Paying for Scale

RESULTS OF A SYMPOSIUM ON CMO FINANCE

Robin Lake, Allison Demeritt

NATIONAL CHARTER SCHOOL RESEARCH PROJECT
center on reinventing public education

UNIVERSITY OF WASHINGTON

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The National Charter School Research Project (NCSRP) brings rigor, evidence, and balance to the national charter school debate.

NCSRP seeks to facilitate the fair assessment of the value-added effects of U.S. charter schools and to provide the charter school and broader public education communities with research and information for ongoing improvement.

NCSRP:

- ✓ **Identifies high-priority research questions.**
- ✓ **Conducts and commissions original research to fill gaps in current knowledge or to illuminate existing debates.**
- ✓ **Helps policymakers and the general public interpret charter school research.**

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Introduction

Charter Management Organizations (CMOs) were developed to solve serious problems that limit the numbers and quality of charter schools. CMOs, it was hoped, would replicate a consistent school design and develop economies of scale as service providers so that quality charter schools could increase rapidly. Recognizing the need for new entities to create economies of scale in the charter sector, philanthropies funded the start-up and early operation of CMOs. Most CMO business plans acknowledged early reliance on foundation funding, but projected break-even points when fees from affiliated schools would cover the cost of central offices and services to schools. Attaining fee-based financial equilibrium was seen as a necessary condition for CMOs to meet the anticipated demand for large numbers of high-quality charter schools.

This has proven to be more challenging than expected. As recent studies have shown,[1] most CMOs rely heavily on philanthropy and many continue to do so well beyond what they promised in their business plans. In the recent economic downturn, these issues are coming to a head: one CMO in California recently required an infusion of $700,000 in private funding to prevent financial collapse.[2]

In their defense, CMOs often receive less public funding than school districts and rarely have access to facilities or facilities funding, yet they need to find a way to pay for expensive school design elements, such as longer school days and years. Given that disparity of income compared to costs, some assert that CMOs may spend their funds more efficiently or effectively than school districts. The policy discussion about these issues, however, has sometimes been more loaded with opinion and assertion than fact and disciplined analysis.

In April 2010, the Center on Reinventing Public Education (CRPE) and the Bill & Melinda Gates Foundation convened a group of researchers and financial analysts to discuss how to better understand the financing and sustainability of CMOs. The group included people who manage CMOs, funders, and analysts who study charter schools and school district finances. The goals of the meeting were twofold: (1) to agree on a set of common ways of assessing CMO financial viability, and (2) to outline a research agenda for settling the most urgent CMO finance questions relevant to policy and practice.

"I hear Arne Duncan saying we need 5,000 new schools. How are we going to do that?"

John Danner,
Rocketship Education

1. Robin Lake et al., *The National Study of Charter Management Organization (CMO) Effectiveness: Report on Interim Findings* (Seattle, WA: Center on Reinventing Public Education, 2010); Education Sector, *Growing Pains: Scaling Up the Nation's Best Charter Schools* (Washington, DC: Education Sector, 2009).
2. Howard Blume, "Philanthropists Move to Rescue ICEF Public Schools," *Los Angeles Times*, September 28, 2010.

It was a small but intense gathering; participants had no shortage of opinions, imaginative ideas, and challenging questions. What emerged from the meeting were both areas of agreement and unresolved tensions around the major CMO financial issues. Although the meeting was not designed to capture areas of consensus, the following themes emerged:

- For most CMOs financial self-sustainability is an aspiration, not yet a reality.
- Public funding levels clearly limit, but may not fully explain, CMO scale-up difficulties.
- CMOs are experimenting with different cost and service delivery models, but there is little evidence yet about which ones are the most cost effective.
- Politically and financially, CMOs need to figure out how to do more school turnarounds.
- Technology and innovation are critical paths to sustainability.
- Spending comparisons between CMOs and school districts are hard to do and not likely to yield much payoff.
- There is need for a research and development strategy to create financially sustainable CMOs.

For Most CMOs Financial Self-Sustainability Is an Aspiration, Not yet a Reality

The typical CMO business and financing plan relies on private funding from foundation grants to pay for the costs to start individual schools and to pay for the cost of building a central office to oversee the schools. Most CMOs believe they will, eventually, be able to operate their central offices with minimal philanthropic support as individual schools become self-supporting through higher enrollment and efficiencies. CMOs also expect that schools will be able to pay management fees to support central office operations and the start-up costs of newer schools. Each CMO has a different end goal for growth, usually hoping to grow to a total of anywhere from five to thirty schools. A few talk about creating hundreds or even a thousand schools.

The premise of the CMO business model, then, is funding a central office off of school-level efficiencies. As Kevin Hall (Charter School Growth Fund) put it, "The building block is the site. The site's got to throw off cash." As a CMO grows, leaders believe the organization will be able to create economies of scale, such as group purchasing and shared central services that will make the schools increasingly efficient and better able to support central costs. Each CMO has its own school-level economic model and its own assumptions about how quickly the schools can break even and how much excess funding they are likely to produce to support the larger organization.

Out of reach

No attendee at the meeting could point to an example of a CMO that has achieved the goal of financial self-sustainability. As Jim Peyser (NewSchools Venture Fund) said, "Few, if any, [CMOs] have been able to meet that standard."

Some at the meeting were optimistic about the likelihood that many CMOs are on a path to self-sustainability. Jim Peyser, for instance, said that at least for CMOs funded by NewSchools Venture Fund, central offices are increasingly able to function on management fees. Another CMO funder, Kevin Hall, said about his grantees that no one has broken even yet, but there are people who are "very close." Hall said CMOs in the Charter School Growth Fund portfolio are decreasing their per-pupil reliance on philanthropy as they grow. Max Polaner said that Achievement First is "not getting there as fast as we'd hoped, but the trend is positive . . . More mature schools support new school growth and as a larger share of our schools are older, they can more easily subsidize new school start-up."

"We have models. We just haven't got there yet."

Chris Barbic,
YES Prep

"The building block is the site. The site's got to throw off cash."

Kevin Hall,
Charter School
Growth Fund

"If you were to say there's no capital to finance growth in other sectors, you would have very, very slow growth in any sector in our society."

Kevin Hall, Charter School Growth Fund

Others were less hopeful. Brianna Dusseault shared data from the joint CRPE-Mathematica *National Study of CMO Effectiveness* that showed several examples of CMOs where central costs are rising at least as quickly as revenues from management fees.[3] The study also showed that the largest CMOs appear to rely most heavily on philanthropy. Dusseault noted that these data suggest that CMOs as a group are not on track to wean themselves from philanthropy anytime soon.

