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The State of the Charter School Movement

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Overview

This briefing book reviews the current state of play of the charter school movement, recent accomplishments, and opportunities and challenges going forward.

Contents	
Section 1: Current state and accomplishments	
a)	Growth of the charter sector
b)	Growth of Charter Management Organizations (CMOs)
c)	Demographics of charter school students
d)	Charter school performance
e)	Trends in charter school authorizing
f)	Experiences of high-market-share cities
Section 2: Future challenges	
a)	Charter growth projections
b)	Potential barriers to growth


The charter movement has made significant progress in the past five years

Charter Schools

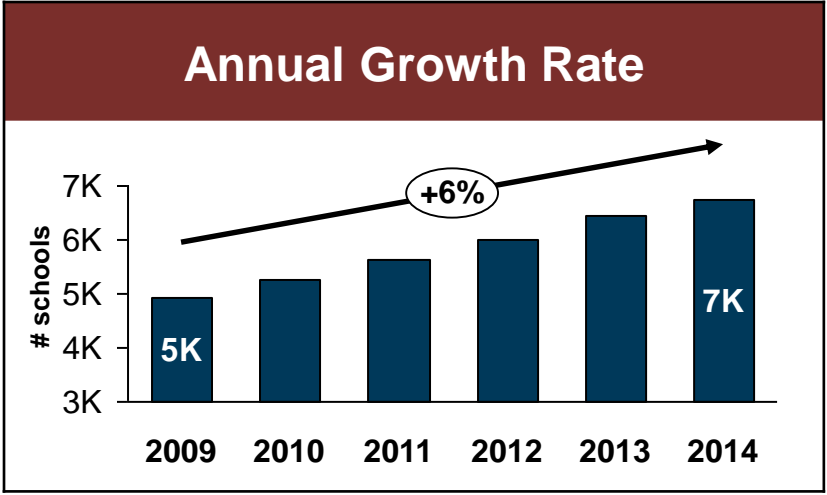


6,723
schools in the United States


Charter Enrollment



2.9M
students



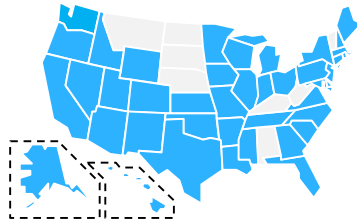
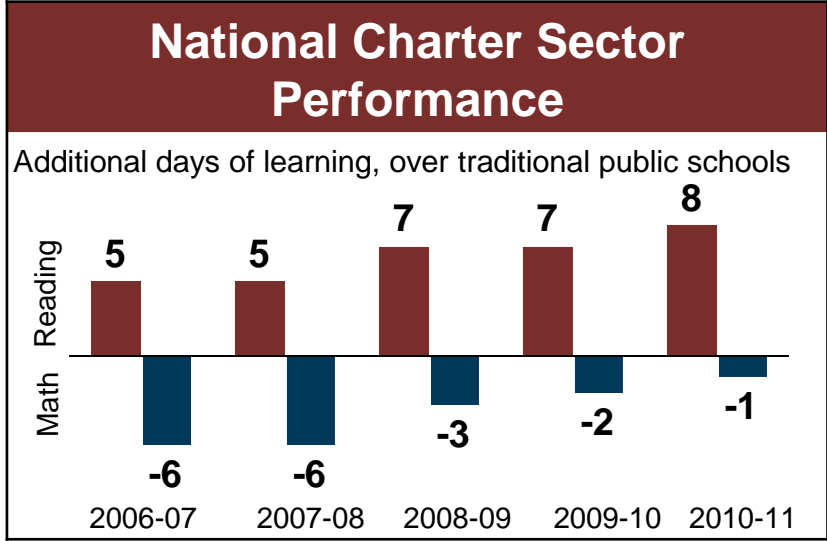
Charter School Enrollment Share



6%
of total public school enrollment

States with Charter Laws

43* States (and D.C.)

*Washington State's charter law is currently facing legal challenges and its status is uncertain.

The charter sector has grown while improving performance and achieving advocacy wins

Growth



- **Sustained annual growth** in the number of charter schools & percentage of students enrolled
- **High charter market share in a small but growing number of cities** (e.g., New Orleans, D.C.), demonstrating a new model of organizing public education
- **High-performing CMOs comprise increasing share of charter growth** and some have reached unprecedented scale while maintaining strong performance

Performance



- New research shows that **charters are improving student achievement**:
 - in the **aggregate**,
 - in **major cities**, and
 - for historically **underserved student subgroups**
- Charter performance has **improved over time**
- A subset of charters are using **technology** to create new school models

Policy



- Charter movement has achieved significant **policy and advocacy wins**
 - Passage of **charter laws** in several states
 - Progress on **funding equity** in 15 states
 - Advocacy wins in New York and California demonstrate increasing **political clout** and **sophistication**
- The **debate** is no longer about whether charters should exist at all but about the **role they play** in public education, their **pace of growth**, and **quality**

The movement also faces real challenges going forward

Scaling



- **Lack of access to facilities**
- Insufficient pipeline of high-quality **human capital**
- Effective **board governance** will be increasingly challenging as sector scales
- Building a **pipeline** of quality **new schools**: new starts, replicators, and continued expansion of high-performing CMOs
- Issues with securing **start-up capital** for both new and replicating schools
- Reliance on a relatively **narrow base of philanthropic support**

Policy & Politics



- **Political opposition will intensify** as movement grows and salience of other reform issues fades
- **State policies** continue to create **barriers to scale** or **undermine quality**
- **Inequitable funding** for operations and facilities
- Charter **political capacity and sophistication remain weak**
- **Lack of racial and ethnic diversity** among charter leaders

Quality



- **Ineffective authorizing** remains a significant challenge
- Too many **poor-performing charter schools** continue to exist
- Growing **concerns about equity** and whether charters truly serve all students (e.g., students with special needs, backfilling, etc.)

As charter schools achieve increasing market share, they face a host of new challenges associated with being a majority provider of public education

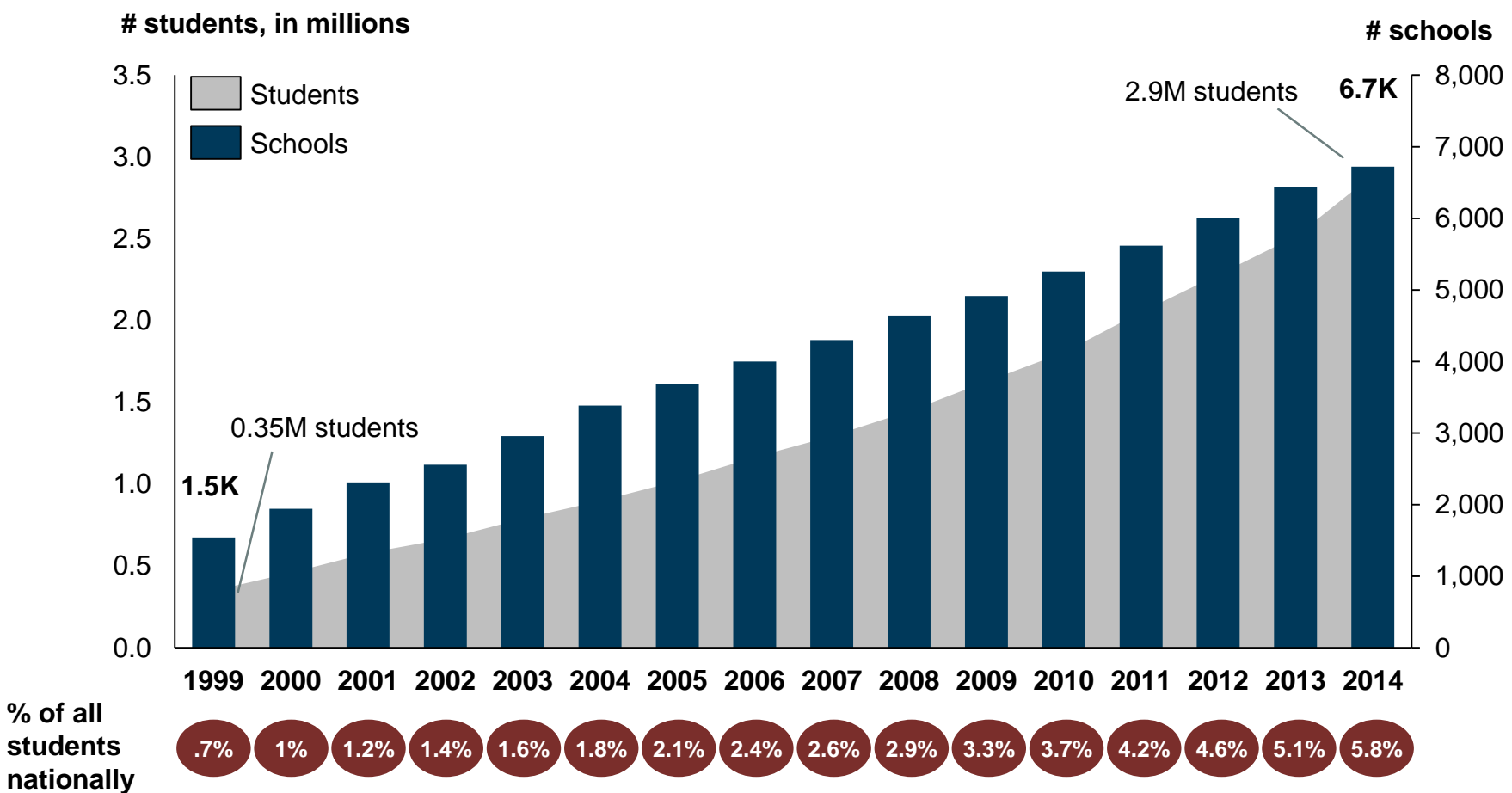


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Current state and accomplishments

The number of charter schools and students has grown rapidly over the past 15 years

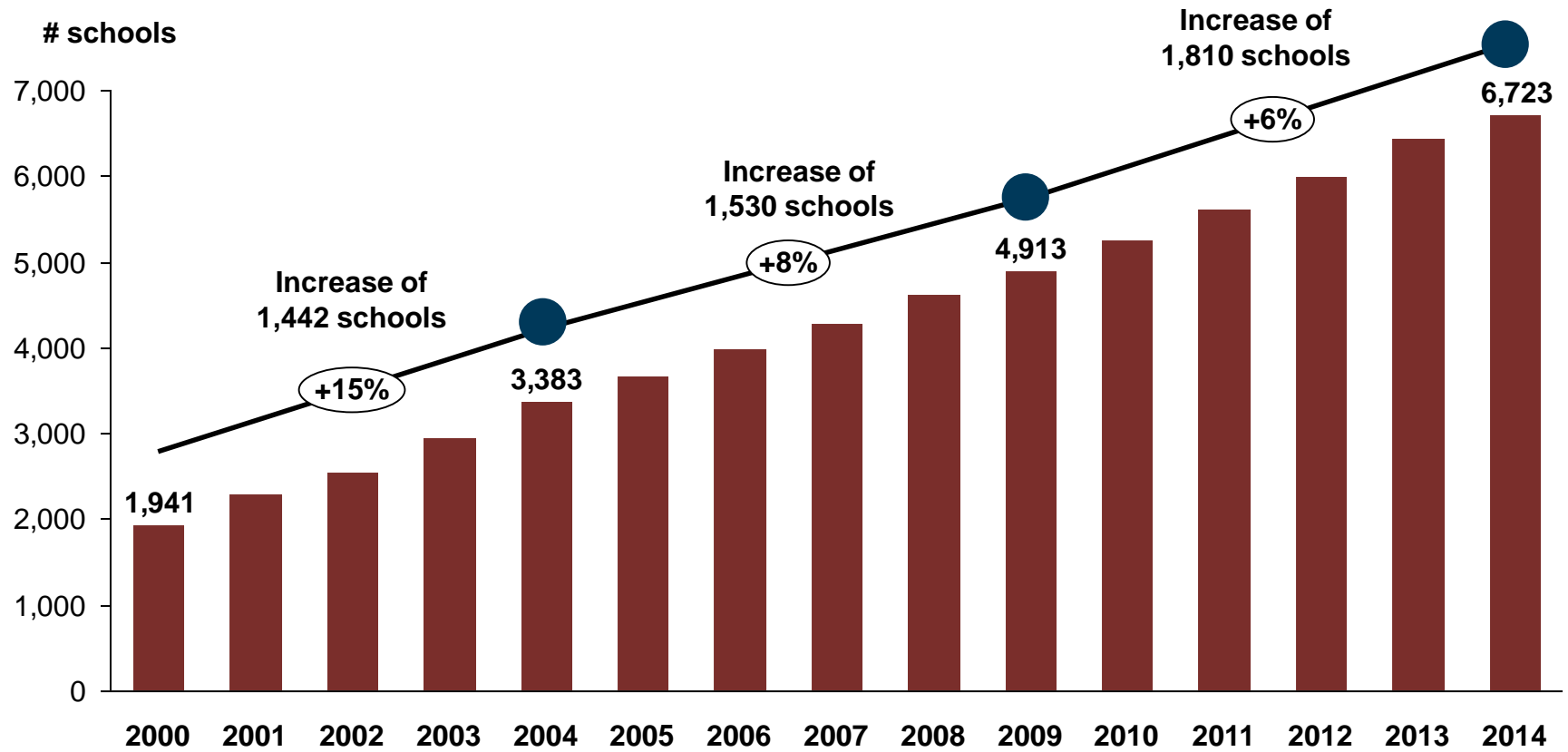
Number of Charter Schools and Student Enrollment by Year



Sources: NAPCS National Data, 1999-2014; NCES 2013, 2014.

There are now over 6,700 charter schools, more than triple the number that existed in 2000

Number of Charter Schools and Compound Annual Growth Rate (CAGR)

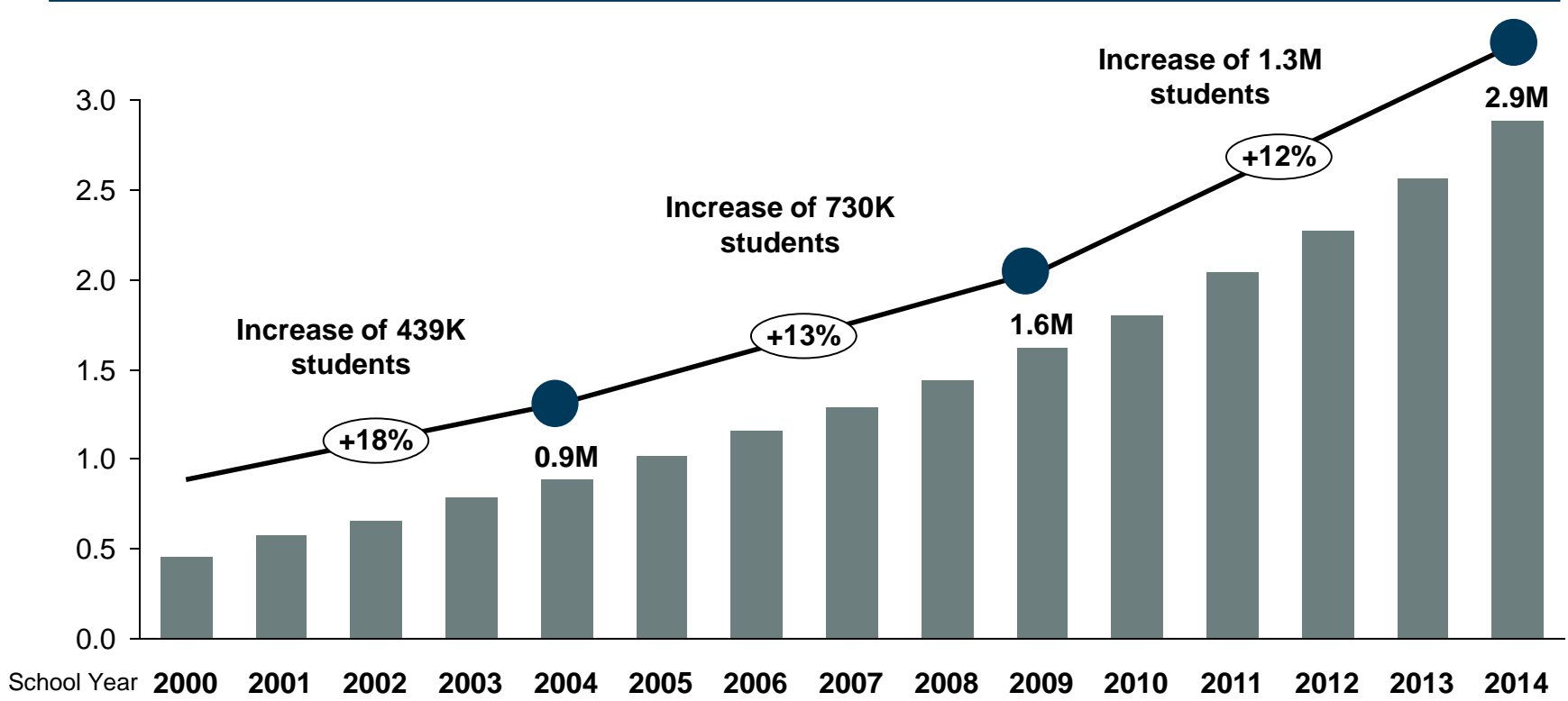


Although the growth rate from 2005-2015 is lower than the rate from 2000-2005, the number of additional charter schools opening each year has kept pace.

Sources: NAPCS National Data, 2000-2014.

