

Charter Management Organizations: An Emerging Approach to Scaling Up What Works

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Abstract

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. CMOs are nonprofit organizations that operate a network of charter schools with a common mission or instructional design and shared central office support. In this article, the authors describe the theory of action behind CMOs and their emergence onto the education reform scene, finding 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, the authors 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.

Keywords

charter management organization, charter school, networks, growth, educational improvement, education reform

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In the early years of the charter school movement, most charter schools were opened by teachers, parents, and other community members as stand-alone schools (Bulkley & Fisler, 2003; Henig, Holyoke, Brown, & Lacireno-Paquet, 2005). In recent years, this individual school approach has been joined by the growth of charter management organizations (CMOs), networks of charter schools with shared central office support. The first CMO, Aspire Public Schools, was founded in 1999; 10 years later, the sector has grown, by one recent account, to include 137 nonprofit management organizations operating 793 charter schools in 26 of the 41 states with charter laws, serving more than 200,000 students (Miron & Urschel, 2010). According to another report, in the past 5 years, there have been between 51 and 96 new CMO schools each year, with an average growth rate of 12% annually; in urban centers, including New Orleans, Newark, Los Angeles, Chicago, Oakland, New York City, and Washington, D.C., CMO-run schools make up more than one third of the charter market (Lake, Dusseault, Bowen, Demeritt, & Hill, 2010). The Los Angeles Unified School District—the largest district authorizer nationwide—has had more charters affiliated with CMOs up for renewal the past few years than stand-alone charters.

This explosion in CMO growth may be in response to several trends in the educational policy environment. First, individual charter schools have not had the rapid, large-scale, systemic impact originally intended by charter reformers. Research on academic performance in charter schools has shown mixed results on student achievement (Center for Research on Education Outcomes, 2009; Zimmer et al., 2009), and the intended innovation in educational instructional design—a stated goal of many state charter laws—may not be occurring in single charter schools to the extent expected (Lubienski, 2003; Wohlstetter, Wenning, & Briggs, 1995). In comparison, a recent report on the KIPP charter network concluded that academic gains at many KIPP schools were large enough to substantially reduce race- and income-based achievement gaps (Tuttle, Te, Nicholas-Barrer, Gill, & Gleason, 2010).

Much of the growth of CMOs has been attributed to the infusion of foundation funding, which has been estimated at more than a half billion dollars (EdSector, 2009). For instance, San Francisco-based NewSchools Venture Fund (NSVF) invests almost exclusively in CMOs, and in March 2009, the Bill and Melinda Gates Foundation announced their new US\$18.5 million School Networks Initiative to support the work of CMOs (Bill and Melinda Gates Foundation, 2009; NSVF, 2006). These, and other venture philanthropies, support CMO growth through funding school start-up costs, long-term capacity-building efforts, operations, home office support, and facilities (Wohlsetter, Smith, Farrell, Hentschke, & Hirman, 2011). They also indirectly

support the growth of CMOs through investment in charter support organizations, state and national charter advocacy groups, research organizations, and other reform-minded education organizations such as Teach for America or New Leaders for New Schools (Scott, 2009).

There also has been dramatic federal support for the replication of high-quality charter schools. Most recently, the U.S. Department of Education announced a program to “support the replication and expansion of high-quality charter schools” with an initial appropriation of US\$50 million (U.S. Department of Education, 2010). This program specifically targets nonprofit CMOs as eligible applicants. Revisions to Title I of the Elementary and Secondary Education Act (ESEA), enacted in 2001, allow chronically underperforming schools to reopen under the management of a charter school operator, charter management organization, or education management organization (No Child Left Behind, 2001, Section 1116.8.B). Finally, CMO expansion has received federal support with increased funding from the charter schools program (CSP) and school facilities program (National Alliance for Public Charter Schools, 2010).

Despite their increasing popularity, there is limited research available on CMOs in general, and even less on the external policy conditions and the internal organizational factors that facilitate or hinder their growth.¹ In this article, we first offer a definition of a charter management organization that synthesizes the various characterizations of CMOs offered by a range of researchers and policymakers. We next describe the theory of action behind CMOs, finding promising signs that, as a network of schools, CMOs may be in a strong position to replicate “what works.” Using data collected from a national study of CMOs engaging in scale-up, we outline the key elements that affect CMO growth, including federal and state policies, local context, and internal organizational characteristics. Finally, we offer potential policy implications and future research questions.

What Is a Charter Management Organization?

Although used widely in recent discussions of education reform, the term “charter management organization” has been defined differently by various groups, making it challenging for researchers and policymakers to have a shared understanding of this new organizational model. Table 1 compares the variation in definitions, as reported in the literature.

Despite the diversity in the definitions, there are some areas of consensus: First, CMOs manage public charter schools. Other nonprofit management organizations may work with or manage district-run schools (Miron &

Table 1. Defining Charter Management Organizations: By Status, Scope, & Structure

	NewSchools Venture Fund (2006)	National Charter School Research Project (2007)	Miron & Urschel (2009, 2010) ^a	EdSource (2009) ^b	Smith, Farrell, Wohlstetter, & Nayfack (2009)	Lake, Dusseault, Bowen, Demeritt, & Hill (2010)	Center for Research on Education Outcomes (2010) ^c	U.S. Dept. of Education (2010a)
Charter school status	✓	✓	✓	✓	✓	✓	✓	✓
Nonprofit	Exclude	Exclude	Exclude	✓	Exclude	Exclude	✓	Exclude
For-profit							✓	
Organizational scope	✓	✓	Yes, as well as district schools	✓	✓	✓	✓	✓
Manages public charter school(s)								
Number of schools	Multiple	Ten or more schools ⁴	At least one school with plans to grow	At least one school with plans to grow	Three or more schools ^d	Four or more schools ^d	Three or more schools	Multiple
Organizational structure	✓	✓	Does not specify	✓	✓	✓	✓	✓
Centrally directed, with administrative support (e.g., home office)								
Common educational model across schools	✓	✓	Does not specify	✓	✓	✓	Does not specify	Does not specify

^aMiron & Urschel (2010) define charter management organizations (CMOs) as a subset of nonprofit education management organizations, distinguished by “receiving substantial financial support from private foundations for the purpose of helping bring what they believe are successful models to scale” (p. 7).

^bEdSource (2009) offers a “narrow” and “broad” definition for CMOs. The “broad” definition is included here.

^cCenter for Research on Education Outcomes’ (2010) definition is in its preliminary phases of development and should be considered a “work in progress” (E. Peltason, personal communication, July 2010).

^dBased on sampling criteria.

Urschel, 2009, 2010), potentially as part of turnaround efforts, but such an organization would not be considered a CMO by most.

