

Charter School Incubators: Overview

The Challenge

- » Number of school-age kids in poverty: **8,867,980**
- » Approximate percentage of low-income students not proficient on NAEP: **84% math; 81% reading**
- » Number of students in charter schools: **1,620,316 (3.3% of all public school students)**
- » Number of charter schools: **4,919 (5.1% of all public schools)**
- » Number of schools added each year by the average CMO: **1.3**
- » Number of CMOs operating more than ten charter schools: **15**
- » Approximate number of students in five top-performing CMOs: **48,000**
- » Percentage of districts without any charter schools: **89%**
- » Percentage of charter schools outperforming comparable district schools: **17%**
- » Approximate number of students in these charter schools: **275,000**
- » Estimated number of students on charter school waiting lists: **420,000**
- » Bottom line: **The need for high-quality charter schools far exceeds current supply.**ⁱ

CMOs Responding to the Challenge – Promise and Limits

Charter management organizations (CMOs) are nonprofit organizations that start and manage networks of public charter schools. They aim to take successful models to scale by providing centralized services and management in support of a standard school model. CMOs were developed “to meld the benefits of school districts--including economies of scale, collaboration among similar schools, and support structures--with the autonomies and entrepreneurial drive of the charter sector.” Some CMOs, including the Knowledge Is Power Program (KIPP), Aspire Public Schools, Uncommon Schools, and Achievement First, have achieved exceptional results, attracting the attention of funders and the public. CMOs benefit students most in need, serving higher percentages of minority students and students who qualify for the federal Free and Reduced-Price Lunch program than their host districts, and higher percentages than charter schools nationally.

In spite of their promise, CMOs--and particularly top CMOs--reach only a fraction of the students who could benefit from their offerings. In fall 2008, there were 82 CMOs operating approximately 562 schools serving 144,000 students. In addition, CMOs are not evenly distributed, with 67 percent of all CMOs in just five states (CA, TX, AZ, OH, and IL). In 2008, nearly half of all states with charter laws did not have any CMOs operating within their boundaries. CMOs are more dominant in some major urban areas. For example, CMOs make up 47 percent of the charter market in New Orleans, and over 25% in eight other major urban areas.

CMOs looking to expand often face imposing barriers in new markets, including policies that cap charter school growth, limits on facilities and operational funding for charters, and a limited pool of charter authorizers. Moving into a new geography poses ground-level challenges too, including attracting highly-effective teachers and school leaders who understand and agree with the CMO’s model, and dealing with local or district leadership that may be hostile to charters and eager to restrain their growth. Before expanding to any new locality, CMOs must invest substantial time and resources getting to know the locality, including its policies and key players.

Perhaps as a consequence of the massive challenges of expansion, the vast majority of CMOs operate fewer than seven schools. Only 18 percent (15 CMOs) operate more than ten. Five CMOs widely regarded as among the sector’s best--Achievement First, Green Dot, High Tech High, KIPP, and Uncommon Schools--together operate only 141 schools and serve just 48,000 students. CMOs add, on average, just 1.3 schools a year, with “rapid expanders” growing by two schools a year. Looking to the future, some CMOs have no intention of growing larger than four or five schools. Around half of the CMOs in one recent survey (14 of 29) plan to open ten or fewer schools by 2025; only five aim to open 30 or more schools during that period.

Charter School Incubators - A New Approach

Charter school incubators recruit, select, train, support, and evaluate promising charter leaders. They offer these leaders hands-on support, technical assistance, help securing funding, expertise in finding facilities or obtaining facilities financing, and other assistance.

By offering intensive support and assistance to charter school founders, incubators aim to build the supply of high-quality charter schools and CMOs, but without engaging directly in school management as CMOs do. Charter school incubators are a new innovation, with pioneering organizations like those summarized below launching their programs only in the past few years.

New Schools for New Orleans (NSNO). NSNO has launched over 13 schools in the past three years. In the first two years of its incubation program, it recruited, selected, and trained aspiring charter founders over a yearlong fellowship program. Currently, NSNO has shifted its school development program to increase its focus on supporting the expansion of the highest-performing existing charter schools in the city. Over the next five years, NSNO aims to launch 19 more schools.

Charter School Partners. Charter School Partners, a selective incubator for new charter schools in Minnesota, offers a competitive fellowship program that identifies high-potential instructional leaders with the passion, experience, and capacity to start up and lead high-performing charters in Minnesota's most underserved communities. The incubator supports fellows through a two-year pre-operational process that provides local charter expertise, enhanced instructional leadership, organizational leadership skills, and a strong network of community supporters. Charter School Partners is currently working with two schools and plans to add up to five additional schools to their portfolio in 2011, to open in 2013.

The Center for Charter School Excellence in Tennessee (CCSETN). The first statewide charter school incubator in the country, CCSETN launched in 2009. The incubator will contract with nationally-leading fellowship training programs, and will work with its new school leaders to help manage critical school launch activities in areas including talent recruitment, board development and training, and facilities identification and financing. It will also provide funding to new schools in their early years, and will deliver capacity-building services such as school reviews, funded site visits to other high-performing charter schools, data-driven instruction coaching, and operating grants. CCSETN plans to launch 22 new schools in Nashville and Memphis over the next four years, while also providing support services to existing high-performing charters in these markets.

4.0 Schools. 4.0 Schools is a regional incubator focused on eight southeastern states. The organization will offer a one-year fellowship to school founders. Four-person teams composed of founders and pre-screened leaders in the areas of finance/operations, instruction, and data will then attend a one-year "academy" of classroom experiences, residencies, and simulations. After this, 4.0 Schools will provide the teams with three years of support, assessment, reviews, and coaching as they open and operate new schools. At the end of the three-year period, low performers will be given one year to improve before being removed from the 4.0 Schools' network, while high performers will have loans forgiven and be granted increased autonomy and the opportunity to launch more schools or spin out services or tools to improve instruction or operations in other schools. 4.0 Schools plans to launch 45 schools in its first five years and 100 schools by the end of year nine, and a total of 357 schools by 2030.

ⁱ For sources consulted in the creation of this document, contact Joe_Ableidinger@publicimpact.com