Charter student enrollment has grown even more rapidly than the number of charter schools

Total Charter Enrollment Nationwide
SY '99 – SY '13, in millions



Notes

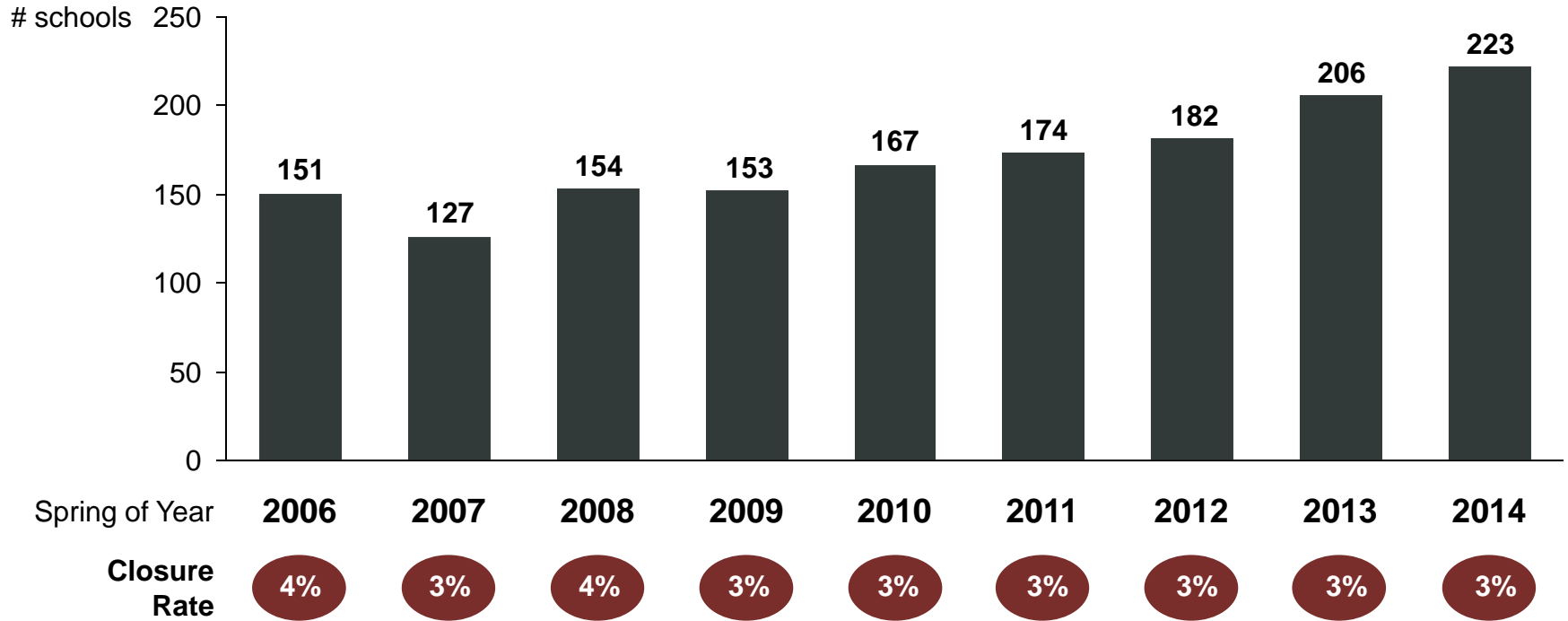
- Student enrollment grew more rapidly than the number of schools due in part to schools that added grades to grow over time
- Virtual schools, which enroll large numbers of students, also contributed to rapid enrollment growth

Source: NAPCS National Data, 2000-2014.

The number of charter school closures has also increased

Number of Closed Charter Schools Nationwide

By year



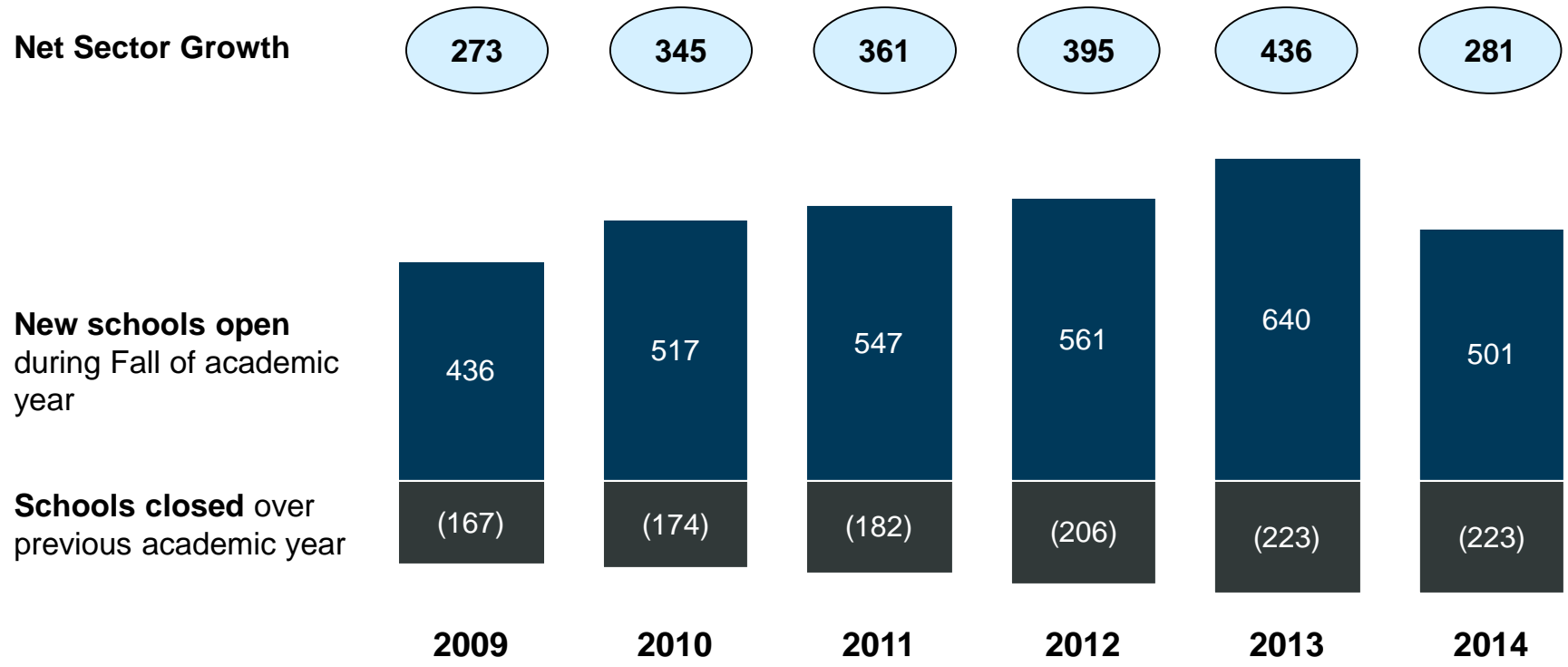
Key Takeaways

- More than 1,100 charter schools closed in the past five years
- Although the number of closures grew, the percentage of schools closed remained constant at 3-4%
- While closures occur for a variety of reasons, authorizers are increasingly closing schools for poor academic performance
- Evidence indicates that closures contribute to improved sector performance

Source: NAPCS 2006-2014. Schools typically closed during the summer after the school year indicated ended.

Due to closures, annual sector-wide growth rates understate the pace of new school creation

Charter Sector Annual School Growth

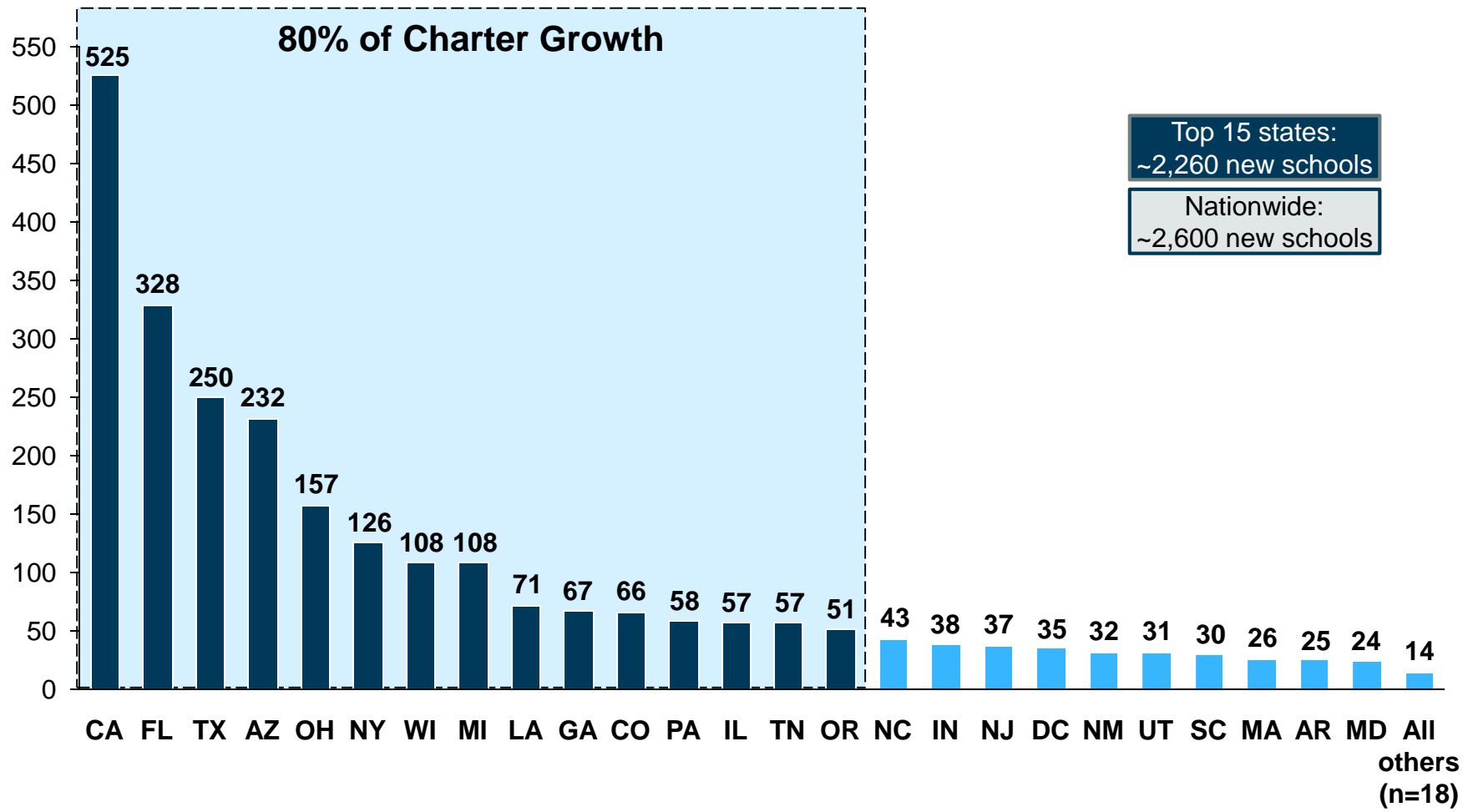


Key Takeaways

- Over the past six years, **nearly 10% of charter schools each year were new**
- Sustaining the **current rate** of charter **growth** required an even **higher rate of new school creation to compensate for closures**
- In general: Net Sector Growth = (new schools created – schools closed); numbers do not sum exactly due to changes in data collection methods or how individual schools are counted from year to year

15 states account for over 80 percent of new charter schools in the past five years

New Charters Opened, by State, from School Years 2010 to 2014

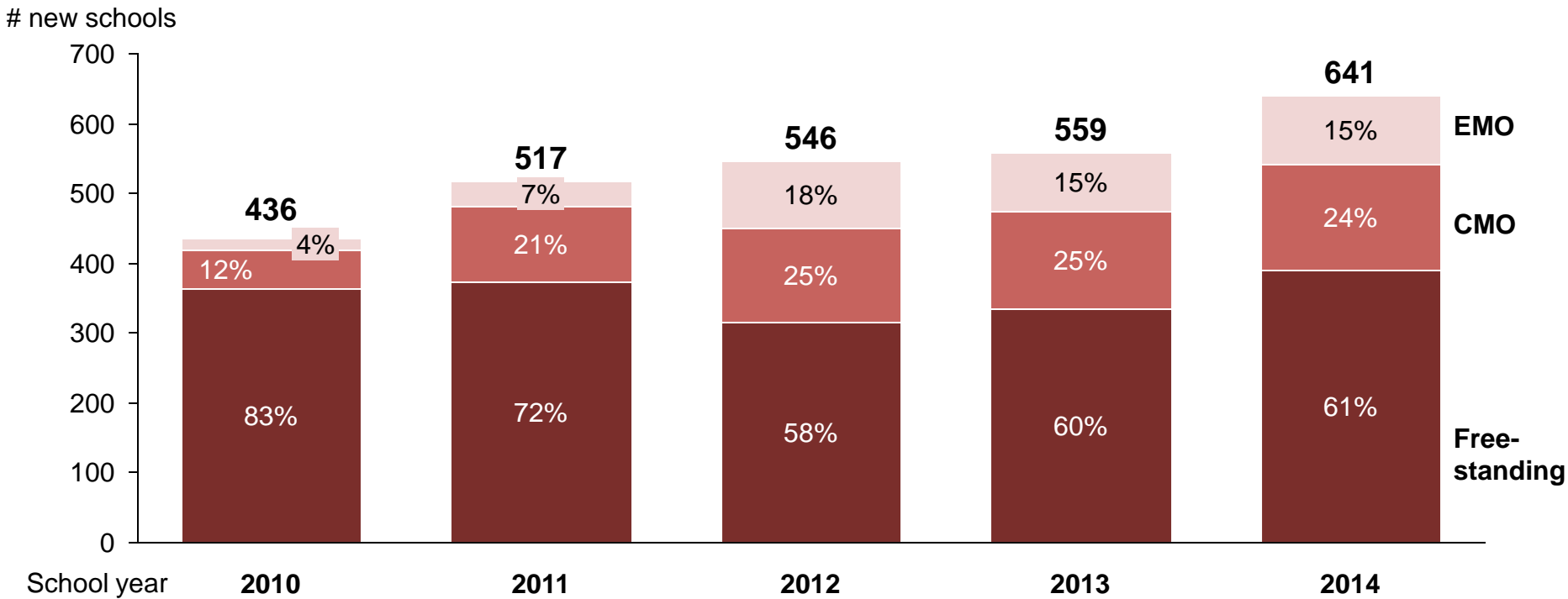


Source: Analysis of NAPCS dataset.

CMOs account for 22 percent of new charter schools created in the same time frame

Number and Percentage of New Charter Schools

By operator type and school year



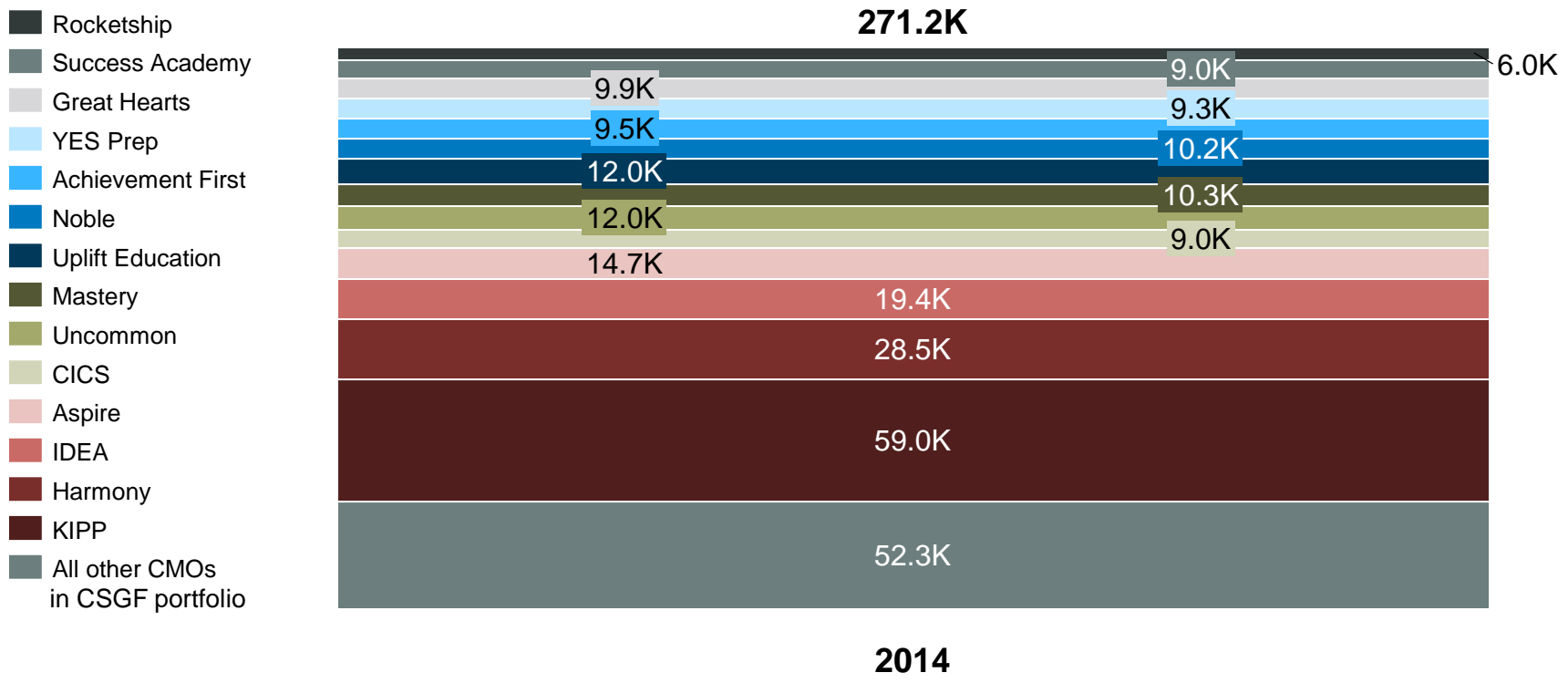
Definitions	Education Management Organization (EMO)	Charter Management Organization (CMO)	Freestanding Charters
	For-profit operator that operated multiple public charter schools during this time period, including virtual operators	Nonprofit operator that operated more than four public charter schools during this time period	Charter schools not connected to any CMO or EMO

Source: NAPCS National Data, 2010-2014.