Second, CMOs are most often defined as nonprofit entities, in contrast to their for-profit EMO counterparts. However, CMOs are not necessarily dependent on nonprofit/for-profit status (EdSource, 2009). Third, a CMO consists of some type of home office or centralized management team that supports, oversees, or operates more than one school that share a similar educational model or mission. In addition, consensus is growing around the size of a CMO. Most definitions specified that the home office supports multiple sites, with some researchers using 3 as the “magic number” to be considered a CMO. Finally, there is general agreement that CMOs may include both traditional classroom-based or virtual educational components; however, researchers have tended to examine these models separately (Lake et al., 2010; Smith, Farrell, Wohlstetter, & Nayfack, 2009).

The greatest difference among the definitions arises around how an organization like Knowledge Is Power Program (KIPP) is defined: Is this highly visible national organization a CMO, a franchise, or a loose network of schools? Some suggest that a “network” of schools is more akin to a decentralized CMO or a “franchise” model where schools share an instructional model and philosophy but are not directly managed by a central authority (Lake et al., 2010; National Charter School Research Project, 2007). Consensus may be forming that whereas the national KIPP Foundation is a franchise organization, individual KIPP regional offices (e.g., KIPP DC or KIPP Houston) serve as CMOs, with individual regional growth strategies and regional central office support provided to the region’s schools (Lake et al., 2010; Smith et al., 2009). Other variations on charter governance structures outside of the CMO model include all-charter school districts, loosely affiliated groups of charter schools, agencies created to serve a broader purpose that also run schools, or families of charters (e.g., middle and high school serving largely the same students).

Synthesizing these various definitions, we define a CMO as a (a) nonprofit organization that (b) manages multiple charter schools (c) with a common mission/instructional design with (d) a home office/management team that offers ongoing support to its schools. In order to differentiate a CMO from other organizational structures, we propose that these four characteristics are not only sufficient, but necessary, features of this type of organization. This definition is narrow enough to positively identify this newly developing organizational structure while being broad enough to include the diversity and variety within CMOs that range in size, geographic scope, or type of instructional program. In order to differentiate it from a loose network

of schools, we posit that if a CMO's home office or management team were to dissolve, then the schools would most likely be forced to close, since the home office is integral to the working of the schools and the overall network.

Theory of Action

The term “charter management organization” (CMO) was first used by New Schools Venture Fund to describe the nonprofit variation of education management organizations (EdSector, 2009; NSVF, 2006). Education management organizations (EMOs) are generally for-profit companies, designed to provide educational services to schools in a manner that leverages economies of scale to yield fiscal profits for shareholders (National Charter School Research Project, 2007). CMOs, on the other hand, offer a way to replicate “what works” in a school model without the demands of generating profits for shareholders. As Huerta and Zuckerman (2009) elaborate,

The CMO structure—decentralized vis-à-vis the broader system of public education, yet tightly linked internally by a standard school model and standard set of operating practices—provides charter leaders with the organizational structure to build not just one school, but an entire school system. (p. 421)

Although rigorous evaluative studies looking at student achievement within and across CMOs are in the early stages, we propose that CMOs, as networks of charter schools, may be able to serve as incubators for strong education programs and models that can be scaled up to reach a greater number of students and communities as well as to create pressure on local school systems to improve (see Figure 1).

The use of a network structure to increase organizational capacity is an approach borrowed from other public policy arenas, such as community development, health, and social services (Wohlstetter, Malloy, Chau, & Polhemus, 2003). Although many definitions exist about networks, Church et al. (2002) describe a network as interconnected threads, knots, and nets among participants, be it individuals, groups, or organizations. The threads represent the relationships between participants, including communication, shared ideas, relational processes, trust, or conflict. The knots symbolize what the participants do together through shared activities aimed at achieving a common purpose. Finally, the net is the larger structure, created by relationships and the joint activities. The net is “a structure which allows for

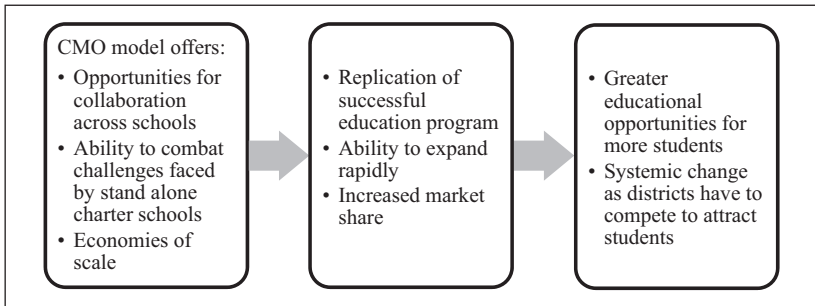


Figure 1. CMO (charter management organization) theory of action

autonomy in community, a structure which participants create, contribute to, and benefit from. [Networks are] dynamic enough to incorporate new participants and expand without losing its common purpose” (p.16). Earl and Katz (2007) note that although networks can be conceived of as structures, they can vary significantly in their organization; networks can range from tightly planned and premeditated to more organic, developed over time through engagement and expansion of network activities.

In education, the network approach aims to generate greater collective capacity for change within and among schools (Hadfield & Chapman, 2009). Traditional school districts have used networks of schools to increase organizational capacity, grouping schools by feeder pattern (Wohlstetter & Smith, 2000) or for turnaround efforts (Calkins, Guenther, Belfiore, & Lash, 2007). Research has shown many benefits to a network-based approach to school organization, particularly when stakeholders through the network are engaged in improvement efforts. Networks of schools can foster community-based collaboration; support school leaders; offer cost sharing for professional development, trainings, and materials; lead to knowledge sharing and innovation diffusion; and contribute to large-scale reform (Chapman, 2008; Wohlstetter et al., 2003). The United Kingdom’s networks of autonomous schools, known as “federations,” have been shown to have a positive impact on student achievement compared to schools without network support (Chapman & Muijs, 2009).

This organizational structure may provide support for charter schools in areas where they have previously struggled. Specifically, individual charter schools have most frequently closed because of financial and governance mismanagement issues (Center for Education Reform, 2009). The CMO home office offers to schools specific expertise in key organizational areas,

such as financial management, facility acquisition, legal compliance, grants management, and human resources. By concentrating these responsibilities in a centralized management team, principals and school leaders are then able to concentrate on their responsibilities as instructional leaders at the school site. A network of schools, compared to individual charters, can also access economies of scale in purchasing supplies and equipment and in sharing staff positions across schools.

Finally, the growth of a network of charter schools may offer a greater potential impact for system change in comparison to the proliferation of successful individual charter schools. A CMO with a proven academic record may be in a better position to replicate in a district or a region, increasing the concentration of high-quality charter schools, thereby having the impact on the traditional school system originally intended by charter advocates (Chubb & Moe, 1990). A recent interim report of findings on a national study of CMO effectiveness identifies ways in which CMOs may be able to accomplish a variety of goals, including increased time for instruction, emphasis on teacher accountability, alternative performance reward systems for teachers, and less disruption due to traditional district politics (Lake et al., 2010).

