

The logo for the Center on Innovation & Improvement features the text "CENTER ON INNOVATION & IMPROVEMENT" in a serif font. To the left of the text is a stylized graphic consisting of a vertical line and a horizontal line that intersect, with a sunburst-like pattern radiating from the intersection point. Below the main text, there is a horizontal line that spans the width of the text, with the tagline "Twin paths to better schools" written in a smaller font to the right of the line.

CENTER ON INNOVATION & IMPROVEMENT

Twin paths to better schools

A Solution-finding Report

Title: *Evaluations of Performance of Education Management Organizations*

Date: March 8, 2010

Introduction

This report provides information aimed to help discover “information on CMOs and EMOs and their successes and failures,” as requested by Larry Kugler, Mid-Atlantic Comprehensive Center liaison for Delaware. According to Lauren Morando Rhim, a nationally recognized expert on charter schools, which can be operated by EMOs, “The very short answer is that there is not an up-to-date review of EMO/CMO outcomes. Ideally, we would have the equivalent of a consumer’s guide to EMO’s/CMO’s, but we simply do not.”

The first document identified in Section II to CSRQ is the one report that actually examines outcomes across multiple providers. Regrettably, the data are now upwards of 5 years old, and the market is so dynamic that many providers are not included. Consequently, Section I provides some useful websites of organizations concerned with the topic, and those websites may be consulted periodically to track developments. Publications of those organizations are also cited in Sections II and III. Section III includes a number of resources developed largely for the charter school sector but which nonetheless should be helpful as districts think about developing rigorous systems to first assess potential providers and thereafter execute performance contracts. The performance information is critical because in order for district–provider contracts to have teeth, districts have to be able to clearly articulate what providers will be held accountable for delivering.

Solution-finding Reports are intended to provide a quick response to the request for information; they are not intended to be a definitive literature survey or synthesis of the topic.

The contents of this report are divided into three sections.

Contents

- I. Websites of Organizations
- II. EMO Evaluations
- III. Charter Schools

I. Websites of Organizations

Research for Action. Philadelphia, PA.

<http://www.researchforaction.org/phila-school-reform.html>

“RFA is a Philadelphia-based, non-profit organization engaged in education research and evaluation. Founded in 1992, RFA works with public school districts, educational institutions, and community organizations to improve the educational opportunities for those traditionally disadvantaged by race/ethnicity, class, gender, language/cultural difference, and ability/disability.”

RFA is notable for having done a number of studies for the School District of Philadelphia, which at one time had, concurrently, a significant number of schools managed by several for-profit and non-profit EMOs.

NewSchools Venture Fund. San Francisco, CA.

<http://www.newschools.org/about/publications>

“Since our founding in 1998, NewSchools has worked to transform public education, particularly for low-income and minority children in historically underserved urban communities. To achieve this goal, we support education entrepreneurs, help them grow their organizations to scale, and help connect their work to broader systems change.”

National Resource Center on Charter School Finance and Governance. Washington, DC.

<http://www.charterresource.org/>

The National Resource Center on Charter School Finance and Governance supports “state policymakers, charter school authorizers, and charter school operators—in creating successful and sustainable charter schools through effective finance and governance. The National Resource Center [addresses] these issues by providing the following:

- a resource clearinghouse that includes links to research reports, articles, tools and toolkits; and that includes links to research and policy organizations, state departments of education, state charter school associations, and charter advocacy groups;
- state policy guides, which examine the challenges and opportunities that charter school legislation and policy present for financing and governance strategies;
- profiles of promising practices utilizing successful finance and governance strategies; and
- a catalog of over 100 federal funding sources that can help...access a wide variety of federal funding grants.”

II. EMO Evaluations

Comprehensive School Reform Quality Center, American Institutes for Research. (2006, April). *CSRQ Center Report on Education Service Providers*. Washington, DC: Author.