High-performing, nationally recognized CMOs now serve nearly 300,000 students

Total Student Enrollment by CMO

Includes all CMOs in Charter School Growth Fund (CSGF) portfolio, KIPP, and Harmony



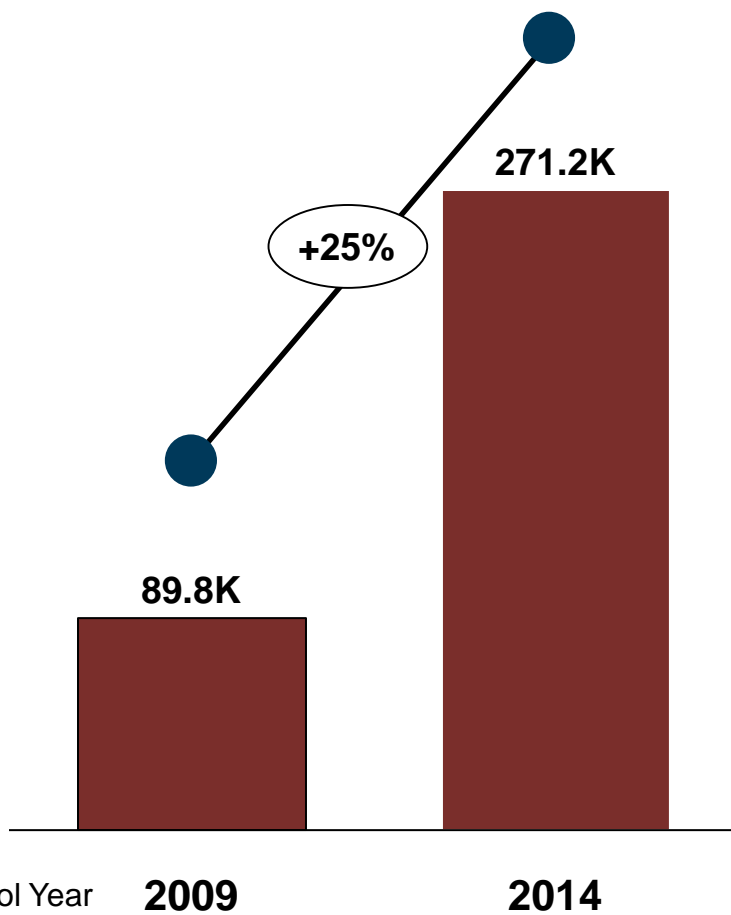
Notes

- Includes data for Charter School Growth Fund’s current portfolio and alumni, additional KIPP regions not included in the CSGF portfolio, and Harmony Schools (2nd-largest national operator after KIPP)
- These CMOs serve about 9 percent of all charter school students

This set of CMOs has grown at twice the national charter sector rate

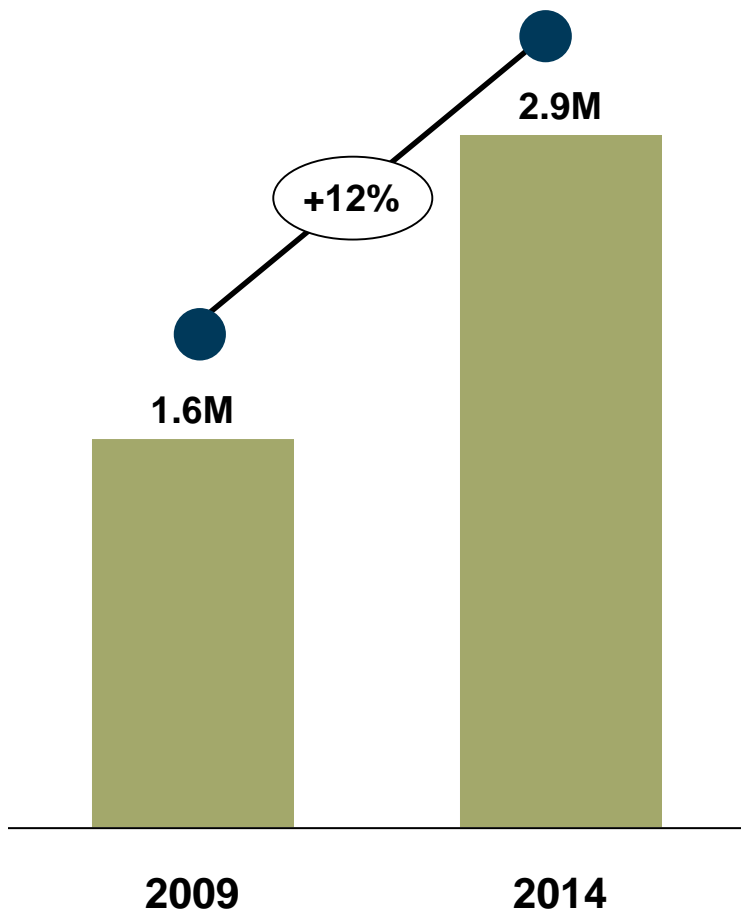
Total Student Enrollment

In high-performing, nationally recognized CMOs



Total Student Enrollment

In all charter schools, nationally

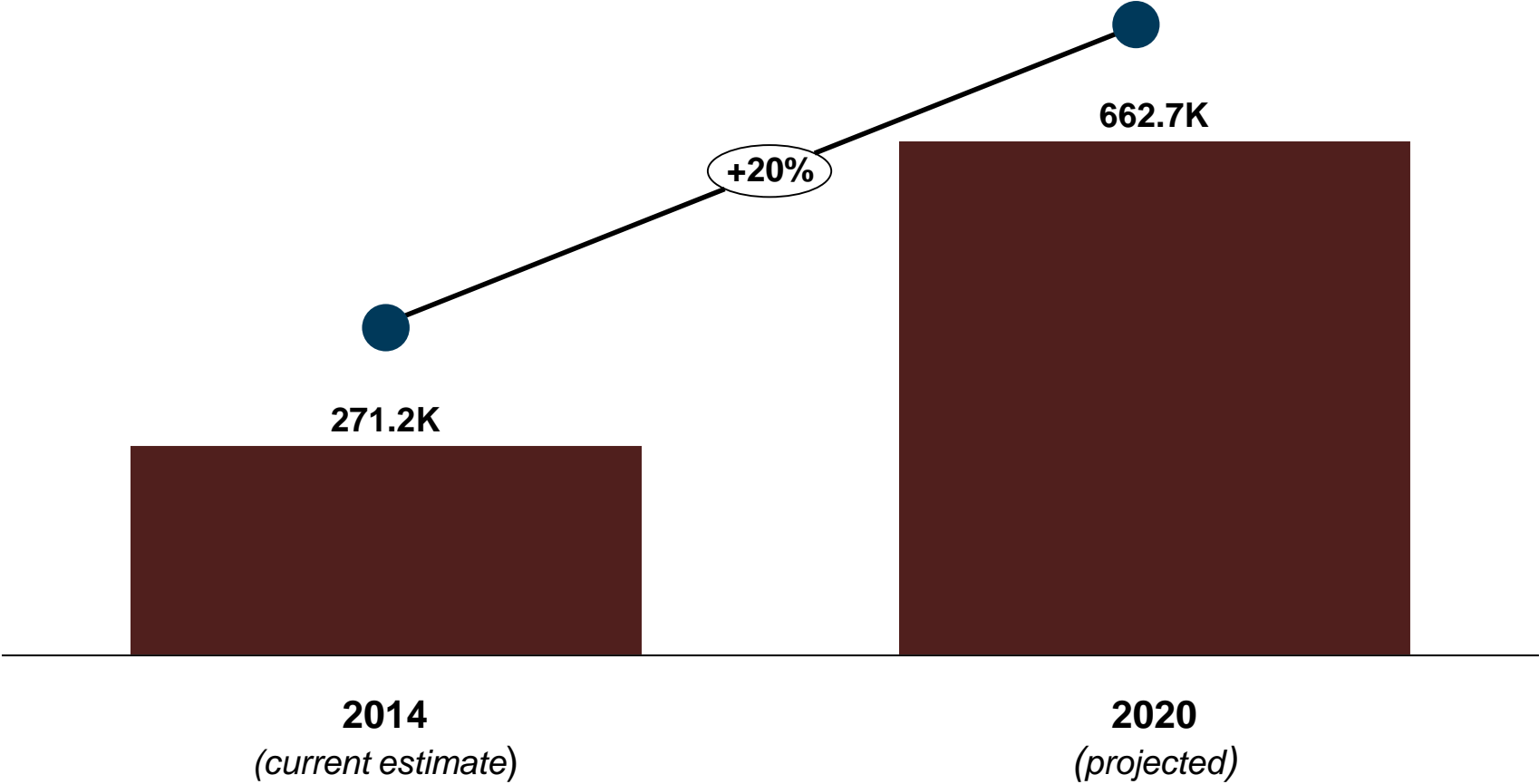


Sources: CSGF, KIPP, Harmony Schools. Growth rate is compound annual growth rate (CAGR).

If current trends continue, high-performing CMOs will serve more than 650,000 students by 2020

Estimated Student Enrollment and Growth

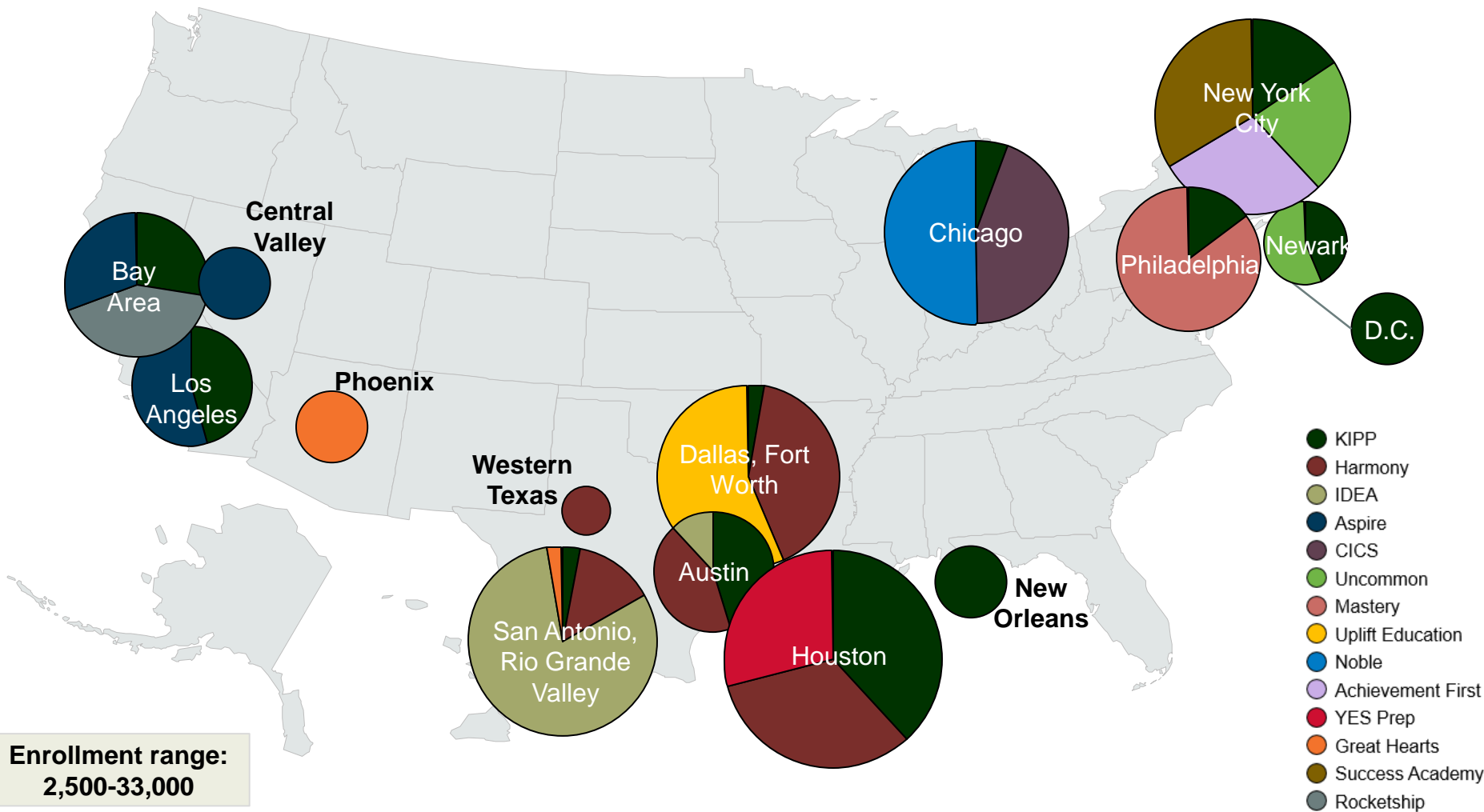
In high-performing CMOs



Sources: Charter School Growth Fund, KIPP, Harmony Schools. Growth rate is compound annual growth rate (CAGR). Growth projection calculated using growth/seats projections for KIPP network, CSGF portfolio, and Harmony Schools growth plans. 2020 growth projections are based on holistic estimates using past trends, not on concrete business/expansion plans of existing CMOs. CSGF growth projections include both existing portfolio of schools and future additions to portfolio, some of which may not yet be CMOs.

High-performing CMOs are concentrated in certain cities and regions

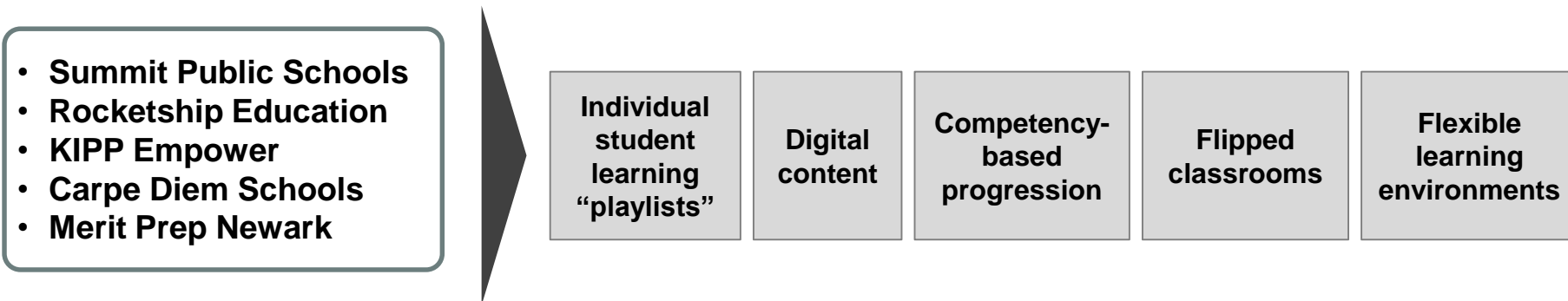
Top 15 Metropolitan Areas with Highest Number of Seats in Select High-Performing CMOs



Sources: CSGF, CMO annual reports, and CMO website data.

A subset of CMOs is also leading innovation in personalized learning

Charter schools are at the leading edge of incorporating technology to personalize learning



But most charters do not employ particularly innovative instructional approaches

Most high-performing charter schools utilize traditional curriculum and pedagogy

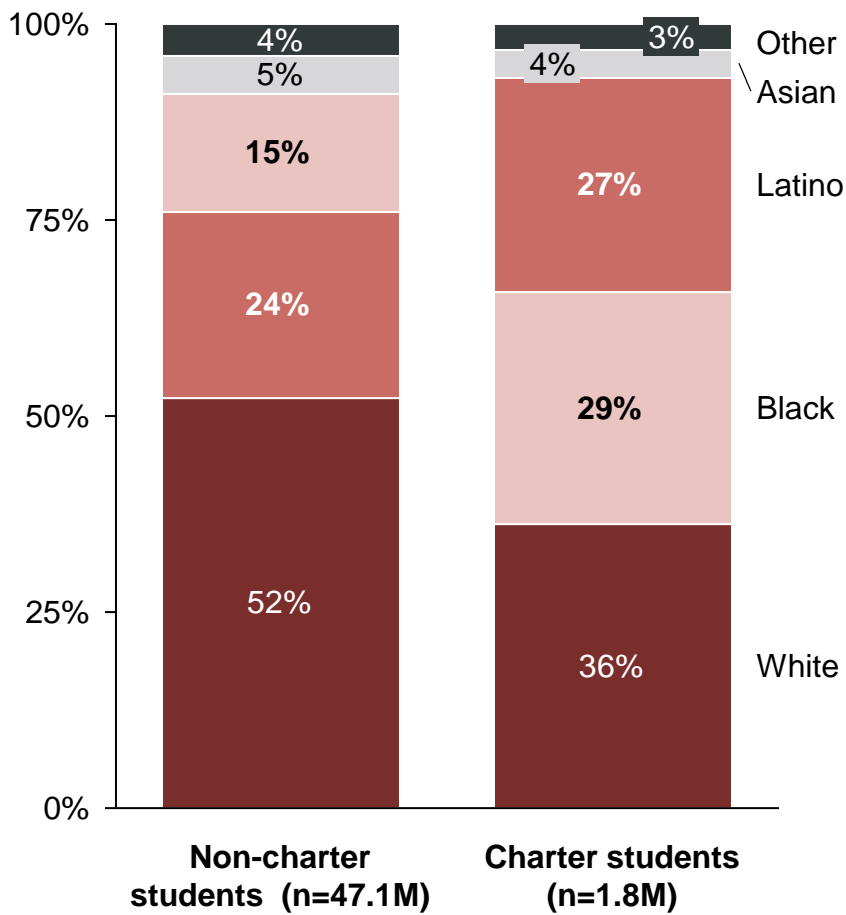
- Accountability systems may create disincentives to take risks with innovative approaches
- Authorizers are reluctant to approve unproven models
- Parents may prefer more-traditional models

Most significant charter innovations have been organizational rather than instructional