Despite the potential for CMOs to serve as vehicles for replication of successful models and education reform, we suspect that CMOs will face challenges, particularly as they are pressured by state/federal policymakers and other national reform supporters to replicate quickly or to take on schools for turnaround. Toch (2009, 2010), for example, argues that CMOs, with their heavy dependency on philanthropic support, are in fragile financial positions. Wilson (2009) points out that, given the model's demands for large numbers of high-quality teachers and school leaders, along with the high rate of burn-out of both groups, CMOs may be constrained by a restricted talent pool.

In addition to offering further evidence of these fiscal and human capital challenges, Lake et al. (2010) report that CMOs struggle with balancing lofty growth goals and ensuring quality across current and new schools within their networks. CMOs successful with one particular population or in one location may become over-extended and under-prepared for the challenges that arise with new schools. Lake et al. also describe a tension in CMOs between the standardization necessary for running a system of schools with school-level autonomy, experimentation, and innovation inherent in the charter idea. Some CMOs may have difficulty avoiding the excessive bureaucracy that charter schools were meant to counter in their original model.

Indeed, the preliminary successes that some CMOs are claiming—rigorous data and design are still absent—may depend on the fact that they are relatively still small in scale. Questions about capacity and as-yet-unresolved

strains associated with the kind of rapid expansion that CMOs are undertaking need to be critically examined by policymakers, funders, researchers, and the CMOs themselves in order to ensure high-quality education models whose finances and infrastructure are sustainable in the long run.

Method

This study utilized a qualitative approach to gain a national perspective on the process of CMO scale-up. The study was guided by the following research questions:

Research Question 1: How do policies at the federal, state, and local levels influence successful scale-up of CMOs?

Research Question 2: How do a CMO's internal structures or mechanisms influence scale-up efforts?

In order to best answer these questions, we used a multiple case study approach. This type of research design allowed for a rich, nuanced investigation of the impact of a range of external policy contexts (Research Question 1) as well as an in-depth analysis of each CMO's experience with growth (Research Question 2). This qualitative research method allowed us to "investigate a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident" (Yin, 2009, p. 13). Given the under-examined and under-conceptualized nature of CMOs in general and their growth specifically, the case study approach is most appropriate, as it gives us an in-depth understanding of a phenomenon embedded in its context (Miles & Huberman, 1994; Yin, 2009). To this end, the study design involved initial internet research, document analysis, and in-depth interviews with leaders from a national sample of CMOs.

Description of Sample

For the purposes of this study, a CMO was defined as a nonprofit organization that managed a network of at least three charter schools with plans for further expansion since the study was focused on scale-up. Excluded from the study were virtual/online charters, all-charter school districts, loosely affiliated groups of charters, agencies created to serve a broader purpose but also run schools, and families of charters, as these organizations would likely approach growth differently.

Given that there are such wide variations in the definition of a CMO, identifying a comprehensive list of such organizations with which to compare the sample is challenging. For example, Miron and Urschel (2010) profile “nonprofit education management organizations” and suggest that CMOs are a subgroup of this larger population; however, they do not indicate which organizations would be included as CMOs. In their research, Lake et al. (2010) identify 82 known CMOs, and after applying sampling criteria, this sample is reduced to 43 CMOs in their study. However, they use a different definition of a CMO and sampling criteria, making comparison there difficult, as well.

A review of the sample CMO characteristics suggests that the 25 CMOs included in our study offer a representative sample of the larger, nebulous universe of CMOs. Similar to the demographic diversity of CMOs included in other recent studies (Lake et al., 2010), CMOs in our sample varied by age, geographic location, size, grade ranges, and rate of growth.² Two thirds of the CMOs in the study were established between 6 and 10 years ago, with two CMOs in operation for more than 10 years. Similar to Miron and Urschel’s (2010) geographic spread, CMOs in this sample had schools in 26 of the 41 states with charter laws. More than half of the CMOs studied had developed within a city or region of one state, and two CMOs had opened schools nationwide. CMOs served a wide range of locales, from the urban areas of Washington, D.C., New York, Los Angeles, Philadelphia, Phoenix, Chicago, and Houston to suburban and rural areas in states including Oregon, Indiana, and Georgia. More than 70% of CMOs had 10 or fewer schools during the 2008-2009 school year. Five CMOs had between 11 and 30 campuses; two CMOs had more than 30 campuses. More than 70% of CMOs served a student body of 1,000 to 5,000 students. At the time of the study, the CMOs profiled served 115,145 students from pre-K-12. The average compound annual growth rate of the CMOs in our study was 38.02%³; the average number of new schools per year was 1.7, which varied from 0.3 per year to 12.5 per year.

Data Collection

Data collection was conducted between June 2008 and January 2009⁴ in four distinct phases: background internet research, preliminary interviews, in-depth interviews, and document collection.

Background internet research. The research team first compiled a list of 39 CMOs in operation across the country at varying stages of growth that fit the sampling criteria. This original sample was intended to be as comprehensive

as possible, collected from a range of sources (e.g., prior research reports, NSVF, National Alliance for Public Charter Schools, and profiles developed by Miron & Urschel, 2009), with further feedback provided by the project's national advisory board. The team then conducted internet searches of each CMO's website for background information.

Preliminary interviews. Next, preliminary interviews with the executive director or CMO founder from each CMO was conducted ($n = 28$). All participants in the study, for both preliminary and full-length interviews, were assured anonymity for themselves and the corresponding CMO.

During the preliminary interview, the researcher confirmed that the CMO fit our study criteria. For example, any CMO that did not have plans for further growth was excluded from the final sample. The researcher also collected descriptive demographic and historical information about each CMO, including the history, size, student population, grade configuration, location, mission, and their future scale-up plans. Finally, using a snowball sampling process (Bogdan & Biklen, 2006), the researcher asked the participant to identify other potential study participants, individuals who were highly knowledgeable about the CMO's growth plans and strategies. These positions and their titles varied across the CMO sample and included Chief Financial Officers, Chief Academic Officers, Chief Operating Officers, and strategic planning personnel.

At the end of the preliminary interview phase, of the 39 possible CMOs, 7 did not respond, 3 declined, and 4 did not fit the sample criteria. The final sample size was 25 CMOs (see Appendix A for a list of participating CMOs).

In-depth interviews. The in-depth interviews focused on the growth planning process, factors that influence CMO growth, funding strategies, and implementation of growth plans.

A pilot test of the in-depth interview protocol was conducted with four CMO leaders. The research team revised the protocol slightly to ensure that the questions elicited the information of interest. Research team members then conducted in-depth, semistructured interviews ($n = 51$) with the CMO leaders identified in the preliminary interview. On average, two CMO leaders were interviewed per CMO, although it ranged from 1 to 4 individuals interviewed depending on the CMO's size and the pertinent areas of expertise. Each interview lasted between 60 to 90 minutes.

Document collection. Relevant documents mentioned during in-depth interviews were collected and analyzed as supporting evidence of interview statements. Documents collected included organizational charts, financial plans, annual reports, and strategic plans. In total, 48 documents were collected from 20 CMOs.