Paying for growth

CMOs rely heavily on philanthropy to finance new school start-up and organizational growth, just as private capital funds the expansion of firms. As Kevin Hall argued, "If you were to say there's no capital to finance growth in other sectors, you would have very, very slow growth in any sector in our society." CMOs say federal and state funds available for start-up are insufficient to pay for start-up and expansion costs, so they have had to look to philanthropy instead. Hall hopes that eventually CMOs will be able to find a way to pay for their own growth, and explains, "The nirvana is that you are able to throw off enough cash from each school to be able to fund your own growth." But for now, most CMO schools require start-up investment. This suggests an unending need for philanthropy or for cross subsidies from existing to new schools.

"It would be dangerous for funders and analysts to assume that whatever growth costs a CMO incurs are necessary; there may be more efficient and financially sustainable ways to grow CMOs."

Rich O'Neill, Renaissance School Services

Some suggested that analysts should attempt to account for growth costs separately from ongoing operational costs to understand whether or not CMOs are over-reliant on philanthropic support for core operations. But Rich O'Neill (Renaissance School Services) argued that there is no practical way to split out growth in a CMO financial analysis: "Everyone is going to define (growth) differently . . . and they're going to game their numbers that way." Even if you could account for growth, he argued, it would be dangerous for funders and analysts to assume that whatever growth costs a CMO incurs are necessary; there may be more efficient and financially sustainable ways to grow CMOs.

For most public schools, personnel costs comprise the majority of school budgets. As Eric Premack (Charter School Development Center) argued, this reality makes it very difficult for even the most efficient CMO central offices to capture excess revenues that could be used to fuel organizational growth costs. "Even the most top heavy CMOs, the management slice is only about 20 percent of the game. Sustainability is almost all about that other 80 percent." He challenged funders that do not want to continue to subsidize CMO start-up costs to start paying more attention to that 80 percent spent at the school, where real economies of scale could be realized.

3. Lake et al., *National Study of CMO Effectiveness,* 2010.

Diseconomies of scale?

Even if you could fully account for CMO growth investments, some at the meeting doubted that those costs would explain rising CMO expense lines. This raises the question of whether CMOs do in fact produce their intended economies of scale. CRPE research shows that many CMOs seem to encounter increasing central office costs with growth, beyond those anticipated in their business plans. These costs might be considered diseconomies of scale that large organizations, including school districts, often encounter.

Participants generally agreed that diseconomies of scale can occur in CMOs, especially when CMOs expand to new regions and try to support schools from afar with special education and other services. Some felt that CMOs with highly centralized, top-down management approaches are more prone to diseconomies when they grow because a one-size-fits-all answer to all school-level problems (one professional development program, etc.) cannot efficiently address diverse community needs. Or, as Kevin Hall pointed out, when a CMO becomes too diffuse in mission and is trying to run "six different curricular models instead of sticking to its knitting and focusing on its core model." Rich O'Neill cautioned that while CMOs often think they are capturing fiscal economies of scale, there could be diseconomies of scale in service delivery that can affect the ability of larger organizations to deliver consistently high-quality results. In his own work, O'Neill has observed that as organizations become larger their academic performance drops off. Kevin Hall disagreed, however, that diseconomies of scale are inevitable, and argued that the larger organizations within his portfolio are improving academically.

Marguerite Roza (Bill & Melinda Gates Foundation) pointed out that most CMOs are still smaller than the school districts that typically encounter diseconomies of scale, so as more CMOs grow to be as large as urban school districts, this may become a serious issue. The research she led at CRPE shows that for school districts, diseconomies of scale typically kick in between 10,000 and 20,000 students when the district converts to using processes versus relationships to run services and people can no longer problem-solve by walking down the hallway to talk to someone: "There's just that many more steps between the people and the kids."

Whether it is diseconomies of scale, special costs of formalization, or costs of democratic institutions, all agreed that these issues exist in school districts. Although some in the meeting were optimistic that CMOs, which look very much like school districts in organizational structure, will avoid the same costly issues associated with growth, nobody knows yet whether they will.

For school districts, diseconomies of scale typically kick in between 10,000 and 20,000 students when the district converts to using processes versus relationships to run services and people can no longer problem-solve by walking down the hallway to talk to someone.

"Funders have not been good about funding opportunity. They've been better at funding need."

John Danner,
Rocketship Education

Funders' roles

John Danner (Rocketship Education) said that he believes there are diseconomies of scale based on the incentives funders have created for CMOs. Danner believes that CMOs typically go to funders when they have a problem they need to solve, and say, "I've hit the wall, will you please help me survive?" rather than presenting a convincing case that they have a viable and efficient plan for creating large numbers of schools at scale. He said funders should instead ask whether an additional influx of money will make a CMO more efficient or will allow the CMO to avoid problems in the future. "Funders have not been good about funding opportunity," Danner said. "They've been better at funding need."

Chris Barbic (YES Prep) argued that some CMO inefficiencies were an inevitable outgrowth of the newness of the CMO experience. At YES Prep, they were solving problems and trying different things as they grew. "A lot of us didn't know what the hell we were doing," Barbic said.

Nelson Smith (National Alliance for Public Charter Schools) suggested that in places where growth is financed by private capital, bank lending, and tax incentives (as is the case in Washington, D.C.), initial funding may be harder to come by and may create differences in the scale-up, the sustainability curve, and incentives. This raises the question, does private philanthropy allow CMOs to do more system building up front, making it easier and less costly to grow schools over time, or does it encourage inefficiencies? Funders likely need to acknowledge, as Paul Hill (CRPE) pointed out, that once CMOs have to work harder to make a case to new funders, they might start looking for efficiencies. "There is probably a lot less incentive, for the most part, to cut (CMO) costs and find a way to be the most efficient, than there is to find more persuasive ways to go after external funders," he said.

"Once CMOs have to work harder to make a case to new funders, they might start looking for efficiencies."

Paul Hill,
Center on Reinventing
Public Education

Though the opinions expressed in the meeting were quite varied about the prospects for CMO financial sustainability, they may all be correct. Some individual CMOs may well be on track to "make plan" while the majority cannot. Participants spent a lot of time discussing how variation in local funding contexts influences a CMO's financial viability. At Achievement First, eight of their nine schools are "throwing off surpluses," according to Max Polaner. But Achievement First, which mainly operates in New York State, receives $12,400 per student in public funding (more than twice what California charter schools receive). This all points to the importance of not generalizing about CMOs, which clearly operate in vastly different funding realities.