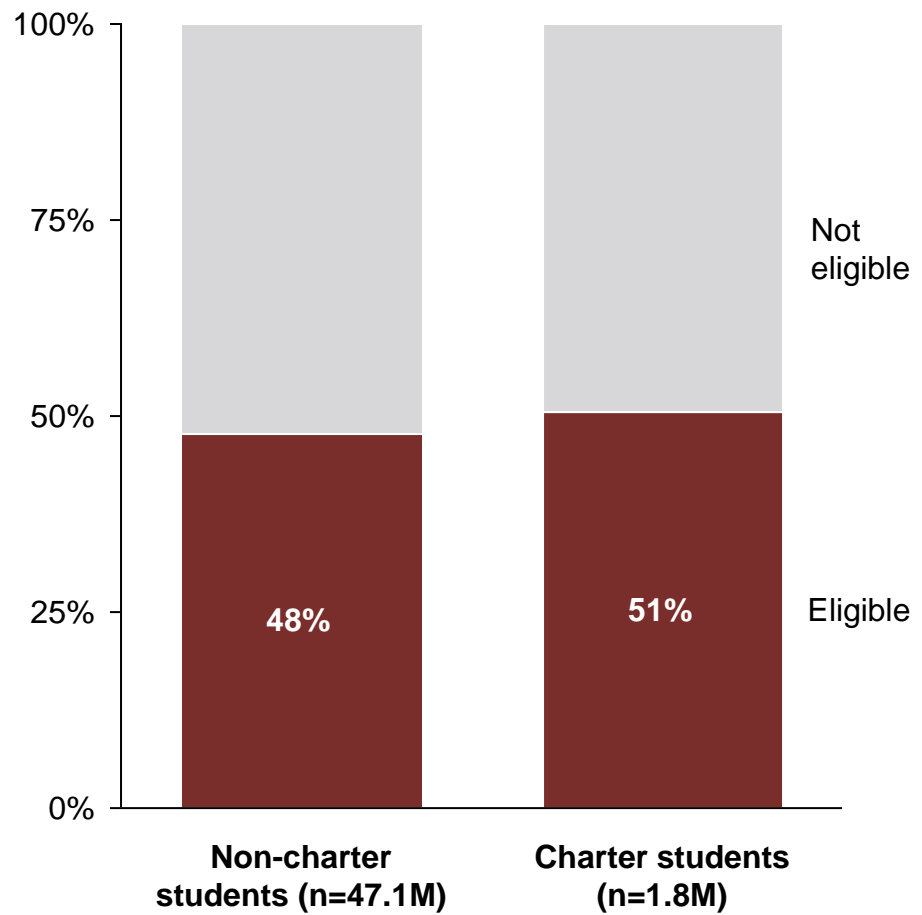
- New approaches to administration and governance
- Allocation of resources (e.g., Equity Project teacher salaries)
- Educator evaluation and talent management systems (e.g., Achievement First, Mastery)
- Extended learning time (many CMOs)
- Human capital pipelines (e.g., KIPP, Relay)

Charter schools serve higher percentages of low-income, black, and Latino students than traditional district schools

Charter and Non-Charter Students by Racial/Ethnic Demographics



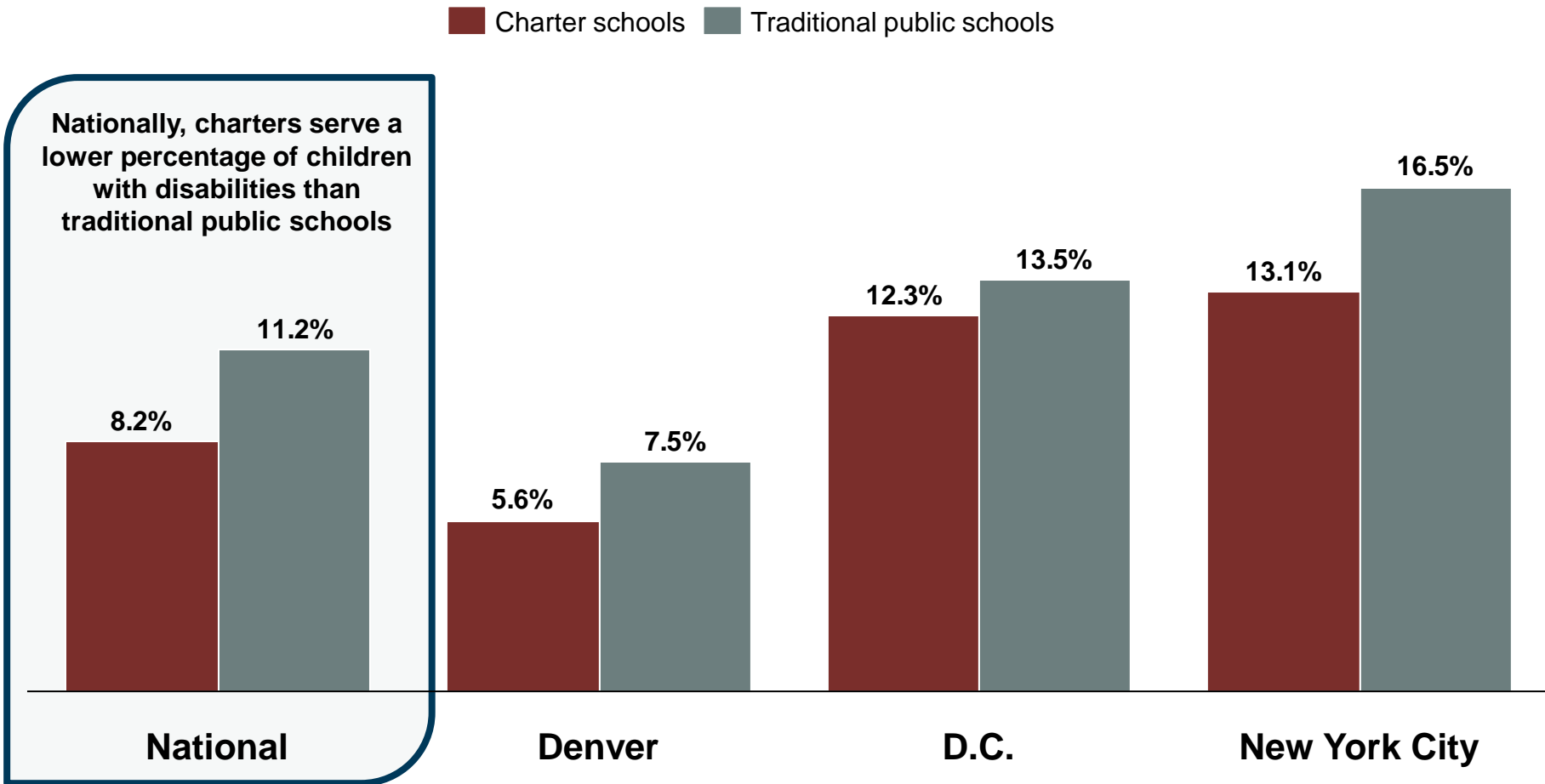
Charter and Non-Charter Students by Free- and Reduced-Price Lunch Eligibility Status



Source: NAPCS National Data, SY 2011

Charters serve lower percentages of students with disabilities

Percentage of Students with Disabilities, by Sector and Geographic Location



Sources: GAO 2012; NYC Charter School Center 2013; CRPE 2014; PCSB 2015.

Explanations for disparities in special education enrollment are complex

Some people believe that charter schools are unwilling to serve students with disabilities

But there are a number of reasons why charters enroll fewer students with disabilities

Charter schools tend to be smaller, less established, and often have fewer resources

Parents of students with disabilities may be more risk-averse

Charter schools that are part of a traditional public school district play a role in but do not make final placement decisions for students with disabilities

Transportation poses a particular barrier for students with disabilities

Parents of students with disabilities may be able to use IEP process to get services from the district

Some charters may be counseling out students with disabilities

Lower charter special education rates may reflect use of effective strategies to prevent or remediate common learning challenges

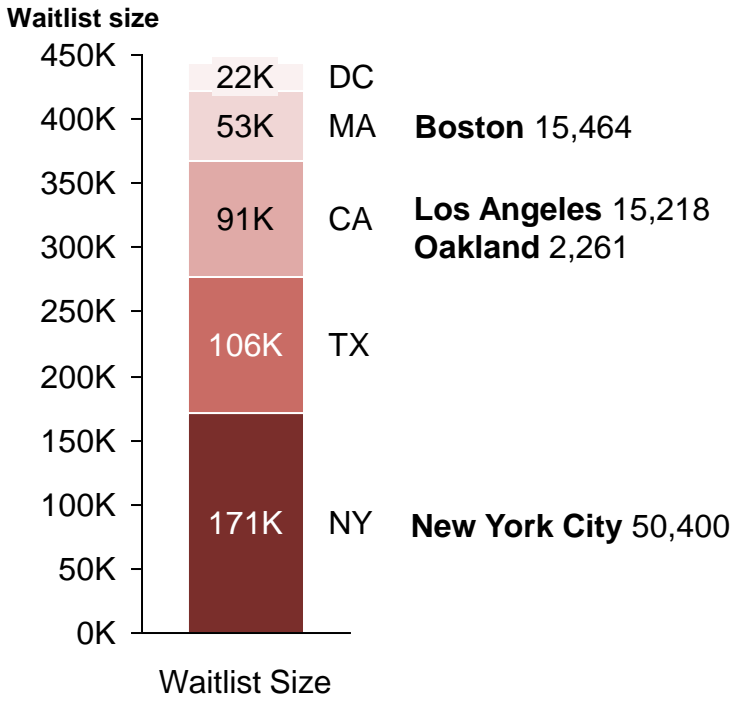
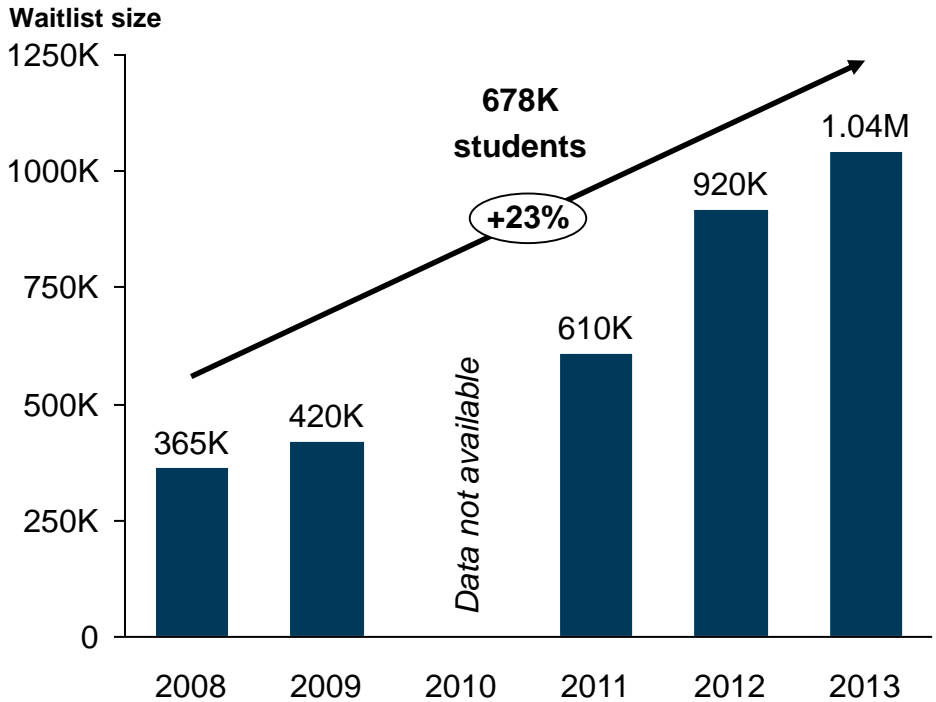
District special education rates may reflect over-identification of students with disabilities

Despite charter sector growth, more than 1 million children are on charter waitlists nationally

Estimated Total Spots on Charter School Waitlists Nationwide



States with Largest Charter School Waitlists



Caveats

- Only 16% of charter schools report having a waitlist at all
- National data include self-reported data for charter schools in most states, which have not been independently validated
- Data may duplicate counts for children on waitlists for multiple schools

Sources: Walton Family Foundation, NAPCS 2014. CA, NY City, and Boston values are unduplicated.

Research shows that charter schools produce greater student learning gains than traditional public schools

Taken together, a growing body of rigorous studies supports several conclusions about charter performance

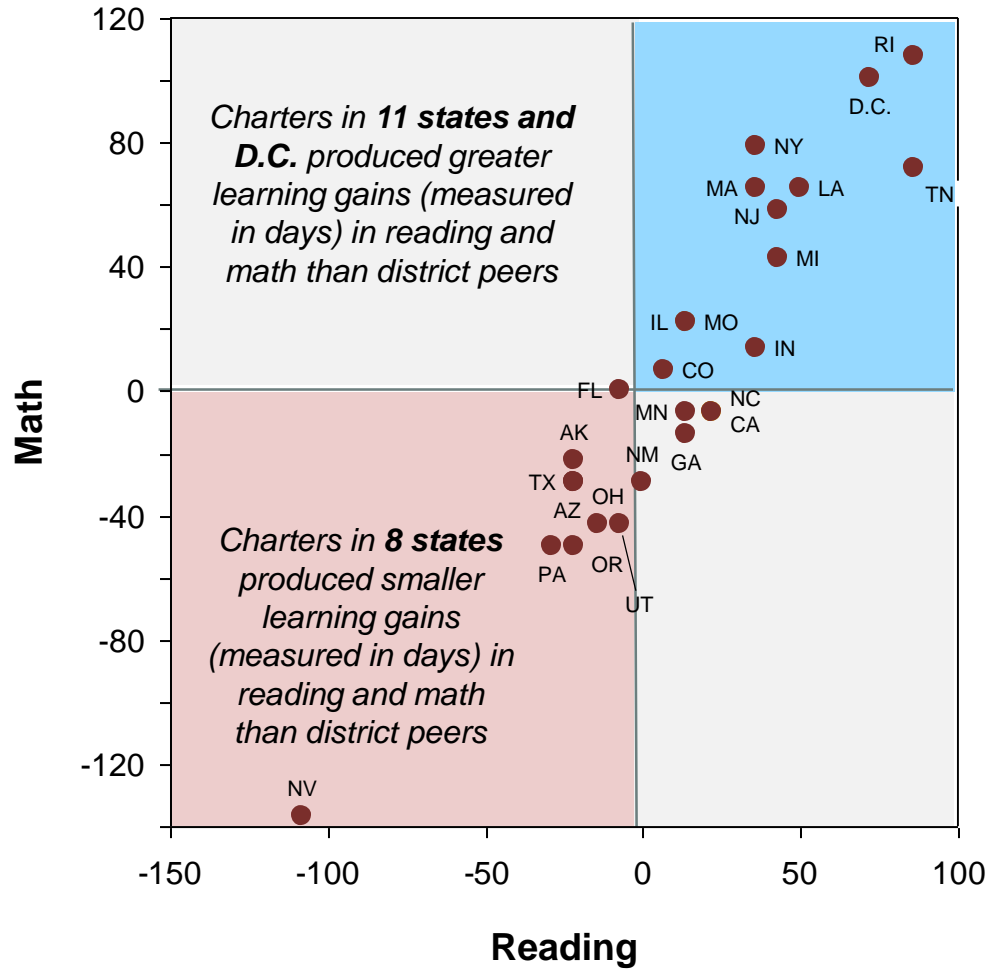
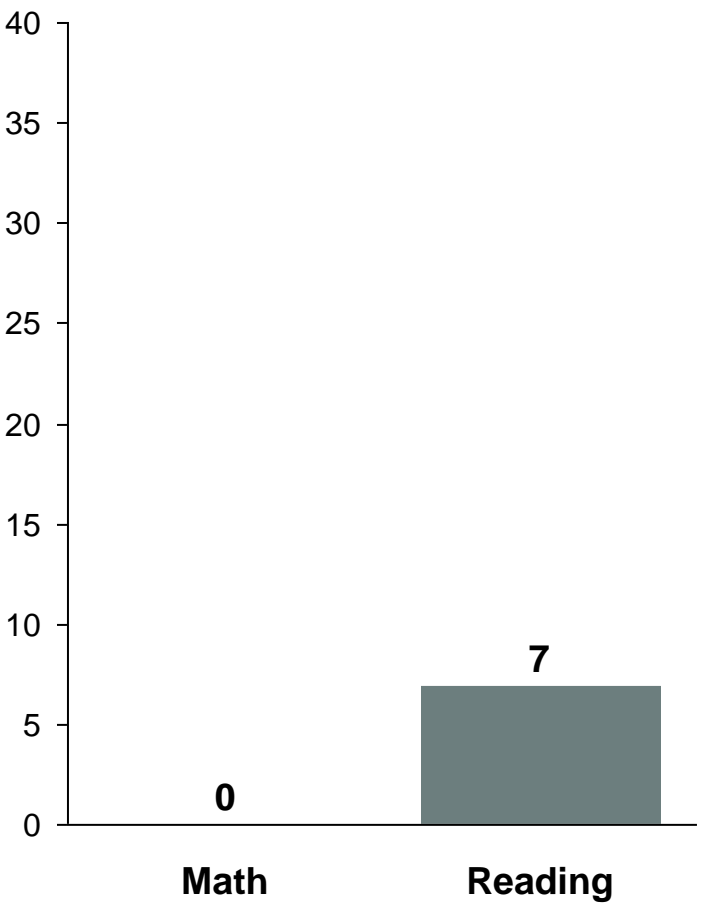
- On average, charter schools are **improving student learning**
- Charter performance is **improving over time**
- Evidence of positive charter school impacts on student learning is **strongest at the elementary and middle school level**
- Evidence of positive charter school impacts on student learning is weakest at the high school level, but high school students who attend charter schools **graduate and attend college at higher rates** than peers in traditional schools
- Charter schools produce **improved learning** for **poor** and **black** students
- Charter schools produce **less learning** for **white** and **non-poor** students

These studies also offer two major caveats, however

- Charter performance varies widely across **schools, cities, and states, including large subsets of both very high-performing and low-performing schools**
- Most recent results are based on data through 2011-12 school year

Rigorous national studies find that charter schools outperform districts in reading and produce comparable results in math