Data Analysis

Given that this area of research is underconceptualized, this study used a grounded theory approach. This inductive method emphasizes the continuous interaction between data collection and analysis, allowing theory to emerge from the data (Strauss & Corbin, 1994; Vaughan, 1992).

All interviews were taped, transcribed verbatim, and coded and analyzed using the qualitative data analysis software, HyperRESEARCH. Coding and analysis were accomplished in a series of iterations. The research team first created an initial code list from the preliminary interview protocol to guide analysis. Research team members then conducted three pilot cases of coding in which each team member individually coded the same interview to check for interrater reliability across coders. During the pilot process, team members made additions and modifications to the code list in order to capture a more comprehensive list of topics. We reviewed individual codes and associated text passages to refine and combine codes where appropriate. Main coding topics included CMO history and background; funding; growth planning and implementation; local, state, and federal policy influences; and internal capacities. Under each main theme, there were more specific codes developed in the iterative analysis process; for example, passages originally coded under the broad code created to capture the influence of state policies were reorganized under new codes created to capture the influences of specific state policies around authorizers, charter school caps, the chartering process, and the funding formula. The final list of codes included 120 codes.

To support internal validity and accuracy of findings, we triangulated data from multiple sources of information. We compared responses across multiple interviews from a single CMO, weighed interview transcripts against collected documents, and identified similarities or distinctions across multiple CMOs. In addition, the qualitative software was used to calculate frequencies of themes as another way to help us identify patterns in the interviews (see Appendix B for code list, total code use, and average use per interview). The research team developed thematic memos throughout the data collection and analysis processes to identify themes, relationships, and the evidence to support them.

Findings: Essential Elements for Scale

In this section, we discuss the ways in which external and internal conditions affected CMO scale-up decisions. As seen in Figure 2, results are organized around three sets of themes: federal and state policy environment, local context, and internal organizational factors.

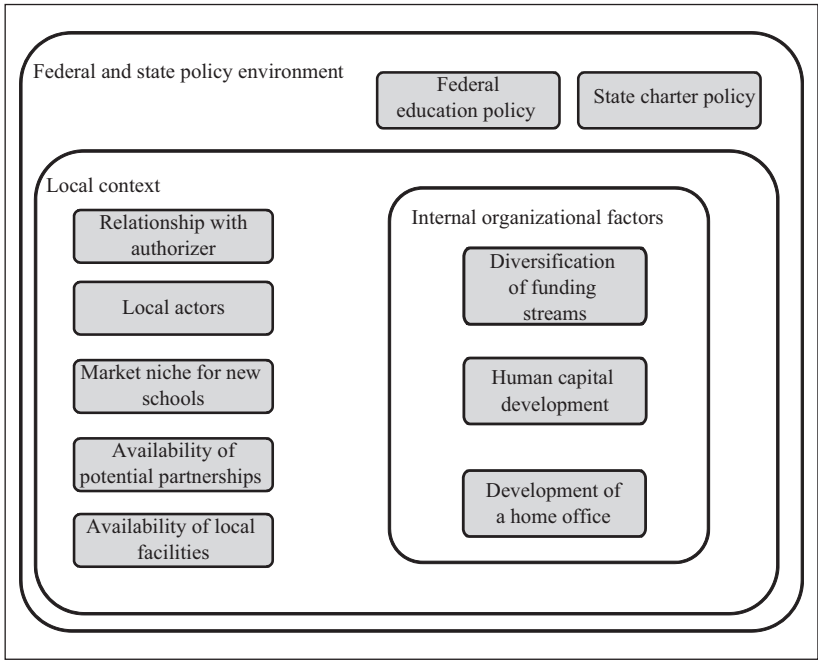


Figure 2. Key elements that affect growth

Policy Environment

Federal education policy. Leaders from 15 of the 25 CMOs reported that federal policies had limited influence over their scale-up decisions. In the instances where federal policy was cited as affecting network growth, CMO leaders identified various aspects of the No Child Left Behind Act (NCLB). For instance, CMO leaders mentioned that NCLB led them to align their internal accountability and student achievement goals to Annual Yearly Progress (AYP) requirements, using these targets as measures for school success. As one CMO explained, “We’re putting off adding a school because we want to be doing better at meeting AYP requirements in our current schools before we open another.”

A few CMOs in the sample found the restructuring provision in NCLB beneficial in their growth: Once a district-run school enters Program Improvement 5 status, the school can be reconstituted as a charter school or as part of

a CMO. However, the existence of this provision did not always translate into its implementation. As one CMO leader noted,

While we use NCLB as a battering ram for what we do, the problem is that the implementation of NCLB is dependent on your state and local school district. In Los Angeles, there has been no will on the part of district leadership to aggressively use NCLB to restructure schools.

NCLB requirements hindered growth in some cases. Specifically, requirements for “highly qualified teachers” limited CMO growth by shrinking the pool of potential teachers for new schools. One CMO leader saw the “highly qualified teacher” legislation as counter to the autonomy of charter schools: “As a charter school, with greater accountability and greater freedom, if we can get the results, why can’t we use the teachers we want, whether or not they have a piece of paper or sat for a three-hour test.” NCLB also made it difficult for CMOs with particular pedagogical missions—an interdisciplinary academic program, for example—to find teachers who held multiple credentials in the subjects they taught.

Federal funding under the Charter Schools Program was also mentioned frequently as an influence of CMO growth. This program funds charter school start-up, among other activities, but is administered by each state differently, with various idiosyncratic restrictions. One limitation mentioned by several CMOs was that each charter school must have a separate lottery system, preventing CMOs from establishing feeder patterns between elementary and middle schools, for example. Another leader noted that “it is not permissible to use geography as a basis for providing weighted advantages for different applicants,” making it impossible for CMOs whose missions focused on serving low-income students to offer a targeted enrollment advantage in the lottery.

Finally, leaders from three CMOs indicated that the CSP, as it was administered in their states, was designated solely for new schools opened under new charters. Consequently, CMOs were unable to access the grant monies if a new school opened under an existing charter. As one CMO leader explained,

It’s a trade-off, having one charter govern all the campuses [because then] we don’t get any of the Title V money. It would be nice if we could receive federal money every time we opened up a new campus, and not tie it to the charter—it’s a reporting nightmare to have a separate charter for every school.

State charter policy. State charter laws were often described as “charter friendly,” with provisions that supported charter autonomy, freedom, and

growth, or “charter averse,” with either vague or heavily prescriptive rules and regulations. Leaders from some CMOs that spanned multiple states, or were looking to enter a new state, noted that the decision of where to grow was based in part on their estimation of a state law’s friendliness. As one leader reported,

We did a survey of the 41 states with charter school statutes. In our analysis, we looked for states in which there was a clear path for chartering, a clear path to reauthorizing, and states that were still underserved in terms of needs versus number of charters.