What can be said broadly, and with some agreement among this group, is that there are currently few, if any, CMOs that can prove they can exist primarily on fees from the public dollars controlled by schools alone. The discussion also pointed to a number of ways that CMOs have either underestimated the costs associated with growth or have not operated efficiently.

Public Funding Levels Clearly Limit, but May Not Fully Explain, CMO Scale-Up Difficulties

Central to the discussion of CMO financial sustainability is the public revenue side of the equation, which many CMOs say is inadequate to allow them to become self-sustaining on public dollars alone.[4] As an example, Chris Barbic at YES Prep said local districts in Texas receive between $500 and $1,200 more public funding per student than Texas charter schools.[5] Some meeting participants strongly argued that CMOs need to make a case that their cost structures are necessary for the sometimes "gap-closing" results they are producing and that the government needs to recognize that and pay for it. Jay Altman (FirstLine Schools) argued, "If all CMOs were located in New York the sustainability issue would go away … We need to say to politicians: 'You can educate kids well or you can educate them for $7,000 (a year) but you can't do both.'"

"I think the days of just putting big stashes of money in suitcases are largely behind us."

Ken Zeff,
Green Dot Public Schools

Access to facilities and capital

An even more significant barrier to sustainability, CMOs say, is lack of access to facilities or capital funding. YES Prep's business plan, for example, expects foundation investments to cover facilities costs, most of which go to debt service. Barbic elaborated:

> *Our biggest barrier is capital. The operating funding is doable and manageable and as we grow schools to full size, they're sustainable on what we get from the state and the feds. Our biggest challenge is how do you put 800 kids in a building when the districts won't give them (buildings) to you? And how do you go out and find the right blend of philanthropy and borrowing so you're not spending so much money on debt service that it starts to impact your program? And for us that's been the million-dollar question that we've been trying to answer.*

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The facilities issue can affect programming in addition to a CMO's bottom line. FirstLine Schools decided to stay focused on middle and high schools because they could not make more capital commitments for elementary schools. Jay Altman explained:

> *We would have liked to reach kids earlier knowing they were going to come in behind, but decided instead to invest more in 6th and 7th grade remediation than overstretch on capital expenses . . . It was a capital decision, not a program decision. We just didn't think the buildings were there to do elementary schools.*

4. A forthcoming report from Bellwether Education Partners shows the impact of funding inequities on one CMO.
5. As discussed above, funding disparities must be understood in the context of the services provided as well as student needs, so it is often difficult to say whether these blunt numbers are truly equivalent, but most research recognizes at least some underfunding in charter schools nationwide.

Some suggested that it might be time to rethink public school facilities financing altogether so that it is more compatible with schools of choice.

The value of advocacy

Ken Zeff from Green Dot Public Schools argued that these kinds of funding inadequacies have to be resolved if CMOs are going to be compared to traditional public schools on their financial sustainability or performance. "Yes, it's true that we, the management teams, need to figure this out, but funders probably should feel some obligation to work on leveling the playing field in terms of access to facilities and comparable funding so that there can be real competition based on merit," he said. "How can you argue against evolution? But at least make sure everyone's at the same starting point."

The group offered ideas for advocacy that might produce big payoffs for low costs. Don Shalvey (Bill & Melinda Gates Foundation) suggested that creative advocacy strategies might produce big payoffs for CMOs and allow them to scale more effectively. Some felt it would be worthwhile to do an analysis of state CMO advocacy strategies to learn where and when districts or states support CMO financing and facilities and why.

Nelson Smith suggested that CMO and charter advocates should categorize what facilities are out there that districts are sitting on and litigate when states are behind on facilities access and funding. Others suggested there should be increases in federal tax credits, credit enhancements to make interest rates affordable, and other benefits to charter schools. Some suggested that it might be time to rethink public school facilities financing altogether so that it is more compatible with schools of choice. Eric Premack suggested states turn capital funding into an operational stream, something that would benefit charter schools but would also allow school districts to build facilities much more cheaply. Paul Hill said it might be time for independent real estate trusts that can take districts out of the business of owning school buildings.

New financial reality

Despite general agreement among the group that public funding inadequacies need to be addressed, many felt that CMO advocates will be dismissed in policy circles if they spend too much time complaining about underfunding or if they use it as an excuse for failing to expand quickly. Paul Hill pointed out that the arguments for equal funding may be rational on the part of CMOs, as they are strikingly similar to the arguments from school districts who pled for greater funding from government and philanthropies in order to balance their books and fulfill their mission.

Tom Toch (Independent Education) said his research suggests that even with equalized funding many CMOs would still not be self-sustaining. Some models, Toch suggested, that are achieving the most impressive results are so expensive that they simply cannot work in a lot of places. As CMOs grow larger, they are finding that the work of sustaining quality at scale is harder than people anticipated. Toch says, "I'm not sure that even if you got equal funding you're all the way there."

Many at the meeting felt that it is no longer a theoretical question whether CMOs need to become more efficient. The recession and its impact on both public and private funding will force CMOs to think about cutting costs and reducing their reliance on philanthropy. As Chris Barbic said, "The funders have to figure out which management teams have the chops to figure that out. The ones who do will survive. The ones who don't, won't." Ken Zeff thinks this new reality will probably be healthy for CMOs. "Efficient use of philanthropy is a good thing and is in everyone's interest," he said. "Now (funding) is around specific programs and specific ideas. I think that's great. We know that when the money runs dry we need to be efficient and have good returns."

Some went farther, arguing that ultimately the equity issue has to be viewed as irrelevant for CMOs that are determined to serve as many students as possible in the current policy environment. John Danner said it is really a question of reach for the CMO sector: "I hear Arne Duncan saying we need 5,000 new schools. How are we going to do that?"

There also may be an optimal size to CMOs that could inform investment strategies. If there is a predictable size, say 20 to 30 schools, at which CMO performance peaks, said Paul Hill, "From the perspective of Arne Duncan or someone like that, the real concern is, 'Given that one of these institutions can only give me so much, how am I going to spend my money in ways where I get a lot more of these institutions instead of a lot of intensive investment in a few of them?'"