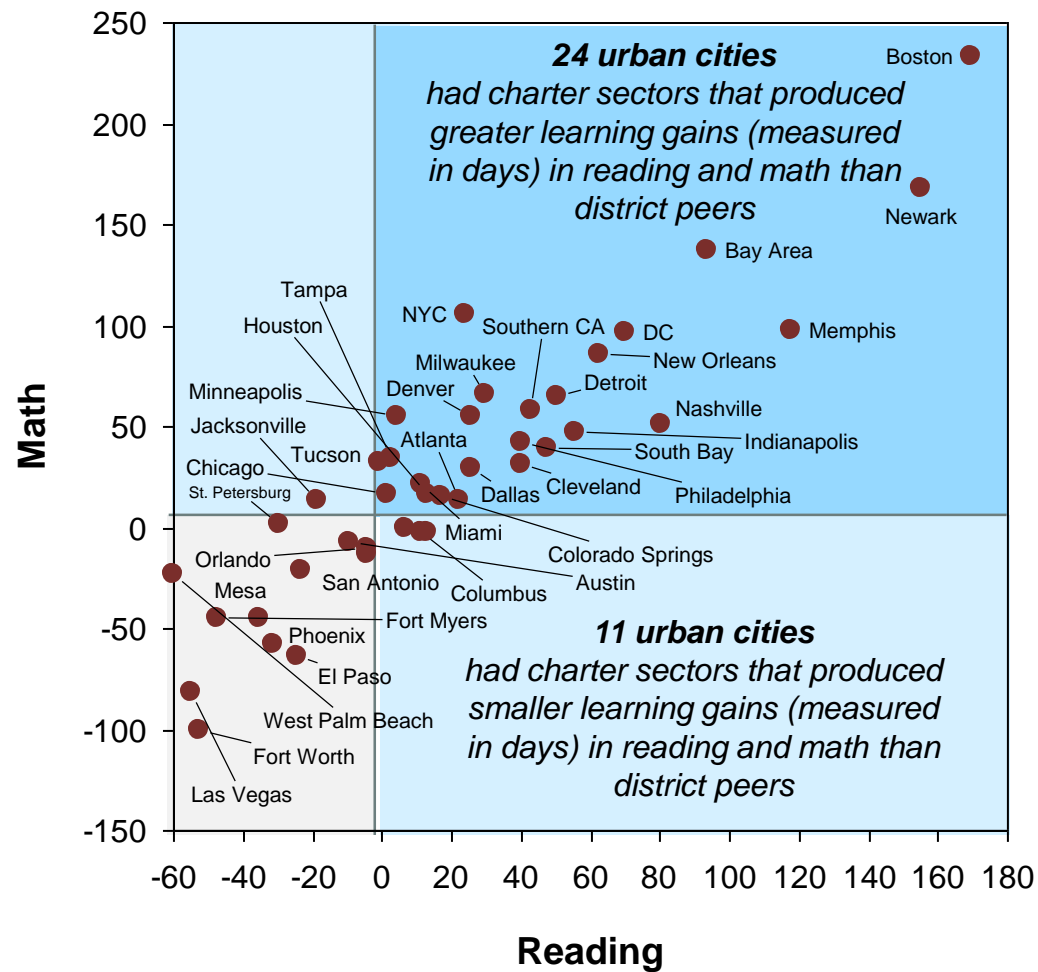
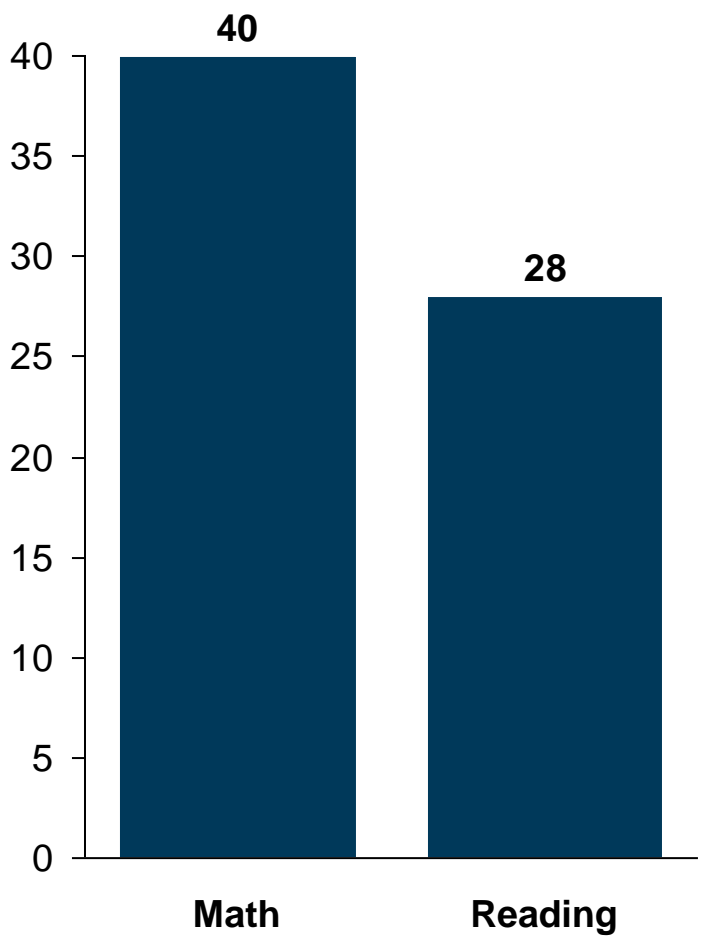
Additional Days of Learning of All Charter Students, Compared to District Students, by Subject



Source: CREDO National Charter School Study (2013) across 27 states for time period. Study sample includes data from school years 2008-2011.

Urban charter results are more impressive

Additional Days of Learning of Urban Charter Students, Compared to District Students, by Subject



Source: CREDO Urban Charter School Study (2015). Study sample includes data from school years 2008-2012.

Multiple factors contribute to charter sector performance; the highest-performing charter cities share few attributes

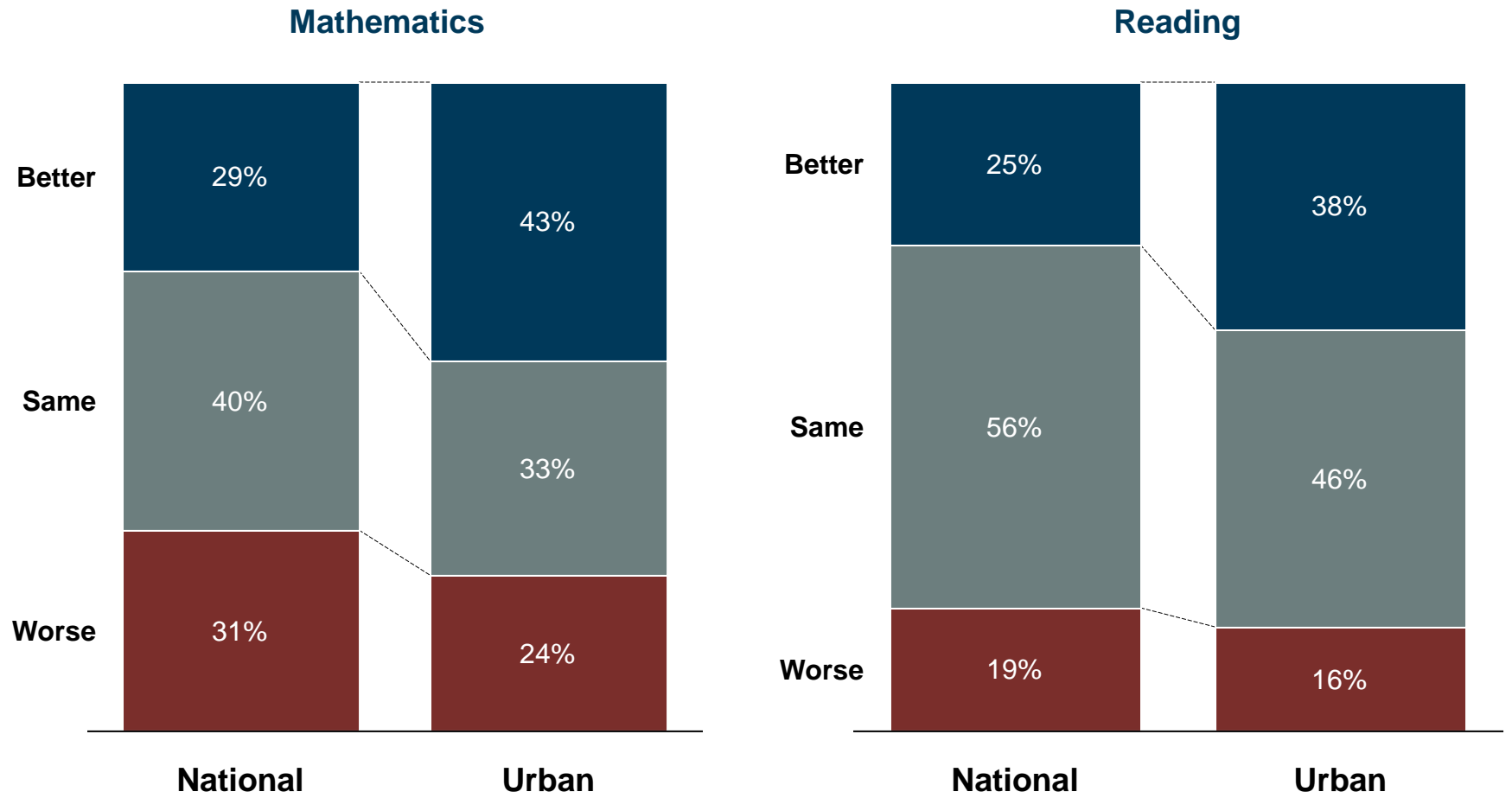
	Bay Area	Boston	D.C.	Denver	Detroit	LA	Memphis	Nashville	Newark	NOLA	NYC
Strong authorizer		✓	✓	✓			✓			✓	✓
Charter cap constrains growth		✓									✓
Equitable funding							✓	✓		✓	
Alternative governance		✓	✓		✓		✓		✓	✓	✓
Major philanthropic investment	✓	✓	✓			✓			✓	✓	✓
Strong human capital pool	✓	✓	✓	✓						✓	✓
Low-performing district			✓		✓	✓	✓		✓	✓	

Sources: University of Arkansas 2014; NAEP TUDA 2013. NAEP TUDA data not available for Bay Area, Denver, or Nashville.

Average learning gains mask wide variation in school-level performance

Charter Learning Gains, Compared to Traditional Public Schools

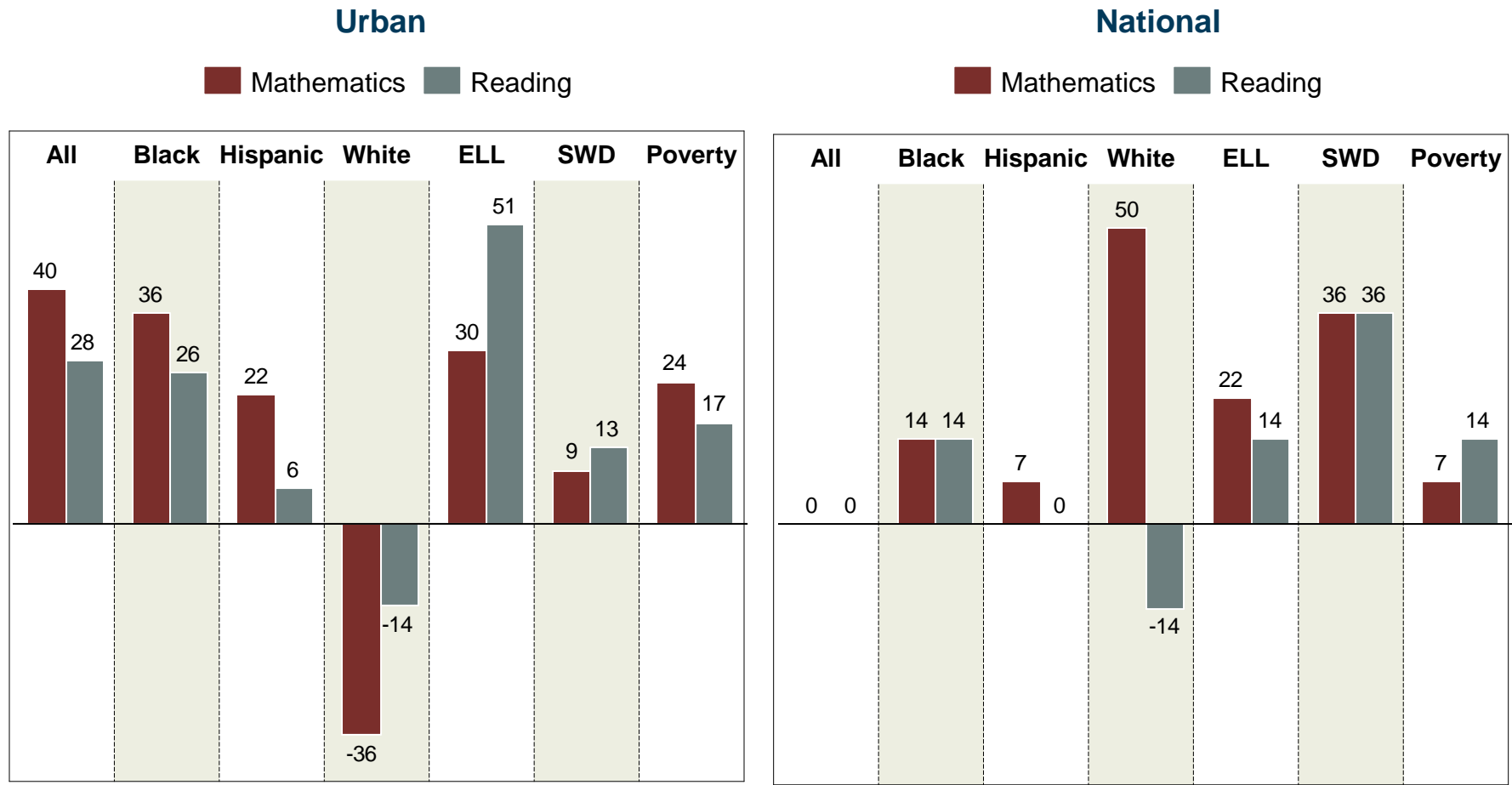
Percentage of charter schools that perform better than, worse than, or the same as traditional public schools, measured in days of learning, by subject, by geography



Sources: CREDO National Charter School Study (2013), CREDO Urban Charter School Study (2015).

Charter schools produce more positive results for some student groups than for others

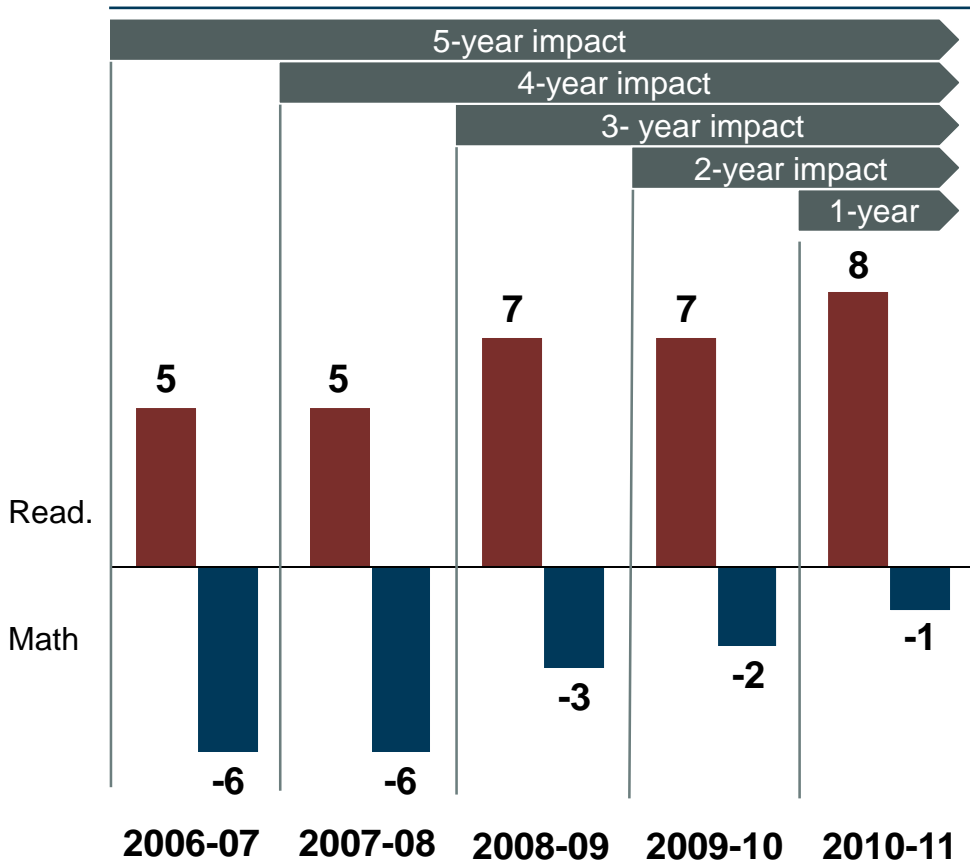
Additional Days of Learning of Charter Students, Compared to District Students, by Subgroup, by Geographic Region, by Subject



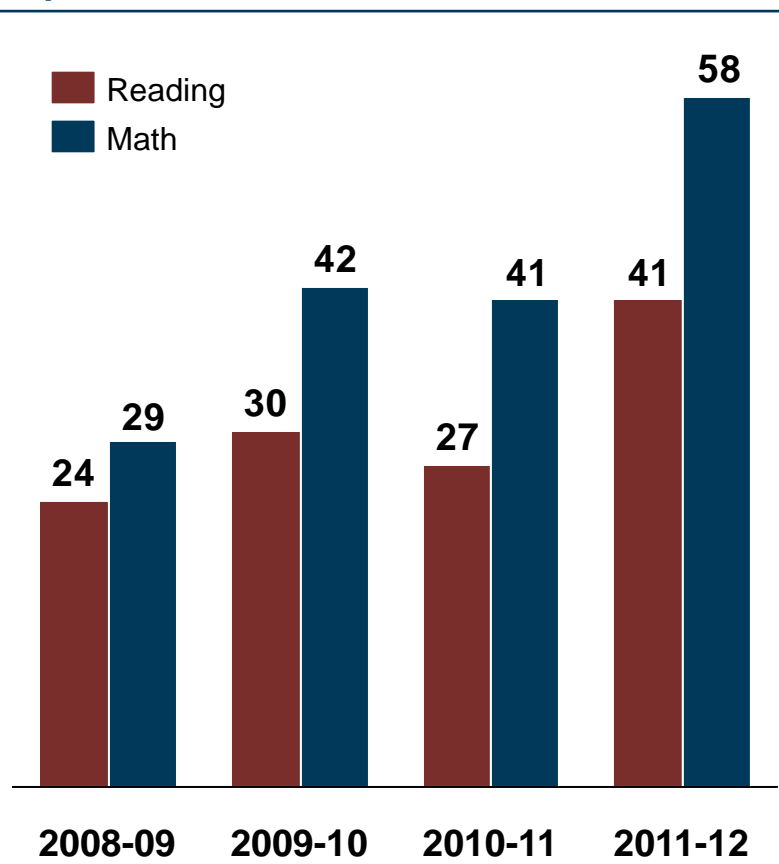
Note: ELL: English language learners. SWD: students with disabilities. Poverty: Students who are eligible for free- or reduced-price meals. Sources: CREDO National Charter School Study (2013), CREDO Urban Charter School Study (2015).