According to the CMO leaders we interviewed, state charter laws affected growth plans in a number of ways, including (a) whether the law included a cap on the number of charters allowed in the state, (b) the per-pupil funding formula, (c) the availability of facilities or facilities funding, (d) provisions about governance structures, and (e) provisions about authorizers. Not too surprising, the National Alliance for Public Charter Schools addressed these same five areas in their new publication, *A New Model Law for Supporting the Growth of High-Quality Public Charter Schools*, as key levers for expanding the charter school sector (National Alliance for Public Charter Schools, 2009a).

Charter cap. The presence of a charter cap in a state is an obvious roadblock to growth. In 2008-2009, the time period for this study, 26 states had caps on the number of charter schools allowed (National Alliance for Public Charter Schools, 2009b). One CMO leader in the sample noted that the CMO would have liked to grow within two states but could not because of the charter cap: “The limiting [factor], of course, is that there are caps in some states, specifically in North Carolina and Michigan. We’ve had a presence in both of those states, and would love to do more, but we aren’t able to.” This restriction on CMO growth, however, may become outdated: Several states have raised or removed charter school caps in order to be more competitive in the Obama administration’s Race to the Top grant competition. To date, 14 states have raised or removed their charter caps in response to this inducement.⁵

Per-pupil funding. Research has shown that on average charter schools nationally receive less per-pupil funding compared to their traditional public school counterparts; one study reports that charter schools on average are underfunded by 19.2% or US\$2,247 per student (Batdorff, Maloney, May, Doyle, & Hassel, 2010). Interviews with CMO leaders suggested that this per-pupil discrepancy affects not only the operation of current schools but also plans for growth. As one CMO leader explained,

The biggest barrier to growth in California is the per-pupil funding rate. If we could get more equitable funding, we would have many more options on the table, but low per-pupil funding means that every single decision needs to be very carefully calculated. Throwing in state budget crises and cash flow concerns, like when the state delays payments, just compound the funding issue.

Leaders from nine CMOs reported needing to find philanthropic support for their operations and scale-up efforts as well as devoting considerable time lobbying for changes in state funding formulas.

Availability of facilities or facilities funding. State policies can also help or hinder the ability of CMOs to access suitable facilities for new schools. Some states offer little to no facilities funding to charter schools or CMOs, making facilities one of the most expensive components of growth plans. In other states, the complicated land use/zoning approval processes add to the difficulty and expense of finding property for new schools. One leader at a multistate CMO described their facilities strategy: “Our goal, no matter how we find, develop, and finance the 65 facilities, is for the school to have the smallest payment possible, but that amount varies depending on the region, its laws, and its real estate market.”

Governance autonomy. According to the CMO leaders we interviewed, state legislative provisions that prescribed governance or leadership structures influenced—both positively and negatively—CMO growth as well. A few CMO leaders reported that they had been granted a statewide charter, which permitted the CMO the authority to open additional charter schools without going through the typical authorizing process if certain performance benchmarks were met or exceeded. However, a recent court decision in California brought by the California Teachers Association against one of the state’s largest CMOs has made it harder for California education officials to approve statewide charters with campuses in multiple counties (Egelko, 2010).

In other states, charter legislation, written with stand-alone charter schools in mind, appeared to have negative consequences for expanding networks of schools. For example, one state law banned a single individual from serving as the CEO of more than one charter school. According to the leaders, this restriction “inhibited [the CMO’s] ability to have a common management team for our schools.”

Finally, charter school laws varied in whether each school in a CMO needed its own charter and governing board, or whether the CMO, as a nonprofit organization, could hold one charter for all of the schools. In a

few cases, the CMO created a governing board to oversee the “big picture” needs of the network, while each school had an individual advisory board to weigh in on school-level decisions as well to provide input to the governing board.

Authorizers. Authorizers are the legal, charter-granting entities that have responsibility for approving applications to open charter schools, conducting oversight and monitoring, and making renewal or closure decisions (National Association of Charter School Authorizers, 2009). Given the primary role that an authorizer has in holding a charter school accountable, state policy provisions concerning types and numbers of authorizers, as well as the chartering process, have a direct impact on the overall success of the network and its growth plan.

CMOs in certain states found it easier to grow to scale when the state law allowed for multiple authorizers instead of a single authorizer. Particularly if the single authorizer was not charter-friendly, CMO leaders reported having difficulty opening new schools: “If we have to go to the single authorizer, the district, and they’re going to stonewall us, and force us to appeal and take years to get something to go through, it’s not ideal for growth plans.” On the other hand, working with multiple authorizers, particularly when paired with a multi-district or multi-state approach, can be challenging as well. One CMO leader commented, “Given the fact that you spread yourself across multiple geographies, and multiple authorizers, the chartering work becomes increasingly complicated and less efficient.”

The provisions around authorizers can be further complicated by the various types of organizations that are permitted to authorize, such as local education agencies, higher education institutions, nonprofit organizations, state education agencies, independent chartering boards, and mayors/municipalities. Some CMO leaders found working with their local school district to be difficult, particularly when establishing new schools was seen as competing with the district-run schools for resources, including students, facilities, and teachers. As one CMO leader reported, “Districts feel like CMO charter schools are fine as long as they’re small and not drawing large numbers of students from the district. When you become a significant part of the district’s schooling options, it’s a lot more threatening.” In contrast, other CMOs found working with the local school district to be mutually beneficial to supporting a shared mission of education reform. One CMO leader noted, “If we’re going to have a broader impact, we want to have an impact within the school district. Our schools can be a laboratory for district schools; the professional development that we offer our teachers can serve as a model for the district.”

The authorizing process, with various requirements and timelines, can influence whether CMOs are able to open new schools easily. For example, one California CMO told us that the appeal process in the state was particularly helpful:

In California, we have appeal rights. If we are denied at our local school district, we can appeal to the different counties in California, and then if your county denies you, then you can go to the state. I know that's not a possibility in some other states—if you get denied at the local level, you're done.

Trickling down from these state policies around authorizers, the importance of the day-to-day relationships between CMOs and authorizers was loudly voiced by nearly every CMO leader we interviewed. When positive, this relationship supported the day-to-day work of the CMO, holding the CMO and its schools accountable. As one leader noted,

Our authorizers historically have been very supportive; they hold us and other charter schools to high standards, which we appreciate. It's important for us to keep in close touch with them and let them know about our growth plans and what we're doing, and why, and to hear from them what they expect from us.

By building a strong relationship over the long term, decisions to open new schools were less complicated: “It's infinitely easier adding schools right now since we know the authorizers, and we have a track record with them.”

Local Context

Although the federal and state policy environment influence CMO growth, education has long been an area governed by local actors and policies; CMO scale-up is no different. Some aspects of the local context that influences growth included (a) the attitudes of local actors, (b) the market for new schools, (c) the availability of potential partners, and (d) the availability of local facilities.

Local actors. Leaders from all 25 of the study's CMOs identified a wide range of local actors who were instrumental in helping their CMOs expand, including district superintendents, local school board members, mayors, county supervisors, city councilmen, and community and church leaders.

