Szulanski and S. Winter, "Getting It Right the Second Time," *Harvard Business Review* 80 (2002): 62-69.

[10] Brown Center on Education Policy, *Brown Center Report on American Education 2003,* (Washington, D.C.: The Brookings Institution, 2003).