"Efficient use of philanthropy is a good thing and is in everyone's interest."

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Paul Hill,
Center on Reinventing
Public Education

"If it's not scalable, then it's not sustainable."

Marguerite Roza, Bill & Melinda Gates Foundation

Eric Premack wondered if this begged the question of the need for CMOs at all. Do CMOs really offer an advantage over stand-alone charter schools? Are there ways to make it more common for stand-alone charters to increase their quality without CMOs? Nelson Smith said that with more federal money for replication, he expects to see more small, regional CMO-like structures supporting economies of scale around special education, English language learners (ELL), and other issues that are most difficult for stand-alone charter schools to do on their own.

Scalability vs. sustainability

Jim Ford (National Council of La Raza) offered that the broader question for those interested in supporting CMO scale is, "What does the model cost and are there enough resources in any given market to support growth?" Raza Development Fund, in partnership with Walton Family Foundation, has collected data in 15 markets to help people understand what public revenues are available, whether Teach for America (TFA) is active in that market, and what models would be sustainable in different markets or what levels of philanthropic investment would be needed in different markets to support various models. One big lesson from that exercise is that access to human capital is essential to CMO growth. If there were no strong leadership pipelines or access to TFA in those cities, CMOs were not growing.

If the CMO sector is serious about being viewed as a provider of significantly more effective schools, school operators cannot simply wait around for more public funding or access to public facilities.

Marguerite Roza suggested that it might be helpful for funders to separate out "scalability" from the notion of "sustainability" and then figure out if they are parallel. For example, certain CMOs that have "gone in deep" on the human capital strategy, relying heavily on Teach for America teachers, are more limited in their ability to scale than CMOs that draw from a local pool. "If it's not scalable, then it's not sustainable if it all depends on growth," said Roza. Paul Hill added that if we want to talk about scalability we have to address the question of how we get the number of new schools needed. "Is it a lot more CMOs or is there some other approach that can supplement that?" he asked. Some suggested that funders should start putting more conditions on funding, such as only funding CMOs with low per-school costs or that will be operating in cities that can support scale.

So while the participants of this meeting all recognized potential funding inequalities that should be ameliorated, there was also a strong sentiment that if the CMO sector is serious about being viewed as a provider of significantly more effective schools, school operators cannot simply wait around for more public funding or access to public facilities.

CMOs Are Experimenting with Different Cost and Service Delivery Models, but There Is Little Evidence yet About Which Ones Are the Most Cost Effective

"Each of these organizations is using a different mix of funding assumptions and trying to find an acceptable range of outcomes."

Rich O'Neill, Renaissance School Services

If the goal is better efficiency, Adam Porsch (Bill & Melinda Gates Foundation) argued CMOs need to answer some important questions, such as, "How do we quantify [efficiency] and how do we pull it apart to figure out the different ways of getting there? What's the most efficient way to support scale—through advocacy or infrastructure? Is it figuring out the growth piece and separating that out from other operations costs? And what's the most efficient way to get to a few examples of what it looks like to have a large-scale sustainable [through public sources] CMO?"

School configuration and service provision

One of the most common and biggest growth cost factors for CMOs is whether to grow grade by grade or to start off at full capacity. YES Prep, for example, starts every school with 150 students in one grade in a school's start-up year and schools reach full capacity of 800 students by the fifth year. Some CMOs and most EMOs (for-profit education management organizations), which do not have access to philanthropy, start schools at full capacity in their first year. The "full-in" approach is certainly more financially feasible, because the full enrollment revenues begin in the first year, but many CMOs, especially those serving primarily high school grades, believe that building schools by grade is a fundamental element of their success, allowing them to carefully build particular student academic and behavior expectations and norms. As Kevin Hall argued, "Chris [Barbic] could open his schools at 700 students and have them be self-sustaining from the start. Part of the reason you rely on philanthropy is that you believe the long-term impact is going to be greater than if you open full or are just driven by the economics of it." Others pointed out that while this is a compelling argument, there is no solid evidence to back that belief. It may be that CMOs are letting the perfect be the enemy of the good by pursuing what they believe to be ideal models at unsustainable expense when other, less expensive models might still be able to significantly help students.

One of the most common and biggest growth cost factors for CMOs is whether to grow grade by grade or to start off at full capacity.

"You can't just grow your way out of this."

Ken Zeff,
Green Dot Public Schools

The group discussed other cost variables on which CMOs differ, such as school and classroom size and grade configurations. A significant cost for many CMOs is a longer school day and year. KIPP (Knowledge Is Power Program) and other CMOs strongly believe that additional time is necessary to allow them to fully prepare their students, many of whom come to their schools several grade levels behind.

Tom Toch pointed out that some CMOs are also making staffing choices that may have significant cost implications. Most notably, he said,

> *A lot of the CMOs have a disproportionate share of young teachers who are less expensive and as a result that helps their operating bottom line, but it's unclear—given the importance of culture in these schools—whether the turnover which helps sustain the lower cost levels is sustainable and whether it helps sustain the effectiveness of the schools . . . the cost of re-acculturating teachers could be significant.*

Each of these organizations is using a different mix of funding assumptions and trying to find an acceptable range of outcomes, yet there is very little evidence about the actual costs and benefits of any one approach. The group agreed that cost savings are possible, even necessary, for many CMOs, but it was clear that there is no easy answer for how that can be accomplished. Steven Frank (Education Resource Strategies) questioned, for example, whether CMO schools really need to be as small as they are, citing the inefficiencies he has observed in the small schools movement in Chicago. But Ken Zeff said that Green Dot's experience is that larger student enrollment is not necessarily a cost savings, as each site has its own athletics, special education, security, and other costs. "You can't just grow your way out of this," he said.

Cross subsidization

One way for CMOs to reduce their costs may be to reduce their services to mature schools that no longer need a lot of central support. Don Shalvey said generally CMOs are not doing that; in fact, as CMOs grow they are starting to charge mature schools for services above and beyond their management fees in order to subsidize school start-up. Attendees agreed this was going to be the trend moving forward.

Jim Ford suggested that there are major public policy questions associated with cross subsidization of CMO schools, especially those that are moving money to subsidize schools from one state to another or one tax base to another: "To me that is the ticking time bomb for CMOs." As Paul Hill pointed out, one reason for creating charter schools was to say that individual schools get their money and "that's it." Cross subsidization, Hill argued, recreates school district financial structures where schools are allocated people, books, and buildings based on how many students they have, but do not control their budgets. Instead their money is allocated according to central office decisions about what is good for the network.