<http://www.csrq.org/documents/ESPCSRQReport-Full042806.pdf>

This report “provides a scientifically based, consumer friendly review of the effectiveness and quality of seven widely implemented education service provider (ESP) models: Edison Schools; Imagine Schools; The Leona Group, L.L.C.; Mosaica Education; National Heritage Academies (NHA); SABIS Educational Systems, Inc.; and White Hat Management (HOPE Academies)....Together, these seven ESPs likely

represent 60 to 65% of U.S. schools currently being served by ESPs. Each model is profiled and rated in the following categories:

- Category 1: Evidence of positive effects on student achievement.
- Category 2: Evidence of positive effects on additional outcomes.
- Category 3: Evidence of positive effects on family and community involvement.
- Category 4: Evidence of a link between research and model design.
- Category 5: Evidence of services and support to schools to enable successful implementation.

The report provides education stakeholders with a decision making tool to help sort through the options in the range of ESP models that are available to support whole school or district improvement. The reviews are intended to clarify options, not to point to or endorse “best buys” from the seven ESP models reviewed. To be included in this review each model must serve a minimum of 20 schools in three or more states, and include at least five of the following components, as defined by the U.S. Department of Education: governance, administrative services, technical assistance, classroom practices, professional development, leadership development, benchmarks/assessments, and curriculum.”

The Center for Comprehensive School Reform and Improvement. (2009). Contracting with external education management providers. In *School Restructuring Options under No Child Left Behind: What Works When?* (pp. 39–48). Washington, DC: Learning Point Associates.

http://www.learningpt.org/pdfs/School_Restructuring_Guide.pdf

This guide provides users with a step-by-step approach to restructuring from organizing a district team and assessing the district’s capacity to govern restructuring decisions to conducting a school-by-school analysis and implementing a restructuring plan—including contracting with EMO. The text of the guide is supplemented with templates, checklists, and other practical tools. Although one chapter is dedicated to contracting with EMOs, issues pertaining to EMOs may be found throughout the document.

Gill, B. P., Zimmer, R., Christman, J. B., & Blanc, S. (2007, January). *State Takeover, School Restructuring, Private Management, and Student Achievement in Philadelphia*. Santa Monica, CA: RAND Corporation.

http://pdf.researchforaction.org/rfapdf/publication/pdf_file/262/Gill_B_State_Takeover.pdf

“Frustrated by a history of low student achievement and financial crises, the state of Pennsylvania took charge of the Philadelphia public schools in 2002. Within months of the takeover, a newly created School Reform Commission had launched the nation’s largest experiment in the private management of public schools. The commission, which replaced the local school board, turned over 45 elementary and middle schools to seven private for-profit and nonprofit managers. In addition, the school district, under a new CEO, implemented wide-ranging and ambitious reforms in district-managed schools. This monograph examines student achievement outcomes for the district as a whole and for privately managed and district-managed “restructured” schools during the first four years after the takeover (through spring 2006).”

Gill, B. P., Zimmer, R., Christman, J. B., & Blanc, S. (2007, January). *Student Achievement in Privately Managed and District-Managed Schools in Philadelphia Since the State Takeover*. Santa Monica, CA: RAND Corporation.

http://www.rand.org/pubs/research_briefs/RB9239/index1.html

This research brief summarizes part of the full study cited immediately above.

Kowal, J.M., & Arkin, M.D. (2005). *Contracting With External Education Management Providers*. Naperville, IL: Learning Point Associates.

<http://www.ncrel.org/csri/resources/ncrel/knowledgeissues/Contracting.pdf>.

“The *What Works When* series is designed to help district leaders understand what is known about when and under what circumstances each of these options works to improve student learning....This paper examines what we know about when contracting may work for districts grappling with individual low-performing schools. The remaining contents are organized as follows:

- Methodology
- What Is Contracting Under NCLB?
- What Is the Experience With Contracting?
- What Do We Know From These Experiences? Key Success Factors and Key Challenges
- What Further Research Is Needed to Understand Contracting?
- Conclusion”

II. Charter Schools

Farrell, C., Nayfack, M., Smith, J., Wohlstetter, P., & Wong, A. (2009, December). *Scaling Up Charter Management Organizations: 8 Key Lessons for Success*. Washington, DC: National Resource Center on Charter School Finance and Governance.

http://www.usc.edu/dept/education/cegov/focus/charter_schools/publications/books_chapters/CMO_guid_ebook.pdf