Charter performance has improved over the past six years

National Charter Sample Days of Learning Compared to Traditional Public Schools



Urban Charter Sample Days of Learning Compared to Traditional Public Schools

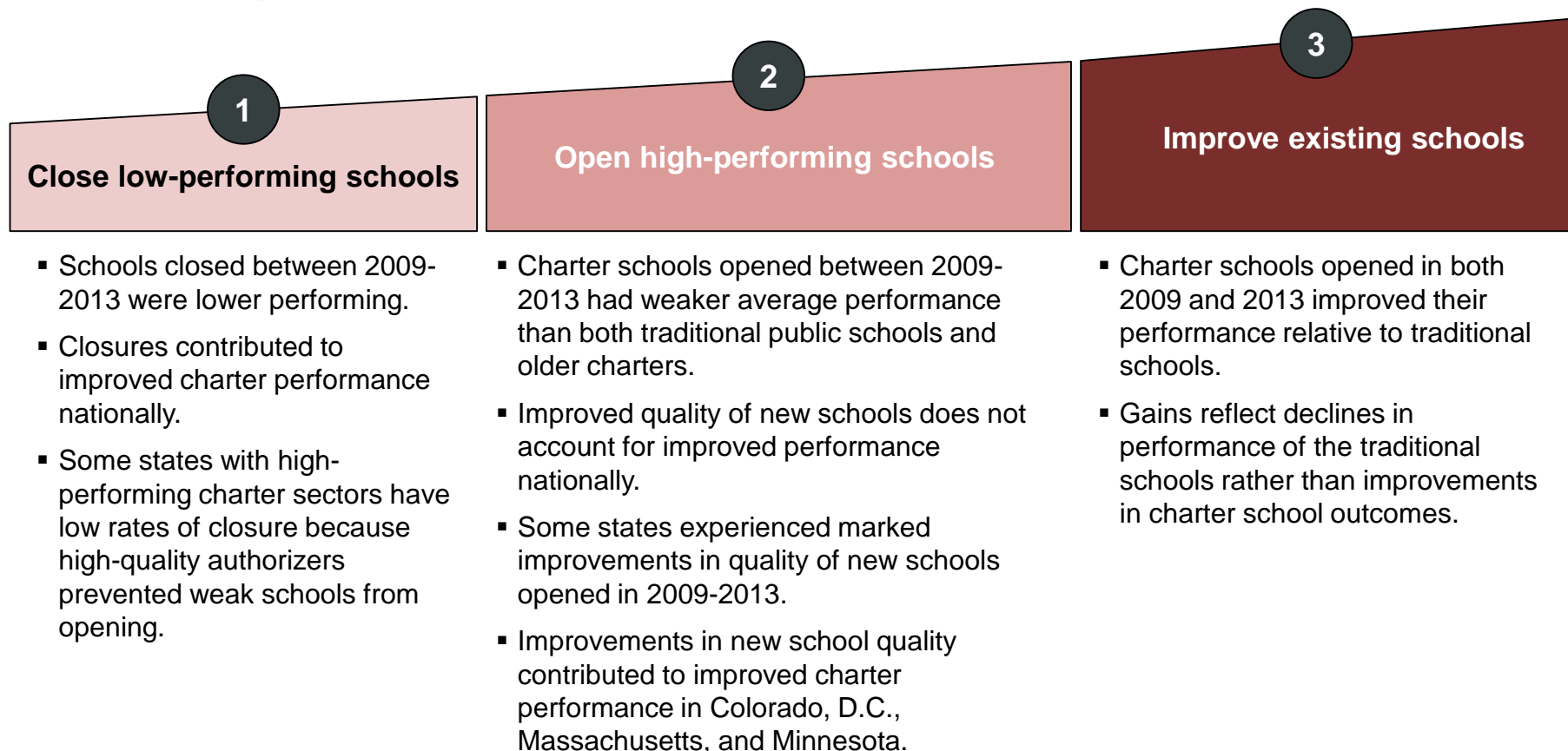


Each period reflects performance improvements over one year.

Sources: CREDO National Charter School Study (2013), CREDO Urban Charter School Study (2015).

The explanations for improvement are complex, involving multiple factors that vary across states and urban areas

Policymakers have focused on **three levers** to improve charter performance:



National charter sector performance is the result of trends in state and local performance. But explanations for improved charter performance in a particular state may not explain national trends. Similarly, some national trends may not apply in an individual state.

Authorizers shape charter quality and supply, but have not always carried out their responsibilities effectively

Responsibilities

Approve creation of new charter schools



- Thoroughly review new charter applicants
- Only approve applicants that meet standards
- Support replication of high-performing schools (and do not allow low performers to grow)

Monitor performance of existing schools



- Key areas of authorizer oversight include:
- Academic performance
 - Fiscal performance and appropriate use of public funds
 - Compliance with laws and regulations
 - Governance

Close low-performing schools



- Do not renew charters of low-performing schools
- Revoke charters of particularly low-performing schools

Common Challenges

- Unwillingness to approve quality applications (particularly among district authorizers)
- Lax authorizing practices allow too many weak schools to open

- Lack of clear standards to monitor school performance
- Lack of authorizer capacity to adequately oversee schools
- Insufficient transparency around school performance

- Lack of clear criteria for charter revocation & renewal
- Lack of political will to close low-performing charters
- Conflicts of interest allow low-performing schools to remain open

Authorizing affects charter quality: Non-district authorizers are both the best and the worst at ensuring school quality

High-performing charter sectors often have quality, independent authorizers

- **Boston:** Massachusetts Dept. of Ed. has authorized very few low-performing schools
- **New York City:** Authorizers established strong performance standards and closed low performers
- **Washington, D.C.:** D.C. Public Charter School Board supported rapid charter growth early on, but has since raised standards and closed low-performing schools, improving sector performance

States with low-quality authorizing tend to have low-performing charter sectors

- **Ohio:** Proliferation of authorizers, weak accountability, and conflicts of interest allow low-performing schools
- **Texas:** Texas Education Agency has limited capacity, rarely closes low-performing schools
- **Arizona:** Arizona State Board of Charter Schools rapidly authorized schools in late 1990s with little quality control; it has since improved authorizing, but legacy of low-performing schools persists

Some sectors are strong despite weak or mediocre authorizing

- **Los Angeles:** LAUSD is not a particularly high-quality authorizer, but state appeals process and strategic philanthropic investments enabled growth of quality charters while limiting creation and growth of low-performing schools
- **New Jersey:** NJDOE has a mixed authorizing track record but is working to improve authorizing practices; Newark is among the highest-performing charter sectors

Several factors are associated with more effective authorizing

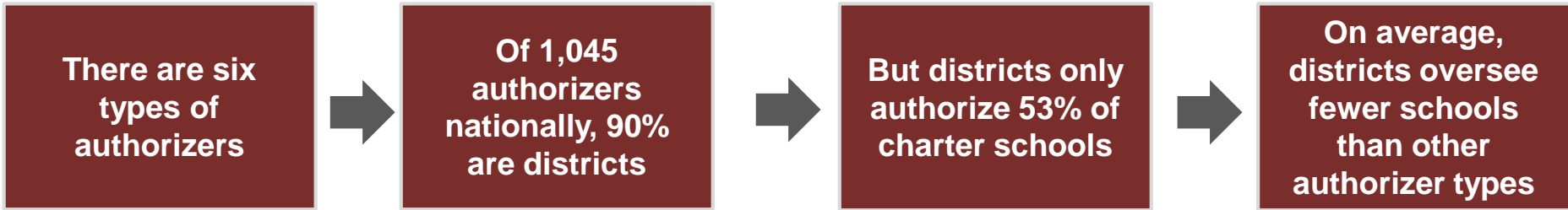
Commitment and Capacity

- **Mission** is focused on authorizing
- Authorizers that **oversee more schools** (at least 5) tend to be better than those who authorize few schools
- Adequate authorizer **capacity** for quality school oversight, including **dedicated staff** focused exclusively on authorizing

Policies and Practices

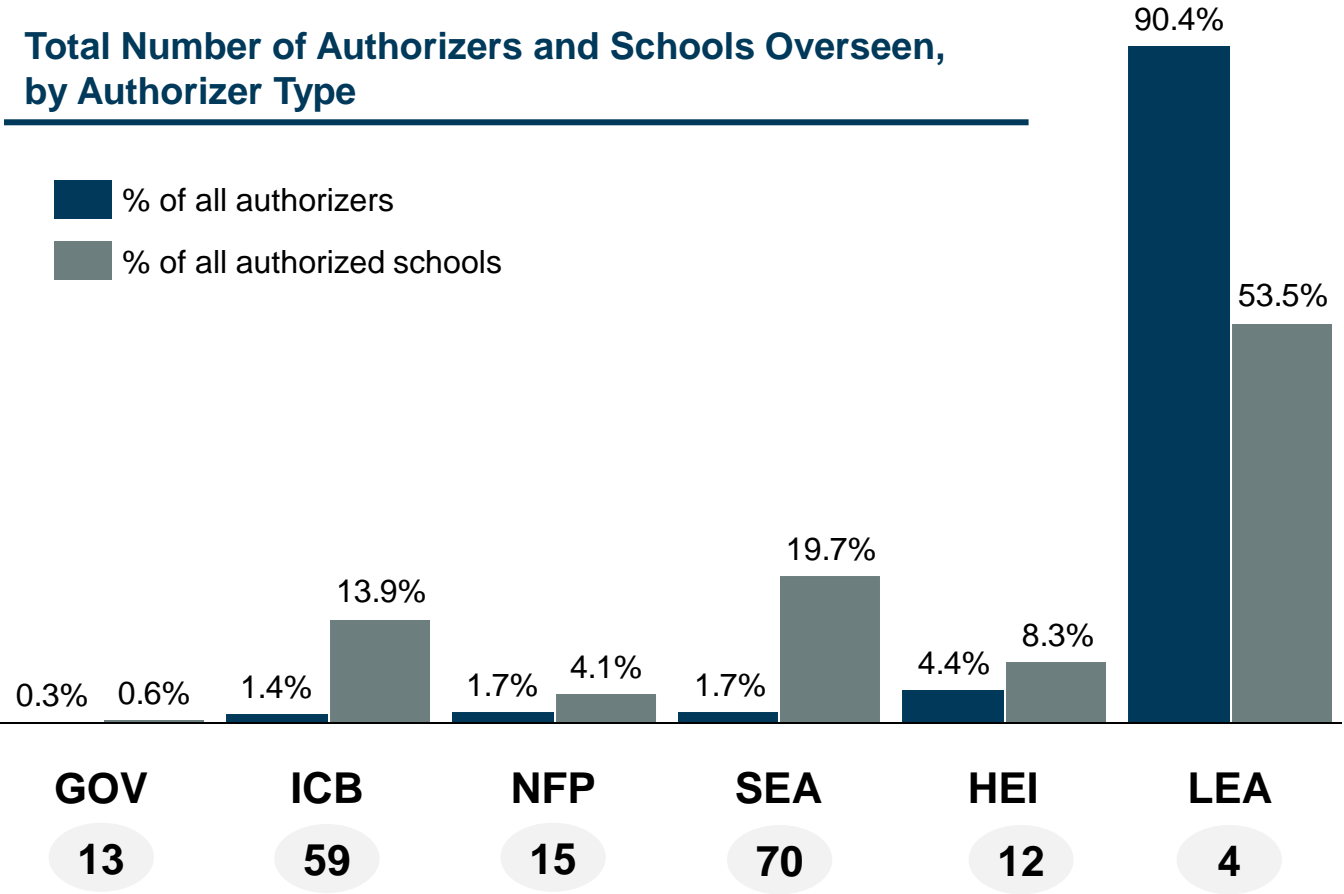
- Clear, consistent **application processes and criteria**
- Charter contract that is **separate** from charter application and includes **authorizer's performance framework** and **criteria for renewal and revocation**
- Clearly defined, consistent standard or **framework for evaluating schools' academic performance**
- **Regular financial audits** of schools
- **Transparent reporting on school performance**—both to schools themselves and to general public
- Clearly defined **criteria** for charter **renewal**, revocation, or **closure**

The vast majority of authorizers are local school districts, but they authorize a bare majority of all charter schools



- GOV**
Other government entity (e.g., mayor)
- ICB**
Independent chartering board
- NFP**
Not-for-profit organization
- SEA**
State education agency
- HEI**
Higher education institution
- LEA**
Local education agency, usually a district school board

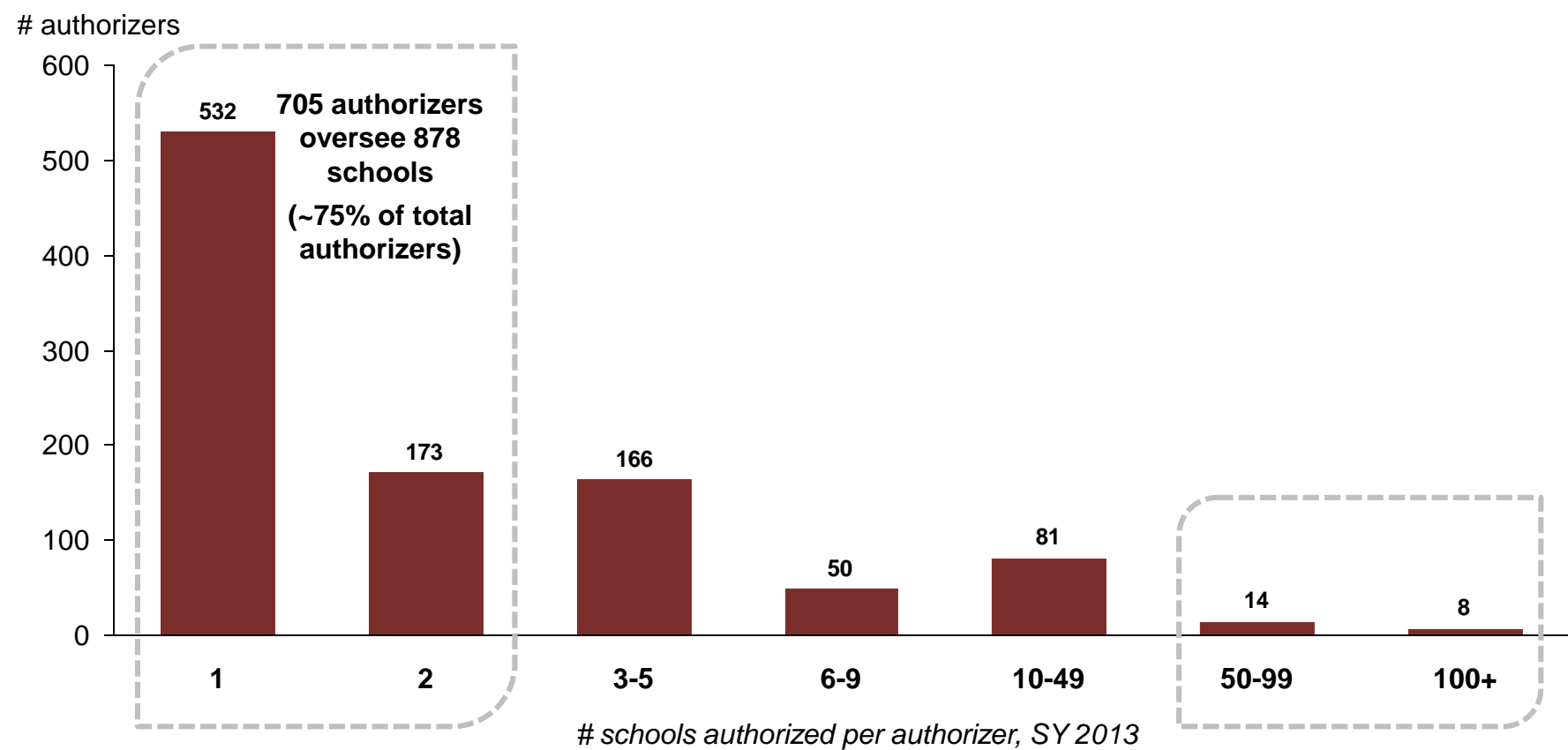
Average number of schools per authorizer, by type



Authorizer Type	Average number of schools per authorizer
GOV	13
ICB	59
NFP	15
SEA	70
HEI	12
LEA	4

Most authorizers oversee only one or two schools, but largest oversee nearly half of all charter schools

Total Authorizers by Portfolio Size



Total schools authorized	1	2	3-5	6-9	10-49	50-99	100+
	532	346	613	356	1632	984	1975

Sources: NACSA SY 2013 and *State of Charter Authorizing 2013*. NACSA total charter schools for SY 2014 is 6438, whereas NAPCS calculates the total at 6440.

Authorizer quality is improving, but continued improvement requires both policy change and increased capacity

There are two major levers to improving the quality of authorizing

1 Change who the authorizers are

Enact policies to create **new authorizers** or put weak authorizers **out of business**

- 14 states have created independent charter boards*
- 11 states enacted authorizer oversight or accountability policies since 2009

2 Improve practice of existing authorizers

States require authorizers to implement effective authorizing practices.