Some CMO leaders at the meeting argued that CMOs should be able to move their money in whatever ways they choose as long as they are delivering on their achievement accountability agreements and the money comes from management fees as opposed to funds budgeted for school operations. All recognized, however, that there is a great diversity of CMO operators and those at the meeting are not representative of all. There will continue to be CMOs that have financial practices that most in the room would not consider appropriate. Jim Ford warned, "There's a whole laundry list of 'CMOs' out there that are just disasters waiting to happen and that will blow up on everybody in this room."

What was clear from this discussion is that improving CMO efficiency could allow many more CMOs to reduce their reliance on philanthropy, but there is almost no evidence about the cost-benefit trade-offs involved in these decisions.

"There's a whole laundry list of 'CMOs' out there that are just disasters waiting to happen and that will blow up on everybody in this room."

Jim Ford,
Raza Development Fund

"There's a well-trodden path on start-up charter schools. It's the conversions that are the big challenge."

Ken Zeff,
Green Dot Public Schools

Politically and Financially, CMOs Need to Figure Out How to Do More School Turnarounds

If there is going to be more scrutiny around CMO cost structure, Ken Zeff argued that it should be focused on the finances of turning around existing low-performing schools. He argues that turnarounds are "fundamentally different animals" than new charter schools, because CMOs must work with a student population already in an existing building rather than having the luxury of choosing ideal school size and growing grade by grade. Green Dot estimates that a turnaround the size of Locke, an approximately 3,000-student high school, could require $3M in one-time costs in the first year alone. Even if a school district provides the CMO with a free building as part of the turnaround deal, the deferred maintenance costs on those often long-neglected buildings can be costlier for the CMO than if the CMO had to find its own building site. What's more, CMOs taking this approach to turnarounds lose the potential to build student culture grade by grade, suffering an unknown opportunity cost in student outcomes.

Successfully turning around the nations' lowest-performing five percent of public schools is a high-profile goal of Secretary Arne Duncan and the Obama Administration, but CMOs are not well positioned to meet that need.

The group discussed the importance of either finding ways to reduce the costs of school turnarounds or finding more public or private money to encourage more CMOs to take them on. Successfully turning around the nations' lowest-performing five percent of public schools is a high-profile goal of Secretary Arne Duncan and the Obama Administration, but CMOs are not well positioned to meet that need.[6] In the case of New Orleans and many other urban districts, districts are regularly replacing low-performing schools with charter schools. In New Orleans, there is such a need to replace existing poor-performing schools that the Recovery School District will no longer support brand new school openings.

6. CRPE's recent survey of CMOs showed that existing CMOs plan to open fewer than 400 new schools by 2015, and few are interested in taking over existing low-performing schools.

While clearly CMOs need a more financially viable approach to school turnarounds, participants also stressed that districts and states that are serious about partnering with CMOs for turnarounds must offer economically viable revenues, facilities, and operational arrangements (such as adequate autonomy). As Jay Altman put it, "The costs of doing a turnaround are greater because of all the resources you have to pour in to change the culture and catch kids up. In the UK they understand that and give you extra money, over a million pounds, to do a turnaround."

Eric Premack asked whether there should be different academic expectations for CMOs that take on a full school rather than building grade by grade. Many funders want CMOs to be able to demonstrate high levels of achievement and may even require quick results as a condition for funding. Premack argued that in the case of transformation, it may be appropriate, at least for some period, to expect only that students are better off in a CMO-run school than they were when the school was run by the district.

Given the public policy interest in public school turnarounds, it seemed apparent to this group that cost-effective turnaround models and investment strategies are needed.

"The costs of doing a turnaround are greater because of all the resources you have to pour in to change the culture and catch kids up."

Jay Altman,
FirstLine Schools

"It's not about technology; it's about getting rid of the model that it's about one teacher all day long and for every subject."

Stephen Frank, Education Resource Strategies

Technology and Innovation Are Critical Paths to Sustainability

CMOs are not alone in facing a daunting financial situation. Marguerite Roza's work at CRPE shows that public school districts will face serious financial difficulties over the next decade as tighter revenues hit up against highly inflationary labor, pension, and health care costs. For Roza, this implies that we need "next generation" models that can get better outcomes at the same or lower cost by applying technology in innovative ways, including replacing labor with technology, using technology to better target student learning needs, and breaking down supply chains in public schooling so that services can be delivered as efficiently as possible.

Using technology to lower costs improves scalability. Though there was disagreement about whether CMOs need to shift their business models, everyone seemed to believe in the potential for new technologies and the importance of experimentation. Some participants pointed out, however, that it is probably not right to call it "next generation" schooling. "It's already here and it's huge," said Eric Premack. Many districts, charter schools, and private schools are employing technology extremely well and there is a huge amount of private capital investment going into these models. New York City's Department of Education, for instance, has created an innovation zone (iZone) that district leaders hope will eventually lead to the creation of 300 technology-based schools similar to NYC's School of One.

Though there was disagreement about whether CMOs need to shift their business models, everyone seemed to believe in the potential for new technologies and the importance of experimentation.

A promising approach

One model that generated a lot of interest at the meeting is Rocketship Education, a CMO that promises to produce quality outcomes while operating a financially self-sustaining business model. Rocketship departs from the traditional online programs by combining teacher-led instruction with online instruction. Students spend about 25 percent of their school time doing computer-based curriculum, mostly to practice basic skills. Computer time, which is a two-hour period a day with no need for teachers, allows Rocketship to save 25 percent of salary cost ($500,000/year). John Danner explained that computers work well for reviewing basic skills, while Rocketship teachers focus mostly on critical thinking. The money saved goes into principal training, mentors, Response to Invention,[7] and salaries for teachers, which are 25 percent higher than salaries at nearby public schools. "This is a zero margin industry and there is no case where zero percent margin industries have spent enough money on R&D [research and development] to do anything

7. This is an approach to identifying and addressing student learning deficiencies.

interesting," said Danner. "We thought of this as how do we get it to not be a zero percent margin because as soon as you get cash you can invest in stuff."

There are now two Rocketship schools in operation that Danner said operate at a surplus, but the goal is to eventually run thousands of schools. The plan is to eventually get to 50 percent online instruction. Because they will only employ about 10 teachers per school and will offer salaries twice as high as in conventional schools, Danner is optimistic that it will be easier for him to attract the needed talent to increase scale. Rocketship's building "footprint" requirements are also smaller than most CMO needs because of the low staffing. Danner said his model is unique because it prioritizes surplus dollars. "If all you're doing is throwing bodies at problems, pretty soon you need more people to manage the bodies."