Several CMO leaders mentioned the role of the mayor in creating a positive charter environment: “The mayor is the champion of the charter movement, and if he weren’t mayor, there would be no further replications of charter schools in this city.” In other cases, CMO leaders noted that community leaders helped enable CMO growth: “There is a community leader who is our `fairy godmother. She’s able to pick up the phone and connect quickly with influential community members in ways that I cannot.”

On the other hand, antagonistic relationships with local stakeholders were mentioned as an impediment to CMO growth. As one CMO leader explained,

Part of our problem right now is the contentious relationship we have with some school districts that have made it very difficult to recruit teachers, recruit students, and find facilities. A negative relationship with district staff has the ability to kind of choke-off the entire lifeline of the charter management organization. If you come into an area with a contentious relationship from the start, you are just not going to succeed.

Market for new schools. During interviews, CMO leaders often talked about their growth plans as strategically connected to the supply and demand of the local education market. One CMO, which operated through regional offices, had area administrators conduct “market analyses” before launching new schools:

We have the regions do the research on what the market is for new schools in that region. Let’s say [a community] already has many high-performing high schools with open seats, so a new high school is not likely to be as successful as a new elementary or middle school; we try to focus on where the community need is.

Another CMO leader explained that with each new school, the board of directors and CMO home office would ask themselves, “Should we move into a small community, where we have an immediate impact, or do we stay in larger districts where there’s still plenty of need but we may serve only one or two percent of the student population?”

Other CMO leaders judged the market in terms of demands from community or parent groups. As one CMO leader described,

It’s not about us looking at a map and going, we want to open a school here; we want to open there; or we want to have 100 schools because that sounds like a good number. Our CMO has grown

directly in response to what the community and the parents have asked us to do. With this approach, we've ensured that students will show up the first day the school opens. And we'll have an eager group of community members and parents who will advocate for the school throughout its life.

Availability of potential partnerships. CMOs cultivated meaningful relationships with a variety of public, for-profit, and nonprofit organizations to assist in expansion; these partners played similar roles to those found in partnerships between stand-alone charter schools and outside organizations (Wohlstetter, Malloy, Hentschke, & Smith, 2004; Wohlstetter, Malloy, Smith, & Hentschke, 2004). Some CMOs partnered with local colleges and universities for teacher training purposes to address concerns over teacher shortages. In several instances, the CMO had a formal partnership with a nearby school of education in which school leaders taught in the university's teacher education programs, while university students trained in the CMO's schools. The CMO developed a pipeline of teachers who were familiar with the CMO's structure and culture, while the university was able to expand its teaching faculty, course offerings, and career placement opportunities.

Partnerships with other nonprofit organizations, the corporate sector, and government offices also were valuable to CMO growth. Most often such partnerships facilitated CMO growth by enhancing the CMOs' legitimacy or reputation and access to a wide variety of resources—financial, political, and organizational. At one extreme, the CMO joined with the local teachers' union to open a new school in the network. As the CMO founder explained,

The decision to jointly open the school was based on bringing in the largest teachers' union and having their endorsement of our school model. We thought that would be another proof point and powerful statement about what charters can do and what public education should be like: forward-thinking, progressive, entrepreneurial organizations tackling tough student populations with the union as a full partner.

Availability of local facilities. In addition to federal and state funding for facilities, CMO leaders frequently mentioned the local availability of facilities as key to their expansion efforts. In fact, facilities often drove CMO growth, as this leader discussed,

We were able to grow opportunistically based on when buildings became available in our early years. It's allowed us to consistently

grow, year after year, because we've been open to growing in different communities . . . if a building becomes available in a place that we wanted to be, or we needed to be, we would go there.

CMOs used a range of strategies to acquire new facilities, including sharing space with district schools or other CMOs; renting space from churches or private schools; renovating space, like empty warehouses; or renting/buying land for new school construction. Each strategy, however, had its own set of benefits and challenges. "It can be difficult," as one CMO leader explained, "just to locate, lease, and rehabilitate a facility in a neighborhood where you want to locate, [while] purchasing them is a challenge, too, because you have to have enough students to be able to afford any mortgage payment."

Internal Organizational Factors

In addition to the influence of external factors, internal organizational factors affected CMO scale-up. These included funding strategies, human capital needs, and home office capacity.

Funding strategies. CMO leaders reported a wide range of funding costs associated with opening new schools that led leaders to supplement per-pupil funding allocations from multiple sources. Funding sources included corporate giving, individual donations, in-kind donations, government grants, philanthropic support, and nonprofit venture capital (Wohlstetter et al., 2011). Purposeful diversification of funding was frequently mentioned:

If we lost one of our main foundations, we'd be sunk for next year. We're moving from a proportion of funding of 50%, 35%, and 15%, respectively, from foundations, corporations, and individuals to the national average for nonprofits: 15% from foundations, 35% from corporations, and 50% from individuals.

Another CMO leader stressed the importance of being fiscally conservative: "We get millions of dollars in grant money every year, but we do not budget grant money. If we are getting US\$42 million from the D.C. government, that's what the budget is. Anything else we add on top." CMO leaders cautioned that growth needed to occur at a pace comfortable for the CMO and not because of predetermined goals from funders. "Dollars can make you stray from your mission," one CFO noted, "so we're very purposeful now in pursuing money that supports our mission, as opposed to chasing money and changing our strategy."

Human capital needs. Identifying and training new school leaders was cited by study participants as key to opening new schools successfully. As one CMO leader remarked, “It’s all about the leaders—training them, empowering them, and making sure we have leaders-in-waiting.” A few CMOs used outside leadership recruitment and development programs, such as Building Excellent Schools or New Leaders for New Schools, to identify leaders for their networks. More often, though, CMOs had leadership training (shadowing, residencies, and mentorships) within their networks. Most CMOs identified potential school leaders 1 to 2 years before a new school was scheduled to open, so that new school leaders were able to adjust to the culture and expectations of the CMO, build relationships within the community, and participate in the tasks of opening a new school, including drafting/submitting the charter and recruiting students/staff.

Leaders from 16 of the 25 CMOs in the study described professional development efforts aimed at meeting their human capital needs. These efforts ranged from informal coaching and mentoring of new and veteran teachers to a structured, formal teacher credentialing program run by the CMO.

Finally, CMO leaders viewed a strong board of directors as an important component of successful scale-up. CMO leaders described needing board members with specific technical expertise (e.g., real estate, media relations, or marketing) as well as members who were well connected in the community to help expand the CMO’s resources and sphere of influence.

Home office capacity. In nearly every interview, CMO leaders identified the continued development of the home office as critical to growth. Whereas several CMO leaders in the sample mentioned the importance of a curriculum/instruction director in the home office to ensure consistency across schools, several skill sets outside the realm of education were also emphasized—finance, operations, facilities acquisition and management, development, relationship building, and human resources/payroll. One CMO leader also stressed the importance of timing home office expansion:

Our biggest lesson has been that we should have hired a CFO [and facilities director] earlier than we did. Before we added new positions, facilities and finances were responsibilities that fell largely on the CEO, so he was not free to be the visionary that he needed to be.