National Association of Charter School Authorizers (NACSA) supports improved authorizing performance:

- State policy work
- Creation of resources and tools
- Support for authorizers to improve practice

Funders can support improvement in authorizer quality

While quality is improving, weak authorizers remain a serious challenge

Authorizer quality is improving in some places

New **quality & oversight standards** have pushed some authorizers **out of business** (e.g., Minnesota)

Some authorizers are **independently raising the bar** as the sector matures (e.g., D.C. Public Charter School Board)

NACSA supports mediocre authorizers to **improve their practices** (e.g., New Jersey and New Mexico Departments of Education)

Too many low-quality authorizers remain

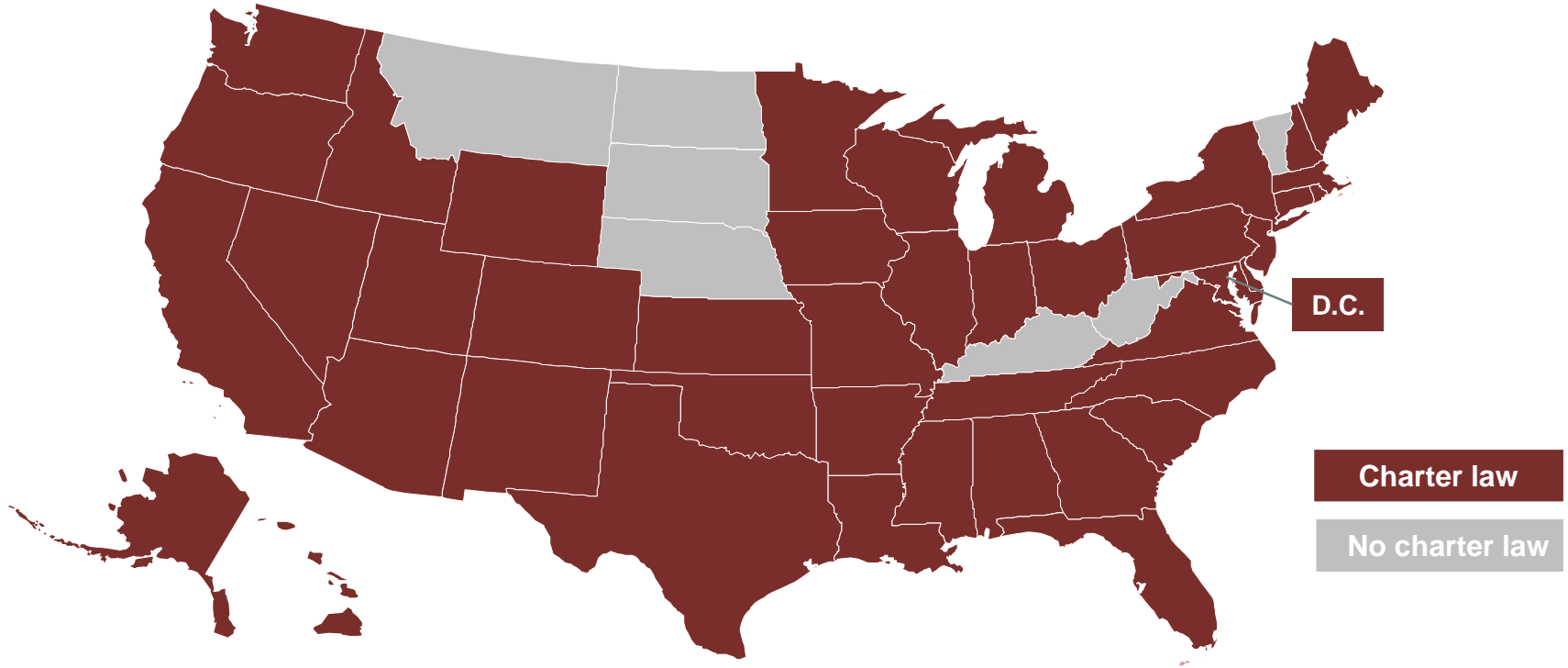
Texas Education Agency needs enhanced capacity to ensure quality and close weak charter schools

Michigan and **Ohio** policies allow too many low-quality authorizers

Local districts, which often lack authorizing capacity or mission, are the primary or sole authorizers in **eight states**

*Washington State is one of the 14 states with an independent charter board, but its charter law is currently facing legal challenges and its status is uncertain.

43 states and D.C. have enacted charter school laws

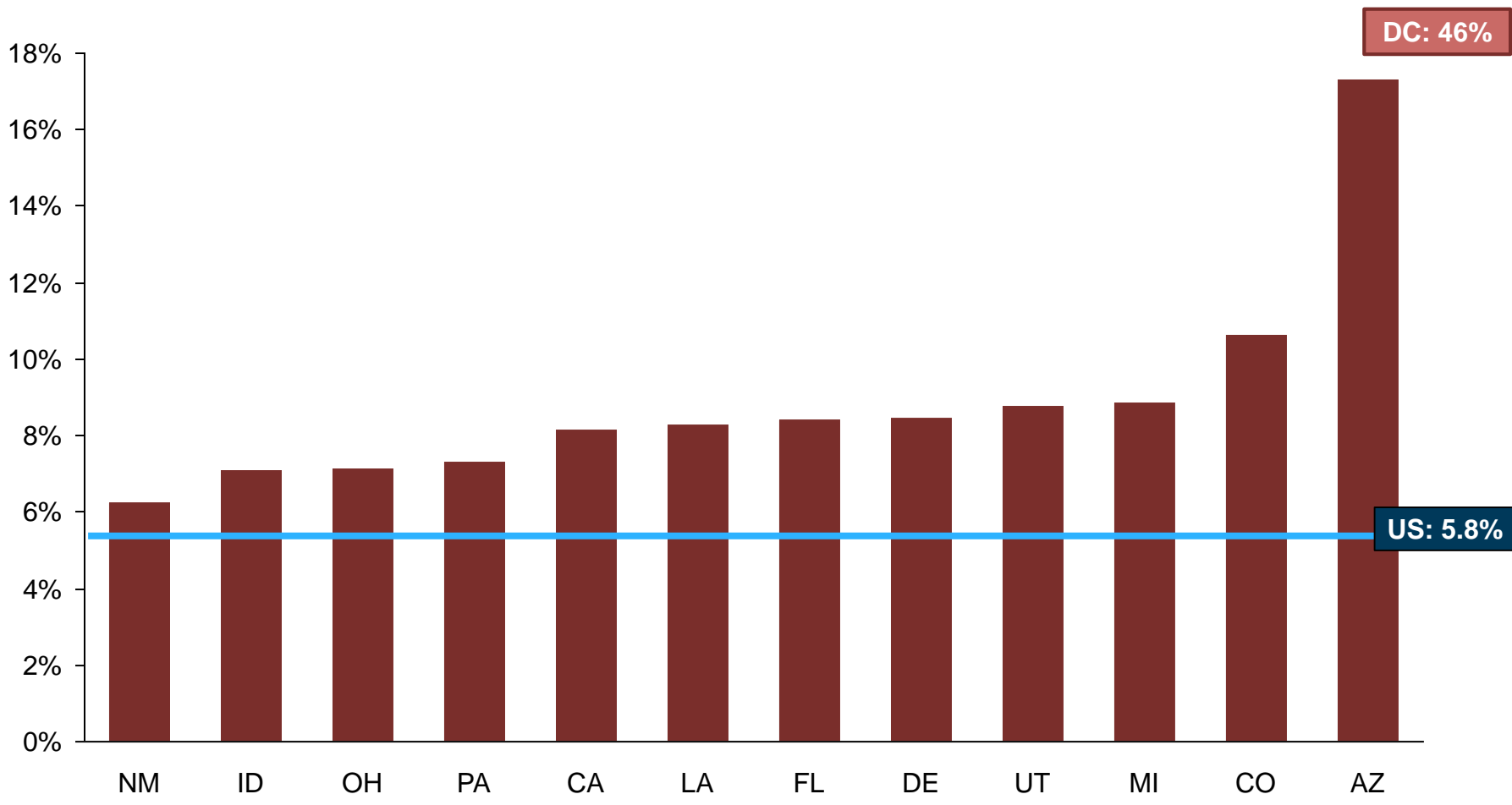


<p>Four states have enacted charter laws in the past five years</p>	<p>Mississippi (2010) Maine (2011) Washington* (2012) Alabama (2015)</p>	<p>Seven states have no charter laws</p>	<p>Kentucky Montana Nebraska North Dakota South Dakota West Virginia Vermont</p>
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*In 2012, Washington State voters approved a ballot initiative creating charter schools in the state, but that law is currently facing legal challenges and its status is uncertain.

Nationally, 5.8 percent of students attend charter schools, but market share varies across states

Charter Market Share – States with Market Share Greater than National Average



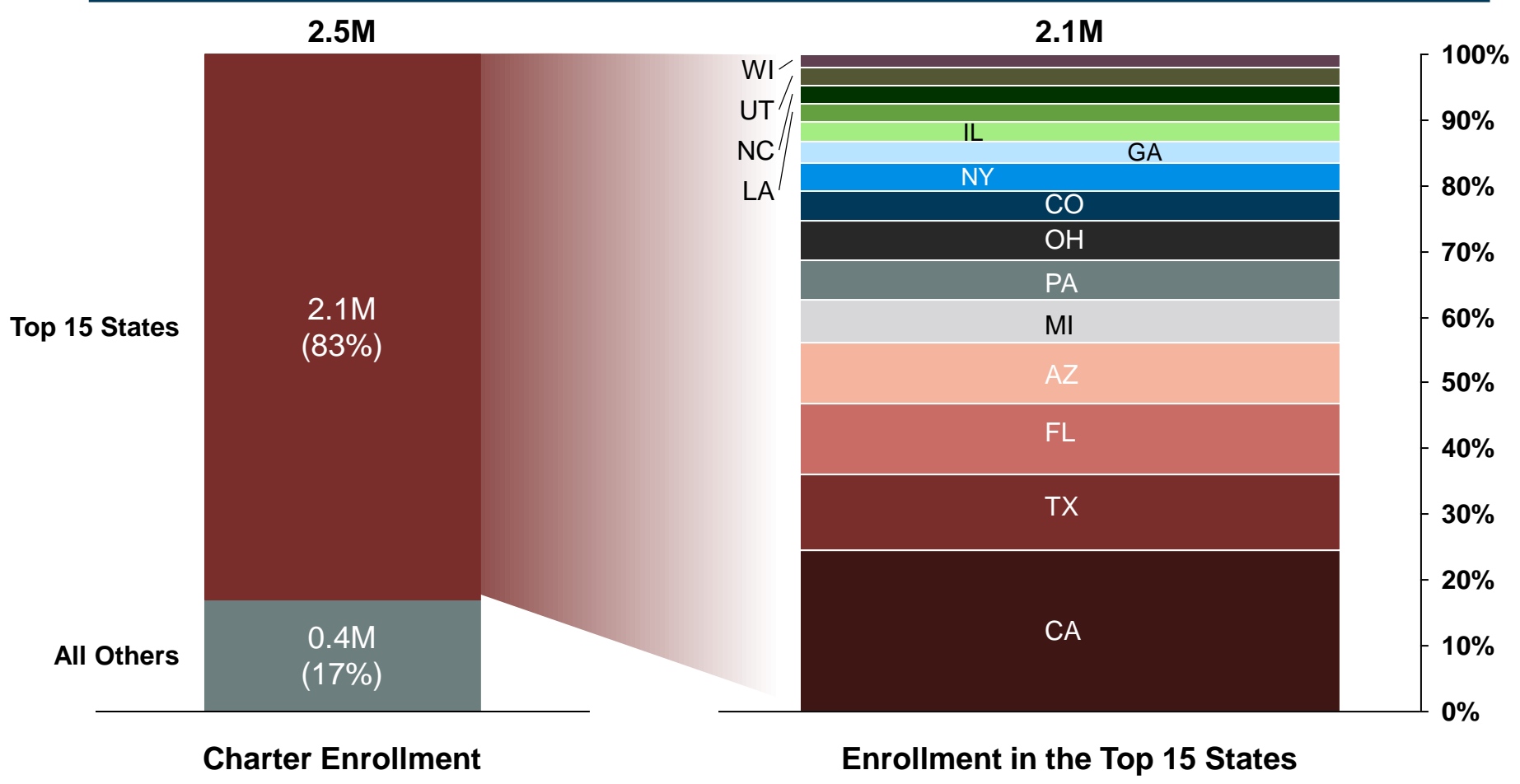
All states with at least 6% market share

Sources: NAPCS state data, 2014; NCES projected enrollment 2014.

More than 80 percent of charter students are in 15 states

Charter Enrollment by State

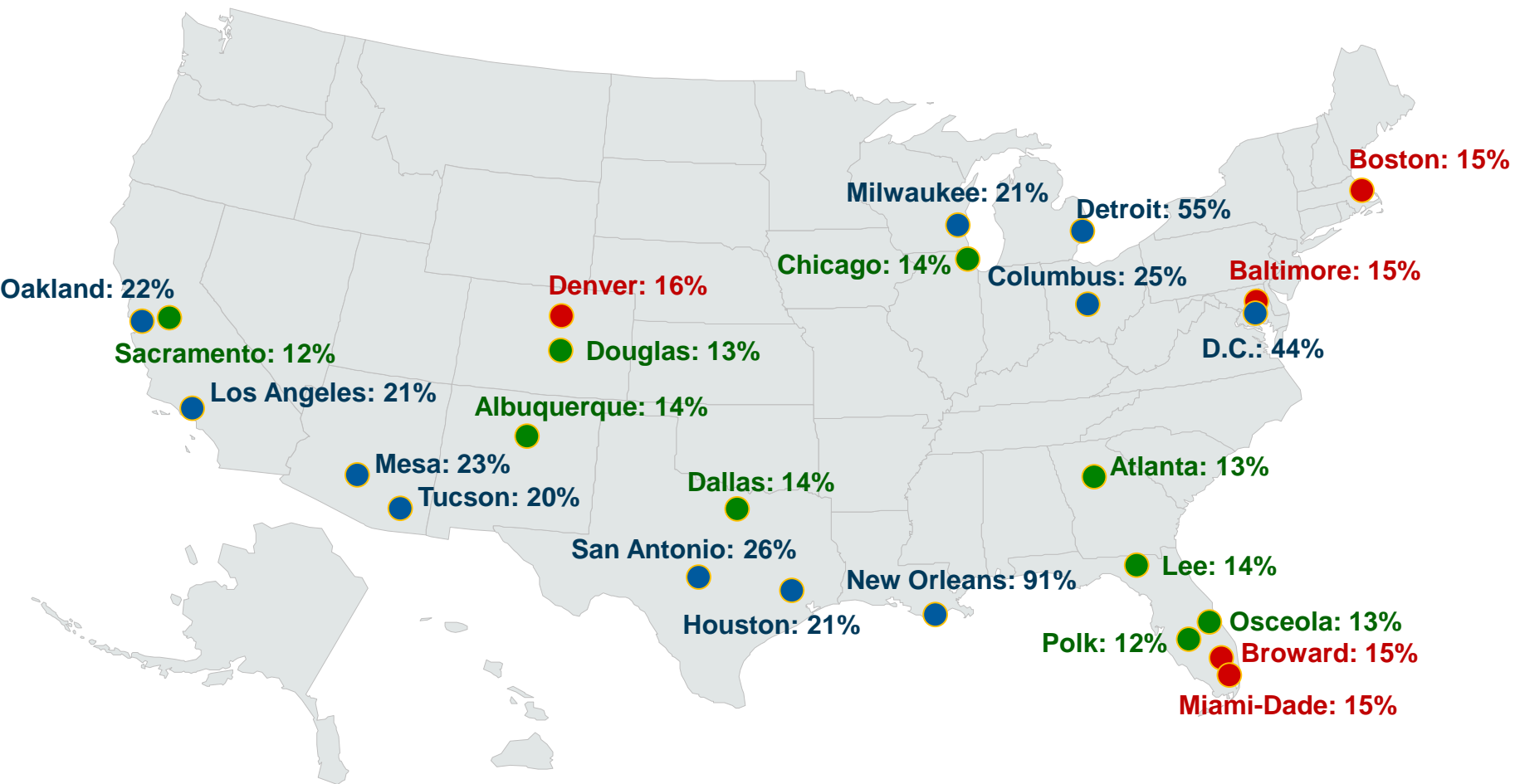
In millions



Source: NAPCS, School Year 2013-14.

Despite low market share nationally, charter schools have achieved significant market share in major cities

Many of the nation's largest school districts have more than 10 percent of students in charter schools

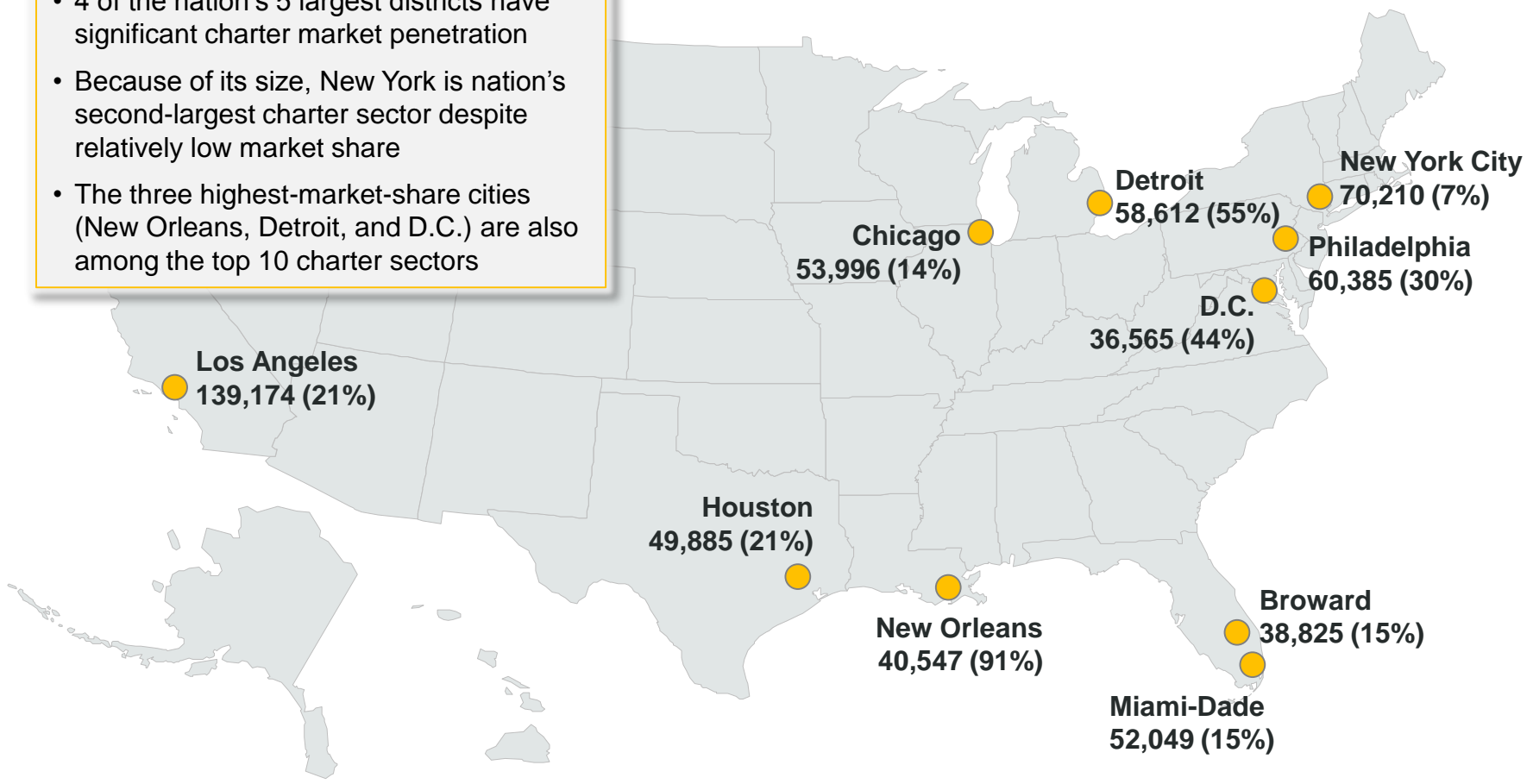


Note: Percentages represent market share of local districts. Sources: NAPCS, School Year 2013-14; American School & University 2012-13.