The Rocketship financial model is driven by the need to cover operating costs with revenue. "If you want to have thousands of schools you immediately have to be cash flow positive," Danner said. "You can't possibly raise enough money if any school is not cash flow positive on day one." Rocketship Education still has a long way to go to prove that the organization can maintain quality with a very ambitious growth plan, but many at the meeting were excited about its potential. Jim Ford has taken a look at Rocketship's financials and instructional models and is impressed at how Rocketship is "driven by, frankly, a strong business approach. He [John Danner] started with the understanding that academic results were key, then he back-ended everything to meet his goals, including financial viability." Ford said he is struck by Rocketship's emphasis on engaging the community, using academic best practices, paying people well, and trying to retain people.

Overall, Rocketship's model provided a stark contrast to the other CMO financial models discussed during the day. "Rocketship is so radically different from other models like KIPP and Achievement First," noted Tom Toch. "Is someone right and someone wrong?" Attendees pointed out that the issue is not right or wrong, but a practical question of sustainability. If Rocketship can prosper in places like California where the public funding is low, questions of right or wrong are replaced by questions of survivability. Eric Premack put it plainly: "I don't see those [conventional] models as being sustainable without massive tax increases."

If Rocketship can prosper in places like California where the public funding is low, questions of right or wrong are replaced by questions of survivability.

"It's not about technology. It's about spending money more efficiently."

Brian Kates, Charter School Growth Fund

Cost trade-offs

Brian Kates (Charter School Growth Fund) suggested that there may be ways for KIPP and others to survive without going to a technology model. For example, if they opened K–5s to feed into their middle schools that may eliminate need (and cost) to catch kids up. He argued that CMOs need to start thinking in terms (similar to Rocketship) of where do I get my biggest cost trade-offs? "It's not about technology," Kates said. "It's about spending money more efficiently."

Ultimately, attendees stressed the importance of each CMO having a realistic business plan that can support whatever growth goal it has, whether it is five or one thousand schools. It may not be reasonable to ask Achievement First, or another CMO with a completely different goal in mind, to change what they are doing in order to open many more schools. Chris Barbic sees YES Prep and Achievement First-type CMOs coexisting with Rocketship types. As he explained:

> *We can't start looking like school districts and become complacent—we have to keep innovating. But the question is not teacher quality or technology—it's how do you leverage technology to make great teachers better? Do I see us trying to do this [Rocketship model]? Probably not. Do I see us trying to leverage technology to make our teachers better and make their lives easier so that someone who might stick around for three years now sticks around for seven? Yeah. We've already started doing that.*

Don Shalvey warned that although it is important for CMOs to innovate, it may be harder than people think. When Aspire dropped its multi-age strategy to increase test scores, they lost a large number of teachers who saw that as "going south" of the model they had signed up for. Shalvey said, "What Rocketship is doing is a totally different mindset, and the cultural shift will be hard." He also pointed out that some CMOs cannot afford to have test scores lapse while they try out new ideas. Shalvey suggested there may be a need for some "skunkworks" (a group within an organization given a high degree of autonomy and unhampered by bureaucracy) or district innovation zones for CMOs to try out new ideas without having the test scores count against them.

Bullish on technology

The group discussed concerns about a heavy reliance on technology. These included a question of the costs of so much computer-based instruction, such as lack of social-emotional interactions, especially for younger students. Others countered that, as Marguerite Roza put it, "We are the last generation that thinks [sitting in teacher-directed instruction] is a normal way to be, especially as a five-year-old boy." Danner commented that he is more worried about the quality of online learning that is currently available. He also cited management capacity in the field and the politics of school boards as problems he is working to solve.

Despite all of these cautions, overall the group was bullish on technology. Some felt strongly that technology will be a critical component for CMOs wishing to scale beyond a small number of schools. Ken Zeff, for instance, said that while CMOs should look at innovative pay systems for teachers, career ladders, and other ideas, "to make the numbers work it's going to have to [include] some technology." Don Shalvey said he is optimistic that the use of blended learning models like Rocketship will become much more widespread as computer software gets better, more states allow for online course taking, and kids get used to learning online.

The group did not assert that any one particular model or use of technology would be the answer for current or future CMOs. It was evident, though, that the CMO sector needs to recognize that if it does not embrace innovation and strive for greater productivity, many CMOs could find themselves out of favor with investors. Don Shalvey (Bill & Melinda Gates Foundation) put the funding situation starkly:

> *We're at a point where this could become Darwin's waiting room. Where a few get to go on and others don't. There are limited dollars. And those who get to go on do so because the conditions are right. We'll get to the point where we pick some and that will predict what the future will look like.*

"To make the numbers work it's going to have to [include] some technology."

Ken Zeff,
Green Dot Public Schools

"If you looked at the differences (in staffing structure, more generalist teachers, fewer aides) between charter schools and district schools, they may bear out whether the charter school is connected to a CMO or not."

Paul Hill,
Center on Reinventing
Public Education

"Every CMO budgets different things in each of those 66 lines, so it's virtually impossible to do a headquarter to headquarter analysis or a schools-only to schools-only analysis."

Rich O'Neill,
Renaissance School
Services

Spending Comparisons Between CMOs and School Districts Are Hard to Do and Not Likely to Yield Much Payoff

Discussion of the financing of CMOs inevitably leads to questions about how CMO spending compares to school districts. Are CMOs more or less expensive than school districts? Are they spending their money more or less effectively? This meeting did not set out to answer those questions, but the sponsoring organizations did ask participants to weigh in on what kinds of CMO and district comparisons are possible, what analysis has been done or should be done, and what are the best ways to compare these two models. To focus the conversation, Noah Wepman (Independent Consultant) presented a comparative analysis of YES Prep and Houston Independent School District (HISD) finances.