By hiring staff with skill sets directly connected to scale-up, CMO staff were not stretched too thin each time a new school opened; there were home office administrators and school leaders who concentrated on business as

usual—supporting existing schools—while a subset of the home office personnel focused on launching new schools.

According to the sample CMO leaders, funding for the home office often came in the form of designated grants from foundations. For instance, one CMO with 5 campuses serving 1,440 students in 2008-2009 received US\$2.7 million dollars over 5 years to scale up their home office, covering the expenses of identifying and hiring new staff. Other CMOs funded their home offices by charging a percentage of each school's operating budget, ranging from 6% to 8%.

Nearly all CMO leaders mentioned the importance of marketing to the organization's growth. The home office was the linchpin for CMO "branding;" according to the leaders we interviewed, a CMO's brand included the fundamental, nonnegotiable aspects of the CMO's identity, including the mission, organizational culture, and the education model. The home office, along with school site leaders, was responsible for defining and communicating this brand to the organization's stakeholders. As one CMO leader suggested, "Make sure your messaging around your mission and plan are clear and that you're communicating your message all the time, not just to the external world, but also to your schools and staff internally."

Home office staff also created metrics of success with input from school leaders and then monitored these goals. Most had network schools undergo an annual evaluation or school quality review that included qualitative (e.g., student, teacher, and parent satisfaction surveys or interviews) and quantitative (e.g., SAT results; college acceptance, persistence, and attrition rates) performance data. The home office was responsible for compiling the data and calculating measures of success across the network and within individual campuses. A few CMOs added measures beyond the traditional, including indicators of school culture, faculty and leadership retention, and financial health.

Finally, as home office capacity grew, staff often created standardized operating procedures with specific timelines detailing the steps required to open a new school. As one leader explained, their standard operating procedures covered "everything from hiring the principal, to setting up our technology systems, to when we order copying machines, to when we run our recruitment cycle for students. It's an A through Z list of things that must get done." According to the sample of CMO leaders, these checklists helped the organizations avoid "reinventing the wheel" with each new school opening and also allowed them to identify cases where the school opening needed to be postponed or amended.

Conclusions and Policy Implications

Our study is a first look at CMO growth, designed to shed light on a subject that has been largely unexplored. We have attempted to provide a shared definition of CMOs and, through our interviews with CMO leaders, understand initial internal and external challenges they face. It is our intention that the improved conceptualization of CMOs provides the foundation for future work in this area. As an exploratory study, we understand that this study is limited by discrepancies in CMO definitions and the lack of existing data on CMOs to guide the work. The research design, while providing insight into the breadth of experiences, makes it difficult to have a deep understanding of the day-to-day challenges of CMO growth. With these caveats in mind, we offer some initial conclusions and policy implications.

Based on this exploratory study of CMO scale-up, there appear to be many influences—both negative and positive—affecting CMOs and their ability to grow. The data collected here do not point to one particular influence that will *always* support or restrict growth. Even an obvious resource, such as access to philanthropic dollars, can have both positive and negative consequences for growth, as noted earlier. Instead, we have seen that the growth of a CMO occurs in a highly complex environment, with each CMO facing a different combination of influences. These influences may moderate one another or combine to have an entirely different impact on the CMO.

Despite the heavily contextualized nature of CMO growth, we can draw some general conclusions from the experiences of these 25 CMOs. 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 than federal education policy. With the Obama Administration's interest in replication of successful school models, this balance may change in the future.

Finally, we can compare the factors that influence CMO growth with those faced by stand-alone charters, such as facilities availability, per-pupil

funding, and availability of teachers and school leaders. For CMOs, the impact of these influences—whether positive or negative—becomes more pronounced as the model is replicated. Challenges unique to CMOs are those related to a growing network structure, such as the appropriate size, role, and responsibilities of the home office as well as difficulties juggling multi-district or multi-state requirements.

Although the present study examines the factors that influence CMO growth, very little is known about how student performance in CMO-affiliated charters compares with district-run schools or stand-alone charters (for exceptions, see EdSource, 2009; Tuttle et al., 2010). Supplementing the work on scale-up with student performance data would add complexity and richness to the discussion of under what conditions CMOs are successful. Several studies are currently underway to address these important research questions (e.g., Lake et al., 2010; forthcoming work from the Center for Research on Educational Outcomes). If CMOs do demonstrate academic success in the future, new questions arise: What is unique about these models, in terms of their organizational structure or instructional program? Why are they successful, and can these innovations be adapted to the traditional district setting?

In terms of organizational capacity and scale-up, the present study suggested a strong relationship, but clearly more research needs to be done in this area. As mentioned earlier, many CMOs have ambitious growth targets, and increased numbers will potentially allow CMOs to benefit from economies of scale, affecting a larger number of students. However, CMOs may be in danger of replicating the bureaucracies of traditional school districts if their networks become too large. Could too much scale-up be a bad thing? Is there an optimal size for CMOs, or is it possible for a CMO to become “too large”? Given the financial and human capital and real estate requirements for growing these networks, how sustainable are CMOs as a long-term solution?

Lessons about the future of CMO growth may be learned from the recent research on organizational counterparts in higher education. Tierney and Hentschke (2007) find that nonprofit universities generally grow disproportionately slower than their for-profit counterparts in terms of enrollment, suggesting that the nonprofit structure may create fewer growth incentives and attract less capital. Similarly, the nonprofit CMOs may not have the organizational focus of growing past a particular target size (e.g., the number of schools required to reach fiscal sustainability). An in-depth comparison of the goals, incentives, and structures of similarly sized CMO, EMO, and the traditional district models may provide insight into the long-term trajectories of these types of organizations.

Although CMOs are a growing presence in the charter world, the majority of charter schools were free-standing, single-site schools in the 2009-2010 school year (National Alliance for Public Charter Schools, 2009b). Although the CMO model is certainly capable of replicating current successful models, research and policy attention should continue to be paid to the growth of high-quality single-site schools and other innovative governance models that support student learning (e.g., franchises, loose networks, hybrid models). Although CMOs may be a promising answer to replicating successful school models, they most likely are not the *only* answer.

From a policy perspective, the present study raises certain issues related to scaling up what works. Although there is now widespread consensus that high-quality charter authorizers lead to high-quality charter schools (National Alliance for Public Charter Schools, 2009a; National Association of Charter School Authorizers, 2009), the relationship between authorizers and CMOs is unexplored. Should authorizers treat CMOs differently in their chartering applications, oversight, or renewal procedures if the CMO has a track record of strong performance? Should there be a “fast-pass” for successful CMOs? Given the variety of charter authorizing policies, what might be done to assist CMOs to replicate successful models across state lines? Should the federal government, for example, step in to encourage the growth of CMO-affiliated charter schools in multiple states? Finally, state charter legislation was originally crafted with the single-site charter school model in mind. With the recent emergence of CMOs in the chartering sector, to what extent should state legislation be amended? Is there a role for federal, state, and local policies in facilitating and regulating scale-up of high-quality CMOs?