“Researchers at the Center on Educational Governance at the University of Southern California’s Rossier School of Education spoke with more than 50 leaders of CMOs in an effort to understand how CMOs originated and how they approached growth. This guidebook shares their experiences and offers a variety of lessons about how to navigate the intricacies of CMO growth. Before sharing our results, it is important to note that CMOs are a relatively new governance model; the majority have been in operation for less than 10 years. Therefore, it is important to define what we mean by the term CMO. We defined CMOs as nonprofit organizations that manage a network of charter schools to differentiate them from for-profit education management organizations.

“The CMOs in the study shared three additional characteristics. First, each CMO has a common identifiable mission or instructional design across its schools. Second, every CMO has a home office or management team that provides significant ongoing administrative support to its schools. Finally, we included only CMOs that had at least three campuses in operation during the 2008–2009 school year with plans for further expansion to focus the study on the growth process. Our study excluded charter organizations that run virtual or online charter schools and school districts in which all public schools are charter schools. While a charter school in an all-charter district might be part of a CMO, the district itself wasn’t considered a CMO. Additionally, agencies that serve a broader purpose but which also run one or more charter schools are not included, since their approach to growth likely differs from organizations that only oversee a network of charter schools. Using this definition, 40 CMOs were identified for inclusion into this study; the final study sample included 25 CMOs.”

National Association of Charter School Authorizers. (2005, July). *Resource Toolkit for Working With Education Service Providers*. Chicago, IL: Author.

<http://www.qualitycharters.org/files/public/ESPToolkit2005.pdf>

This 70-page toolkit provides examples of state guidelines, contracts and agreements, financial disclosure forms, charter/EMO applications, assessment rubrics, board member applications, background checking and verification forms, performance assessment tools, and other documents related to working with charters and EMOs. The examples are drawn from SEAs and other charter authorizing agencies from around the country. Topics under which documents entered are Roles, Relationships, Responsibilities; the Charter Application Stage; Reviewing School Management Contracts; and Additional Resources and Sample Documents.

National Association of Charter School Authorizers. (2009). *Principles and Standards for Quality Charter School Authorizing* (Revised Edition). Chicago, IL: Author.

http://www.qualitycharters.org/files/public/Principles_and_Standards_2009.pdf

“The agencies that authorize charter schools play an essential role ensuring quality within the public charter school sector. That role includes establishing and maintaining high standards for schools, ensuring that schools have the autonomy to which they are entitled, and safeguarding the interests of students and the public. No other player in the charter school sector performs these functions in the same way.

“From these core functions, NACSA has identified a set of *Principles and Standards for Quality Charter School Authorizing* that should guide the work of authorizers. First developed and approved by NACSA in 2004, these *Principles and Standards* were updated in 2007 and now again in 2009.”

A “quality authorizer” is defined by a set of expectations in the following categories: Agency Capacity, Application Process, Performance Contracting, Ongoing Oversight and Evaluation, Renewal Decisionmaking. The document includes a list of authorizing agencies in each state that has legislated charter school authorization.

National Charter School Research Project. (2007, August). *Quantity Counts: The Growth of Charter School Management Organizations*. Seattle, WA: Center on Reinventing Public Education, University of Washington.

http://www.crpe.org/cs/crpe/download/csr_files/pub_ncsrp_quancount_aug07.pdf

“Based on interviews with 10 CEOs of organizations managing 10 or more schools, this report explores lessons from the experience of EMOs and CMOs and answers the following questions: What have been the challenges and coping strategies of these organizations? How can their experience inform efforts to support the continued growth of high-quality U.S. charter schools?...

“This report makes clear that the work of MOs is proving much more difficult and more expensive than anticipated. This is so in part because charter school opponents have been able to impose high political and legal costs on these organizations. But even without opponent-imposed costs, MOs face serious challenges—finding principals and teachers who can be trusted to run the kind of school the MO has pledged to provide, entering into stable partnership agreements, and replicating school designs with fidelity. As a result, they must spend more time on recruitment, training, assessment, and quality control than expected.