Difficult to compare

Wepman's analysis provided interesting fodder for discussion, but also raised questions about the practicality and value of making these comparisons. For many reasons, it is extremely challenging to make true CMO to district comparisons. First, the available accounting categories do not necessarily match up. For example, a CMO may count instructional coaches as a school level cost while a district counts them as a district service or a CMO may ask lead teachers to provide instructional coaching and not call them coaching services. Rich O'Neill, who runs a service that aggregates and reports on CMO finances, said there is an extensive range in how CMOs use their money. He uses 66 accounting categories and "every CMO budgets different things in each of those 66 lines, so it's virtually impossible to do a headquarter to headquarter analysis or a schools-only to schools-only analysis." True apples-to-apples comparisons of how each entity spends its money would require time-consuming data gathering with district and CMO cooperation to ensure consistent categorization of spending.

Second, the costs associated with CMO scale up (discussed above) are not comparable to a typical school district's much more static operations cost. CMOs may be purchasing or building three to five new facilities per year compared to school districts that rarely build new facilities. YES Prep's CFO, Robert McBurnett, said that once the organization reaches its target for sustainable size, its per-pupil facilities costs will be less than Houston's facilities costs, due to differences in square footage, though that is speculative as they are still getting to scale.

Even if you had consistent spending categories, an appropriate comparison would have to take into account the true costs each entity faces. Eric Premack believes that CMOs are probably not dealing with students with the same level of disabilities and other challenges as their host districts. Marguerite Roza added that districts are often legally responsible for functions that CMOs may not be, such as transportation and adult education. Ultimately, the finance experts argued that districts are not going to take a CMO and district comparison seriously unless it accounts for those potential differences. At a minimum, student demographics have to be taken into account, such as the number of students with special needs and the severity of their needs.

CMO and district comparisons are interesting to pursue, but very expensive and difficult to do well and perhaps of limited value to influencing more effective district spending.

Utility of analysis

The fiscal analysts cautioned that an in-depth analysis in one city with one CMO may not be generalizable to other places in the country, as spending varies so greatly. Paul Hill further pointed out that any lessons about CMO spending may be as much a function of the charter school experience as much as the CMO experience, as CRPE's research has shown that stand-alone charter schools are also using their resources differently than district schools. He explained, "If you looked at the differences (in staffing structure, more generalist teachers, fewer aides) between charter schools and district schools, they may bear out whether the charter school is connected to a CMO or not."

Finally, participants were generally skeptical that even the best financial analysis of CMOs would prove influential in how districts spend their money. Kevin Hall pointed out that is because the CMO financial model—in which the school is the economic engine for growth—is a fundamentally different model from how districts understand their finances and how district schools are funded. Districts would likely also have a very difficult time implementing CMO-like spending, given union constraints.

Fiscal analysts at the meeting, however, noted that, like CMOs, many districts do not have a particularly sustainable model and might learn something from the choices CMOs are making and the risks they face. Marguerite Roza's research at CRPE shows that most districts have expenditures that have accelerated past revenues due to escalating labor, health care, and pension costs. "If you look at the public school model and you take it out eight years, it doesn't work . . . There's going to have to be major restructuring there," said Roza.

The sum total of the discussion was that CMO and district comparisons are interesting to pursue, but very expensive and difficult to do well and perhaps of limited value to influencing more effective district spending. Ultimately, the group seemed to reach the conclusion that spending time researching and analyzing CMO and district spending comparisons is, in the words of Jay Altman, not nearly as important as "understanding the conditions that will make it possible for more people to do (CMO) work effectively."

"I've yet to meet an authorizer with the financial acumen to analyze the financial statements for anyone in this room."

Rich O'Neill, Renaissance School Services

There Is Need for a Research and Development Strategy to Create Financially Sustainable CMOs

The points discussed above are important and merit attention from policymakers, funders, and CMO leaders. But this meeting was also designed to guide future analysis of CMOs by outlining an agenda and standards for future research.

Some of the CMO leaders and even some funders at the meeting were highly skeptical about the value of a lot more CMO research, arguing that instead, the foundations will simply have to continue to make bets on different CMOs out there and see which ones can scale with quality. Chris Barbic stated, "We just need to get to the size we need to get to and then see what happens." Brian Kates agreed with Barbic and chastised those who think we need to figure out all of the inputs or environment factors for successful CMOs. "That's what's wrong with public education," he said. Kates continued that we need to just "let the people who are doing it well keep growing so they can succeed. That's where you're going to have the big change happen."

Some of the CMO leaders and even some funders at the meeting were highly skeptical about the value of a lot more CMO research, arguing that instead, the foundations will simply have to continue to make bets on different CMOs out there and see which ones can scale with quality.

John Danner argued that a venture capitalist approach would allow people to experiment with a lot of different methods and then begin to "pattern match" elements of success. He was especially skeptical of efforts to analyze whether CMO business plans were realistic. "Any of these projections are crud until we're looking at a set of actuals," he said. "You'll start to see one [CMO] get over the hurdle and then another . . . That's what venture capitalists do—they make bets on management teams and they see who gets there and then they know."

Others felt just as strongly that the growth of the CMO sector should be informed by evidence, not just luck, and that research can play a vital role in informing funder "bets," helping CMO developers avoid mistakes others have made, and informing public officials who are responsible for monitoring outcomes and overseeing the responsible use of public dollars in CMOs.

This tension between practitioners and researchers is not unexpected. CMO leaders have intense and monumentally difficult work and are typically confident in their ability to succeed. They are probably not the right people to assess whether research is needed, but they do have a point. Research on innovation is not well established in education and should be designed carefully.

The following research guidelines might maximize knowledge in the field without intruding on entrepreneurial energy and investment.

Consider unique factors like growth investments

Research on CMOs and other innovative models in education should seek to understand issues that are unique to the sector and design studies around those factors. For example, financial analyses must recognize that growth is integral to the CMO business model and take that into consideration. While some have argued for CMO financial analyses to separate growth expenditures from other operating costs, none of the finance experts at this meeting could propose a reliable way to do that. Still, responsible assessments of CMO sustainability should at least note that CMOs typically fund new growth via private investment. If possible, financial analyses should track how a given CMO's reliance on philanthropy changes over time in relation to growth plans.

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Identify more efficient models

Research studies, some suggested, could help identify very efficient CMOs and understand what they were doing. For example, instead of comparing CMOs to districts, researchers could compare CMOs that appear to be sustainable to those that do not, and try to understand why. Given the funding variation by market, such a study would have to take markets into consideration and try to hold revenues constant. Given the demand for more effective turnaround providers, research could focus on studying the finances of turnaround and identifying ways to make turnarounds less costly for CMOs.