Although these and other questions remain about CMO growth, the results from this exploratory study affirm the potential of networks of charter schools for scaling up what works and generate new hypotheses for future research.

Appendix A: Participating CMOs

Achievement First

Algiers Charter School Association

Alliance for College-Ready Public Schools

Arthur Academy/Mastery Learning

Aspire Public Schools

Cesar Chavez Public Charter Schools for Public Policy

Envision Schools

Friendship Public Charter Schools

Great Hearts Academies

(continued)

Appendix A: (continued)

- Green Dot Public Schools
- High Tech High
- IDEA Public Schools
- Imagine Schools
- ICEF Public Schools
- King/Chavez Public Schools
- Knowledge Is Power Program
- Lighthouse Academies
- Mastery Charter Schools
- New City Public Schools
- Noble Network of Charter Schools
- Partnerships to Uplift Communities
- Perspectives Charter Schools
- Propel Schools
- Uncommon Schools
- YES Prep Public Schools

Appendix B: Code List and Frequency of Use

Code	Total	Average per interview
BACKGROUND		
BG.CEOasfounder	40	0.76
BG.CMOHistory	99	1.87
BG.CMOtargetcommunity	53	1
BG.CMOtargetstudents	40	0.76
BG.founderrole	80	1.51
BG.misc	31	0.59
BG.new.school.grade.configuration	68	1.28
BG.new.school.location	57	1.08
BG.partnerships	64	1.21
BG.prior.experience.bus	28	0.53
BG.prior.experience.ed	59	1.11
BG.prior.experience.other	12	0.23
BG.years.at.job	36	0.68
FUNDING		
Funding.corporate	16	0.30
Funding.evolution	8	0.15
Funding.facilities	47	0.89
Funding.federal.categorical	12	0.23
Funding.federal.grant	26	0.49
Funding.foundations	127	2.40

(continued)

Appendix B: (continued)

Code	Total	Average per interview
Funding.home.office	44	0.83
Funding.individual.donor	27	0.51
Funding.local	12	0.23
Funding.misc	38	0.72
Funding.operations	28	0.59
Funding.school.site	13	0.25
Funding.start.up	51	0.97
Funding.state.grant	13	0.25
Funding.state.per.pupil	39	0.74
Funding.strategy	51	0.96
IMPLEMENTATION		
Imp.community.outreach	76	1.43
Imp.critical.mass	32	0.60
Imp.documented	0	0
Imp.leader.hire.within	51	0.96
Imp.leader.mentorship	32	0.60
Imp.leader.national.search	17	0.32
Imp.leader.prep	75	1.42
Imp.misc	12	0.23
Imp.notdocumented	4	0.08
Imp.task.charter.app	31	0.59
Imp.task.facility	96	1.81
Imp.task.flexible	14	0.26
Imp.task.funding	27	0.51
Imp.task.hire.principal	66	1.25
Imp.task.hire.staff	58	1.10
Imp.task.home.office	91	1.72
Imp.task.inflexible	33	0.62
Imp.task.misc.	31	0.59
Imp.task.recruit.students	54	1.20
Imp.task.regional.office	29	0.55
Imp.task.school.leader	62	1.17
Imp.task.supplies	16	0.30
Imp.timeline	74	1.40
INFLUENCE		
Influence.broader.impact	6	0.11
Influence.community.demand. or.need	27	0.51
Influence.curriculum.model	4	0.08
Influence.facilities	136	2.56
Influence.fed.NCLB	26	0.49

(continued)

Appendix B: (continued)

Code	Total	Average per interview
Influence.federal	34	0.64
Influence.funders	91	1.72
influence.funding.opp	49	0.93
Influence.gov.board	108	2.04
Influence.insideCMO	86	1.62
Influence.K-12.benefits	3	0.06
Influence.leadershipcapacity	115	2.17
Influence.local.authorizers	49	0.93
Influence.local.charter	22	0.42
.competition		
Influence.local.citypolitics	52	0.98
Influence.local.misc	117	2.21
Influence.location.of.schools	52	0.98
Influence.media.attention	4	0.08
Influence.misc	23	0.43
Influence.mission	9	0.17
Influence.negative	94	1.77
Influence.none	34	0.64
Influence.parents	44	0.83
Influence.partners	50	0.94
Influence.positive	55	1.04
Influence.prove.model	3	0.06
Influence.quality.vs.quantity	9	0.17
Influence.recruiting	18	0.34
Influence.relationshipbuilding	75	1.42
Influence.state	66	1.25
Influence.state.authorizers	11	0.21
Influence.state.chartercaps	20	0.39
Influence.state.charterprocess	49	0.93
Influence.state.fundingformulas	26	0.49
Misc.other	19	0.35
PLANS FOR GROWTH		
Plans.absence	14	0.26
Plans.advice.consultants	34	0.64
Plans.advice.friends	5	0.10
Plans.advice.funders	27	0.51
Plans.advice.other	14	0.26
Plans.advice.other.CMO	23	0.43
Plans.advice.scholars	6	0.11
Plans.advice.within.CMO	35	0.66
Plans.behind.schedule	2	0.04

(continued)

Appendix B: (continued)

Code	Total	Average per interview
Plans.goals.financial.stable	34	0.64
Plans.goals.market.share	16	0.30
Plans.goals.other	94	1.77
Plans.how.involved	39	0.74
Plans.how.often	41	0.77
Plans.misc	20	0.38
Plans.ontrack	22	0.42
Plans.optimal.schools	50	0.94
Plans.rationale	124	2.34
Plans.revision	83	1.57
Plans.strategy.opportunistic	45	0.85
Plans.strategy.organic	35	0.66
Plans.strategy.premeditated	117	2.21
Plans.where	9	0.17
Plans.who.involved	130	2.45

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Notes

1. For more on CMO growth, see Nayfack (2010). *Scaling up charter management organizations: Understanding how policies, people, and places influence growth*. (Doctoral dissertation). University of Southern California, Los Angeles, CA.

2. For further information on the characteristics of sample CMOs (charter management organizations), such as geographic location, age, grade ranges, size, and so on, see Smith, Farrell, Wohlstetter, & Nayfack (2009).
3. CAGR (compound annual growth rate) was calculated using the year the CMO was founded; in some cases, an initial school was established as a stand-alone charter school prior to developing a CMO.
4. The research team consisted of two senior researchers, a postdoctoral fellow, and two doctoral students. Throughout the study, the research team also benefited from the advice and guidance of a national advisory board that included charter school and CMO operators, university researchers, and charter school policy experts. The advisory board provided valuable feedback on the overall research design, data collection instruments, and drafts of publications.
5. See <http://www.publiccharters.org/node/2855>

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