“This report also exposes at least two important limitations of the MO strategy that those interested in the supply of high-quality charter schools should consider: (1) there may not be a linear relationship between centralization and quality, as centralization creates its own financial and operational

tensions; and (2) for good or ill, management organizations seem to be re-creating many aspects of school districts.”

National Resource Center on Charter School Finance and Governance. (n.d). *Empowering Teachers Through a CMO-Created Union*. Washington, DC: Author.

http://www.charterresource.org/files/Empowering_Teachers_through_a_CMO-Created_Union.pdf

“A long-standing tension exists between teachers unions and charter schools. The former see charter schools as a threat, eroding union membership by luring teachers to break away from traditional public schools without providing job stability or collective bargaining. Conversely, charter schools contend union regulations are anathema to the charter concept and believe union contracts are a barrier to innovation. In this promising practice profile [brief], the National Resource Center on Charter School Finance and Governance highlights a strategy to resolve this conflict—a charter management organization-created union to serve the teachers of Green Dot Public Schools in Los Angeles, California.”

National Resource Center on Charter School Finance and Governance. (n.d). *Implementing an In-House Approach to Teacher Training and Professional Development* (High Tech High). Washington, DC: Author.

http://www.charterresource.org/files/An_In-House_Approach_to_Teacher_Training_HighTechHigh.pdf

Charter schools, like all public schools, often have trouble attracting and retaining high-quality educators who subscribe to their mission and educational vision. One innovative solution is to offer teacher training and professional development on site. This enables schools to incubate aspiring teachers for a range of career options, from teaching positions to leadership and administrative positions. In this promising practice profile [brief], the National Resource Center on Charter School Finance and Governance highlights the Teacher Intern Program and newly established Graduate School of Education of High Tech High (HTH), a charter school development organization in San Diego, California. The programs enable HTH to train educators in house to prepare them to work under the guiding principles that define the organization’s schools.

Rhim, L. M. (2009, July). *Charter School Replication: Growing a Quality Charter School Sector*. Chicago, IL: National Association of Charter School Authorizers.

http://www.qualitycharters.org/files/public/Charter_School_Replication_Policy_Guide.pdf

This brief presents the background of charter school replication and makes policy recommendations that enable successful models to be more readily duplicated. It addresses capping the numbers of charters, governance structures that support replication, modification of state charter application procedures, streamlining of state renewal processes, states’ ensuring performance accountability for school networks, and proactive state supports. The brief makes recommendations on best practices for states’ replication of charter schools.

Rhim, L. M., & Brinson, D. (2010). *Retrofitting Bureaucracy: Factors Influencing Charter Schools' Access to Federal Entitlement Programs*. Lincoln, IL: Academic Development Institute, Center on Innovation & Improvement.

<http://www.centerii.org/survey/>

“This report examines to what extent and how states have adapted existing regulations and procedures to make certain that charter schools successfully access federal entitlement dollars associated with Title I-A of ESEA and Part B of IDEA. Due to their position outside of the policy structure, charter schools are at risk of not fully accessing their share of the funds.”

The report finds that states could ease access to funding and improve transparency of procedures for gaining federal dollars. It recommends “five primary strategies states can use to influence charter schools’ access to entitlement funds from ESEA and IDEA.”

Smith, J., Farrell, C., Wohlstetter, P., & Nayfack, M. (n.d.). *Mapping the Landscape of Charter Management Organizations: Issues to consider in Supporting Replication*. Washington, DC: National Resource Center on Charter School Finance and Governance.

<http://www.charterresource.org/files/MappingTheLandscape-SupportingReplication.pdf>

“This Issue Brief provides a snapshot of CMOs currently operating, drawn from one of the first comprehensive studies of this new charter model. The brief considers the growing popularity of CMOs in the current charter school environment and reviews the research available on CMOs. The brief reports findings from a recent national study conducted by the National Resource Center on Charter School Finance and Governance (NRC). It discusses trends in CMO growth, including length of operation, origin, geographic scope, grades served, and number of schools in the network. The brief concludes with recommendations for state policymakers, authorizers, and CMOs as they move forward in supporting CMO replication.”