Analyze returns on investments (ROI)

Given the vast experimentation (with different grade configurations, etc.) underway among CMOs, well-designed studies could identify the payoff from different approaches. For example, do you get a "better bang for the buck" using the approach of longer school days with effective teachers? Or if you save money on teaching costs by increasing class size, do you get a better return on investment by reinvesting it in additional supports and interventions?

Given the vast experimentation (with different grade configurations, etc.) underway among CMOs, well-designed studies could identify the payoff from different approaches.

The assumption that scale brings efficiencies is central to the CMO idea, but based on this discussion, it is poorly evidenced.

Understand the relationship between scale and central costs

The assumption that scale brings efficiencies is central to the CMO idea, but based on this discussion, it is poorly evidenced. Research could help CMOs, their investors, and policy makers better understand: What are ways that other service sectors tackle diseconomies of scale? What is the typical life cycle of CMO or school district growth and are there predictable management system needs at different stages? Is there an optimal size of CMOs where performance and economies of scale peak? What is a sustainable growth rate? What are the trade-offs to growth? A potentially useful study would be a paired analysis of CMOs and districts of similar size to see if and how cost and organizational differences exist.

Define quality carefully

Research studying CMO outcomes have to take into account differences in student populations, such as special education, English language learners (ELL), and other special-needs populations. The best studies try to eliminate such self-selection biases that can occur in schools of choice, but Eric Premack noted that research also must consider outflow. He pointed out that many CMOs are free to stop taking students in 10th grade when other schools have to take students at all grade levels regardless of their needs or past performance. "If quality is part of the equation here we need some sort of a grip on what we mean when we say that."

"If quality is part of the equation here we need some sort of a grip on what we mean when we say that."

Eric Premack,
Charter School
Development Center

A key challenge for research assessing quality in innovation, however, is to recognize that not all innovations will produce quality results; failure is part of the innovation equation.

Assess the promise of "next generation" models

As innovative new approaches emerge in CMOs and elsewhere in the public education sector, evidence on early results will help inform scale up investments and support for replication. Research on blended models like Rocketship, for example, could ask, is it true that computers are as good as live teachers at drill and kill? Is there a social or emotional cost to computer-based instruction?

Help others become wise consumers of CMO financial statements

As CMOs continue to expand and apply for more charters, it is incumbent on authorizers (the districts and other agencies that oversee the charters) to understand the financial standing of the organization applying. Yet, as some at this meeting pointed out, they are not well equipped to do that as they are used to looking at individual school audits, not consolidated statements. As Rich O'Neill noted,

> *It's frightening how little capacity most authorizers have. They are terrified of scale because they don't have the slightest idea how to evaluate a CMO's performance [and] what to look at financially . . . I've yet to meet an authorizer with the financial acumen to analyze the financial statements for anyone in this room.*

Research can help inform this critical aspect of public oversight, by providing assessments of CMO financials or guidance on what to look for when reviewing those finances.

Track barriers to scale

Because CMO financing is so dependent on both public funding and access to facilities, and can also be negatively influenced by regulatory burdens, research could help by tracking these factors by state and community. It may also be helpful to assess how much regulatory burden is being added with a new piece of legislation or to track how much time schools are spending on regulatory related issues.

Because CMO financing is so dependent on both public funding and access to facilities, and can also be negatively influenced by regulatory burdens, research could help by tracking these factors by state and community.

“We have 3,500 kids and that’s just a drop in the bucket. Every day I feel like I’m on a bull waiting for the eight-second bell to go off.”

Chris Barbic,
YES Prep

A Final Word

Even more than demonstrating that they can become financially self-sustaining, the most urgent questions CMOs need to address are about how many charter schools they can be expected to start and operate. CMOs have proven that they can replicate a small number of quality schools. But are CMOs, at least those with large central offices and extensive involvement with every school, effective with only small numbers of schools? Can they grow without asking philanthropies to pay for every new school? Can they innovate and adapt to leaner economic realities? Can they find cost-effective ways to turn around thousands of low-performing schools? Can they grow without becoming costly, large bureaucracies?

Public policy clearly plays an important role in the future of CMOs, as access to decent and affordable facilities and equal per-pupil funding could be a game-changer, allowing CMOs to serve many more students. But if CMOs want to truly practice the “no excuses” strategy they espouse in their classrooms, they will not sit around waiting for legislative solutions. CMOs need to find new ways to help schools operate more efficiently, save money, innovate with new technologies, and adapt to leaner times.

CMOs need to find new ways to help schools operate more efficiently, save money, innovate with new technologies, and adapt to leaner times.

Meeting Participants

Jay Altman, *FirstLine Schools*

Chris Barbic, *YES Prep*

John Danner, *Rocketship Education*

Allison Demeritt, *Center on Reinventing Public Education*

Brianna Dusseault, *Center on Reinventing Public Education*

Jim Ford, *Raza Development Fund*

Stephen Frank, *Education Resource Strategies*

Kevin Hall, *Charter School Growth Fund*

Paul Hill, *Center on Reinventing Public Education*

Brian Kates, *Charter School Growth Fund*

Robin Lake, *Center on Reinventing Public Education*

Robert McBurnett, *YES Prep*

Rich O'Neill, *Renaissance School Services*

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Eric Premack, *Charter School Development Center*

Marguerite Roza, *Bill & Melinda Gates Foundation*

Don Shalvey, *Bill & Melinda Gates Foundation*

Nelson Smith, *National Alliance for Public Charter Schools*

Sheree Speakman, *Walton Family Foundation*

Tom Toch, *Association of Independent Schools of Greater Washington*

Noah Wepman, *Independent Consultant*

Ken Zeff, *Green Dot Public Schools*

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Allison Demeritt is a doctoral student in the Department of Sociology at the University of Washington and a researcher at the Center on Reinventing Public Education. Her background includes roles as a public finance analyst for an investment bank and as a product manager at Amazon.com. Allison's research centers on the principles of social organization underlying successful group-production processes. At CRPE, Allison has co-authored reports for the School Finance Redesign Project and the National Study of Charter Management Organization (CMO) Effectiveness, and will publish an analysis of the CMO lifecycle next year. Allison earned her A.B. at Princeton University and M.A. at the University of Washington, where she is currently working on a dissertation that examines how the social organization of schools affects student achievement.

The National Charter School Research Project (NCSRP) aims to bring rigor, evidence, and balance to the national charter school debate. For information and research on charter schools, please visit the NCSRP website at www.ncsrp.org. Original research, state-by-state charter school data, and links to charter school research from many sources can be found there.

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