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COMMENTARY

Charter Management Organizations

An Emerging Approach to Scaling Up What Works

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PUBLISHED: January 8, 2013

After nearly two decades, charter schools have evolved beyond policymakers' original vision of stand-alone, community-based schools. In California and elsewhere, charter leaders now are pushing to influence traditional school districts and local communities on a much larger scale. Charter schools seek solutions to challenges that often plague stand-alone charter schools, like facility space and fundraising. Additionally, policymakers have shown increasing interest in replicating high-quality education models as a way to improve chronically underperforming schools.

Charter management organizations (CMOs) have been touted as one organizational model poised to be such a vehicle for reform. In Los Angeles, CMO-run schools make up more than one-third of the school market, and the Los Angeles Unified School District (LAUSD)—the largest district authorizer nationwide—has had more charters affiliated with CMOs up for renewal the past few years than stand-alone charters.

In this study, our recent article published by *Educational Policy*, we describe the theory of action behind CMOs and their emergence onto the education reform scene. We find promising signs that, as a network of schools, CMOs have more leverage than individual charter schools, and yet more nimbleness than traditional school districts, to replicate "what works." Using data collected from a national study of 25 CMOs engaging in scale-up, we investigate the essential elements for CMO growth, identifying the influences of federal, state, and local policies, as well as internal organizational capacities, that either restrict or facilitate CMO expansion.

First, the strongest positive influences were ones that created a resource-rich environment, such as a charter-friendly state policy; local availability of facilities, students, and staff; and a capable, and also nimble, home office to support work across the network. Negative influences, such as limited funding or adverse relationships with the local authorizer, restricted growth by limiting the available resources for CMOs.

Second, as charter schools are entities formed through the enactment of state law, CMOs are heavily influenced by the specific provisions included in state legislation. In particular, provisions around charter caps, authorizers, and the chartering process affected CMOs' ability to grow. These state provisions, combined with the local implementation of state law, were reported by CMO leaders as having greater impact on their growth plans then federal education policy. For California-based CMOs, CMO leaders cited the state charter cap (with room for ample growth) and the appeal rights as two enabling factors in their scale-up decisions, whereas per-pupil student funding, along with availability of facilities or facilities funding, were two challenges.

Our findings raise certain issues for policymakers. With the recent emergence of CMOs in the chartering sector, what is the role for state and local policies in facilitating and regulating scale-up of high-quality CMOs? Should authorizers treat CMOs differently in their chartering applications, oversight, or renewal procedures if the CMO has a track record of strong performance? Finally, how can policymakers support high-quality CMOs that are looking replicate their models across state lines?

The full study is here: "Charter Management Organizations: An Emerging Approach to Scaling Up What Works," Educational Policy, July 2012, vol. 26 no. 4, 499-532.

Suggested citation

Farrell, C., Wohlstetter, P., & Smith, J. (2013, January).*Charter management organizations: An emerging approach to scaling up what works* [Commentary]. Policy Analysis for California Educaiton. https://edpolicyinca.org/newsroom/charter-management-organizations

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