The nation's 10 largest charter sectors include both high-market-share cities and large cities with lower market share

Top 10 cities with the highest charter enrollments in the country

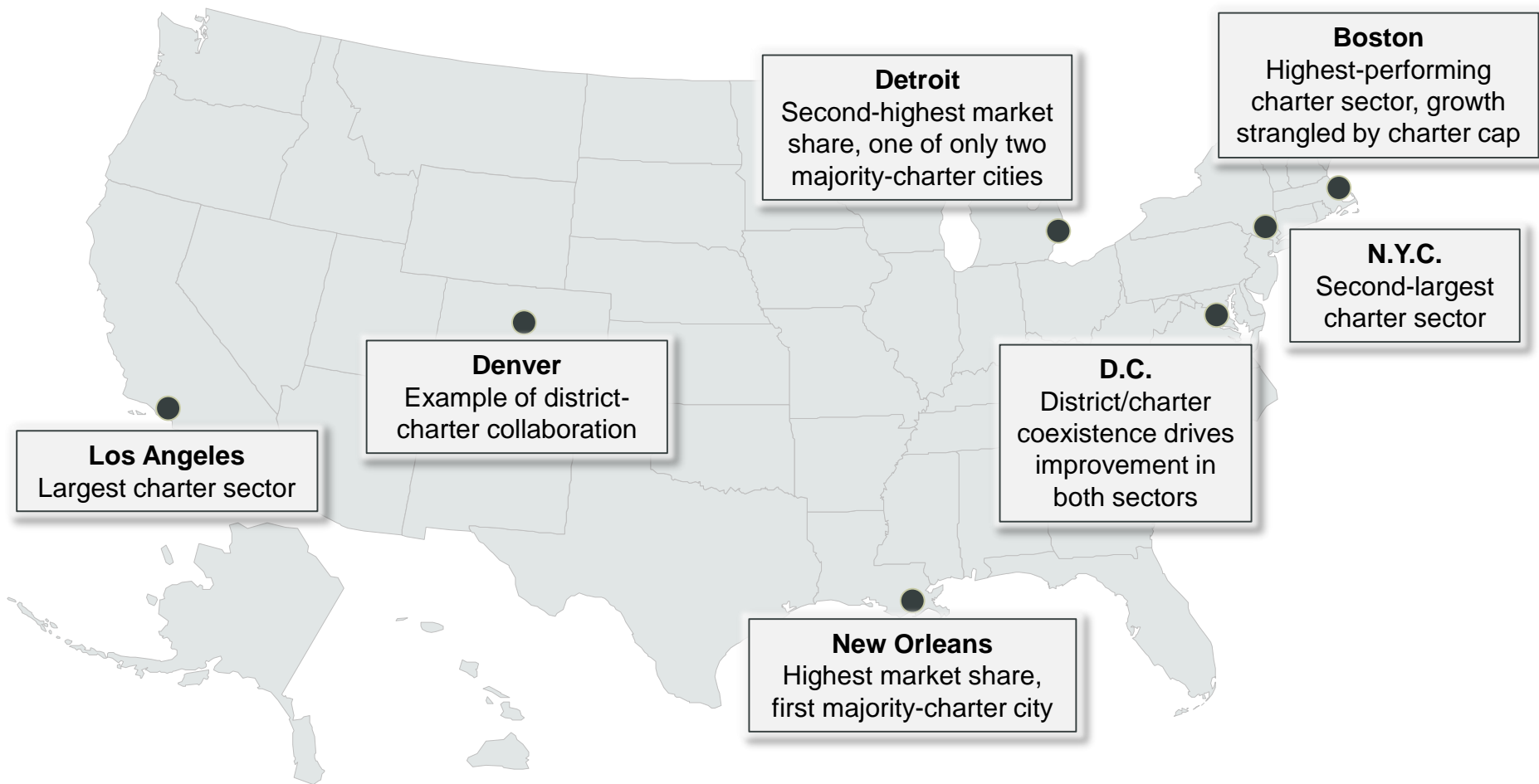
- 4 of the nation's 5 largest districts have significant charter market penetration
- Because of its size, New York is nation's second-largest charter sector despite relatively low market share
- The three highest-market-share cities (New Orleans, Detroit, and D.C.) are also among the top 10 charter sectors



Note: Percentages represent market share of local districts.
 Source: NAPCS, School Year 2013-14.

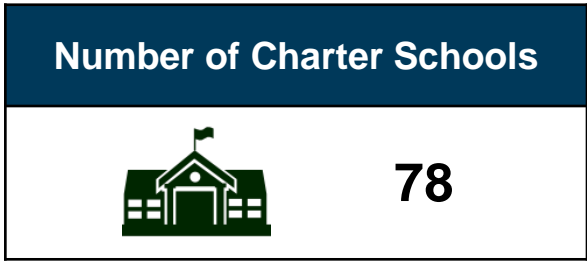
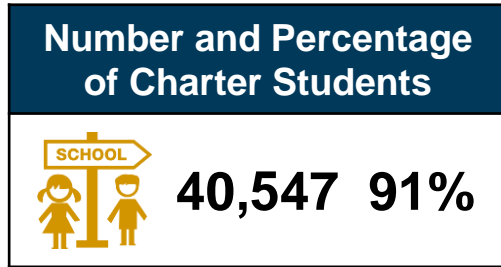
Case studies of seven cities offer a deeper understanding of charter trends nationally

Cities selected for case study and rationale for selection



Note: Percentages represent market share of local districts.
Source: NAPCS, School Year 2013-14.

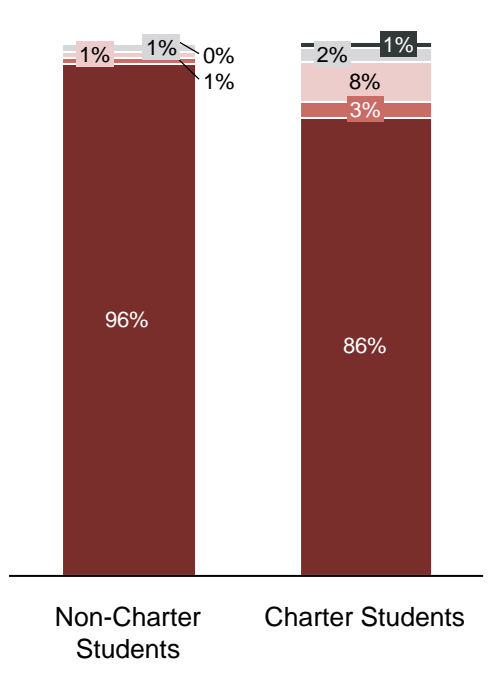
In the aftermath of Hurricane Katrina, New Orleans rebuilt its schools as an all-charter system



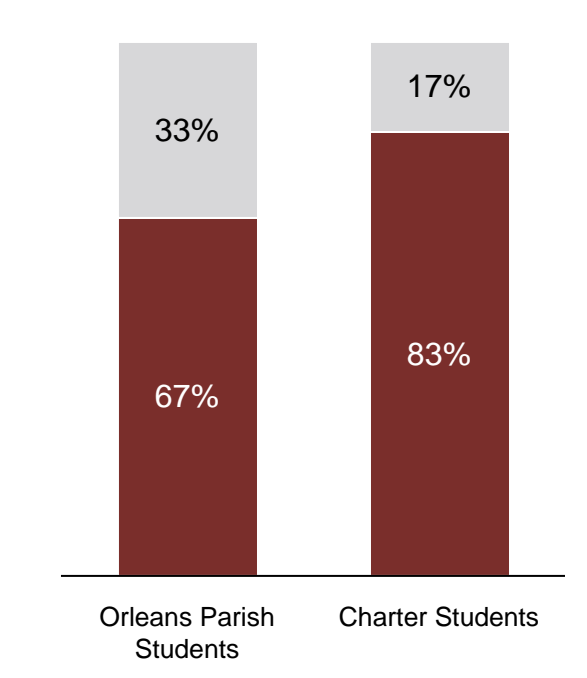
Authorizers

Recovery School District
Orleans Parish School District
Louisiana Dept. of Education

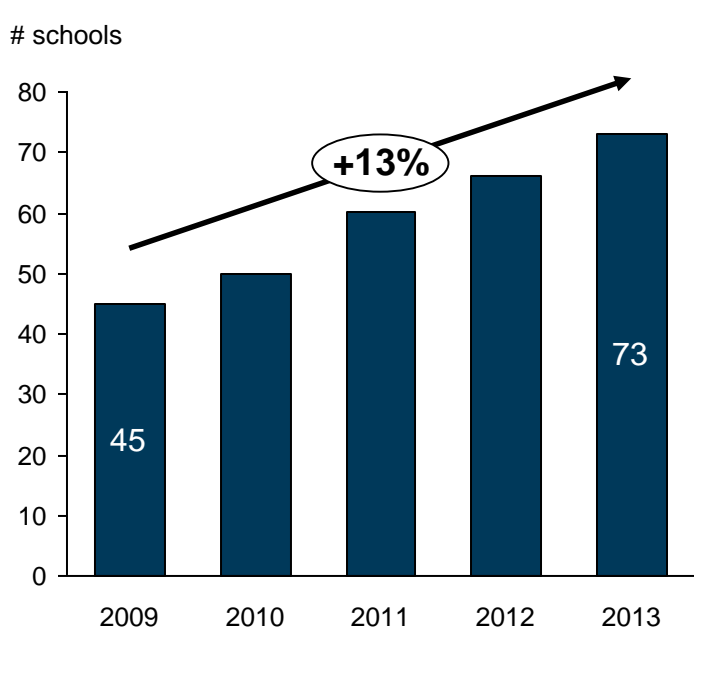
Demographics



Free/Reduced Lunch Eligibility



Annual Growth Rate of Charters

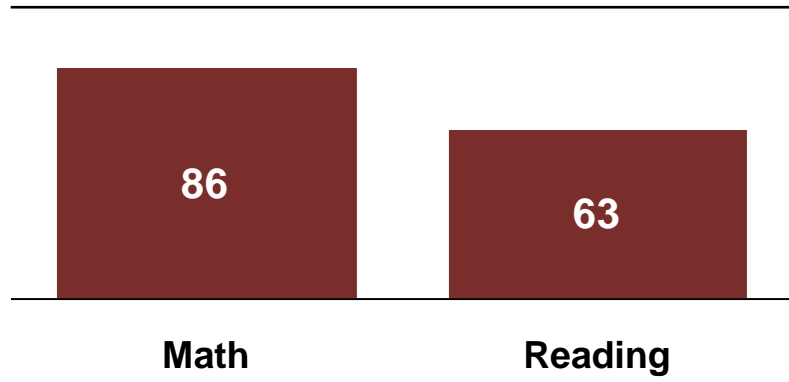


Other White Black
Asian Latino

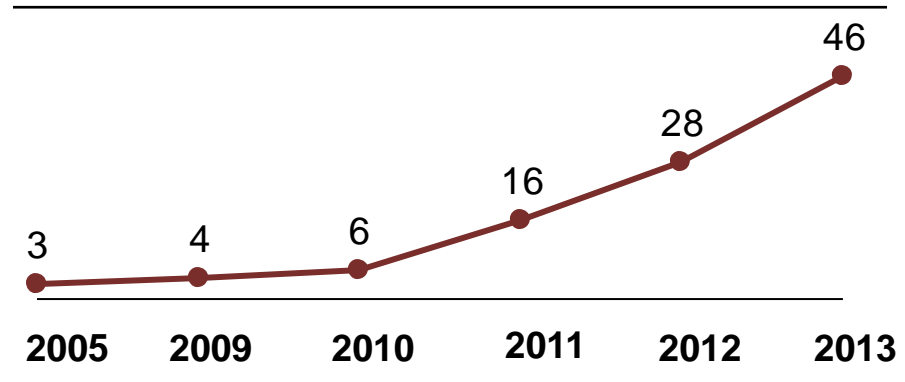
Not Eligible Eligible

This approach has significantly improved results for New Orleans students

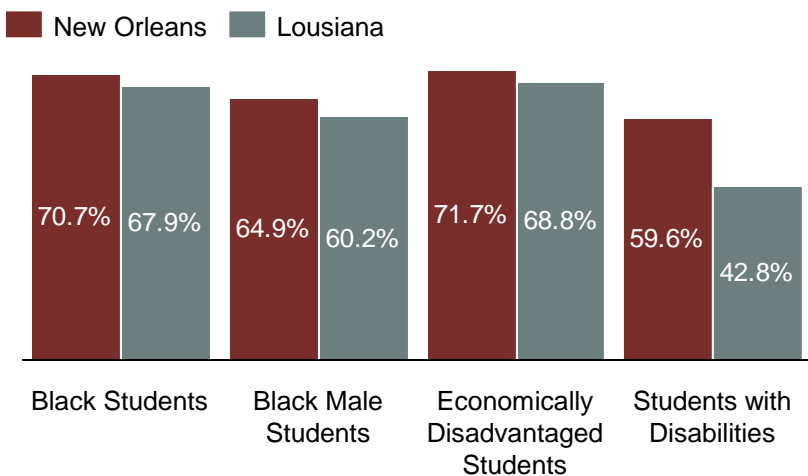
Charter Sector Additional Days of Learning, Compared to Traditional Public Schools



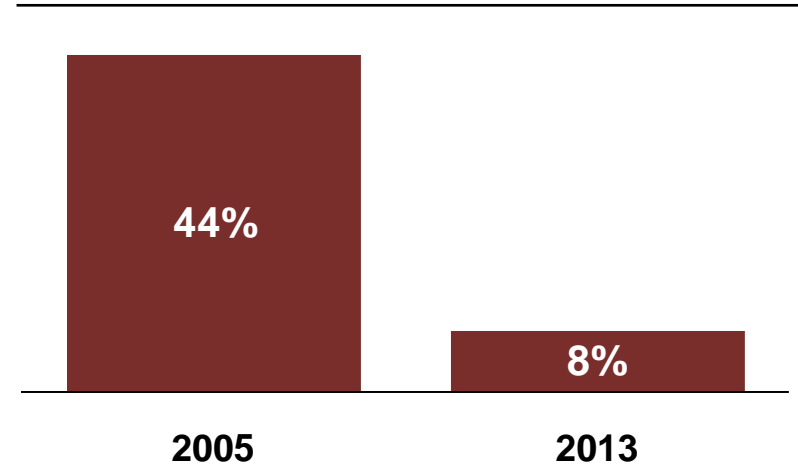
New Orleans' Percentile Rank Among All Louisiana School Districts



New Orleans Graduation Rates, by Subgroup, Compared to State Overall, 2014



Percentage of State's Failing Schools Located in New Orleans



Sources: CREDO 2015; Louisiana Department of Education.

Strong governance, cultivation of quality supply, and grassroots support contributed to New Orleans' outcomes

Governance

A **non-district entity** (the Recovery School District) intervened after Hurricane Katrina

Over time, RSD transitioned to a **regulator of schools**, rather than an operator

Supply

Allowed **entrepreneurship** to drive school quality

Focus on developing **human capital pipeline** and **locally grown charter operators**

Philanthropic support, presence of a **harbormaster**, ability to **attract top talent** to the city, and investment in strong **third-party** orgs. (e.g., TFA, TNTP) bolstered supply of both human capital and quality operators

Grasstops Alignment

The **mayor**, **governor**, state **superintendent** of education, **business leaders**, and other crucial stakeholders maintained support for the “system of schools” vision through **transitions of political power**

Despite progress, New Orleans faces challenges

Performance


- School **performance** in New Orleans is no longer terrible, but it's not yet as good as it needs to be
- New Orleans students are achieving **just below the Louisiana statewide average**—the nation's second-lowest-performing state
- New Orleans has gone from an "F" to a "C" in the state's accountability system

Community Engagement and Diversity

- Charter operators and human capital pipelines include **higher percentages of white educators** and non-New Orleans natives than the city's historic teaching force
- **City's demographic composition** has become more white than pre-Katrina, exacerbating tensions related to race and diversity
- Schools and leaders haven't always done a good job **engaging the community** or acknowledging the reality of trauma that residents have experienced


Washington, D.C. demonstrates the importance of quality authorizing and ability of charter competition to impact a district

Number and Percentage of Charter Students



36,565 44%
22,000 on waitlists

Number of Charter Schools



112

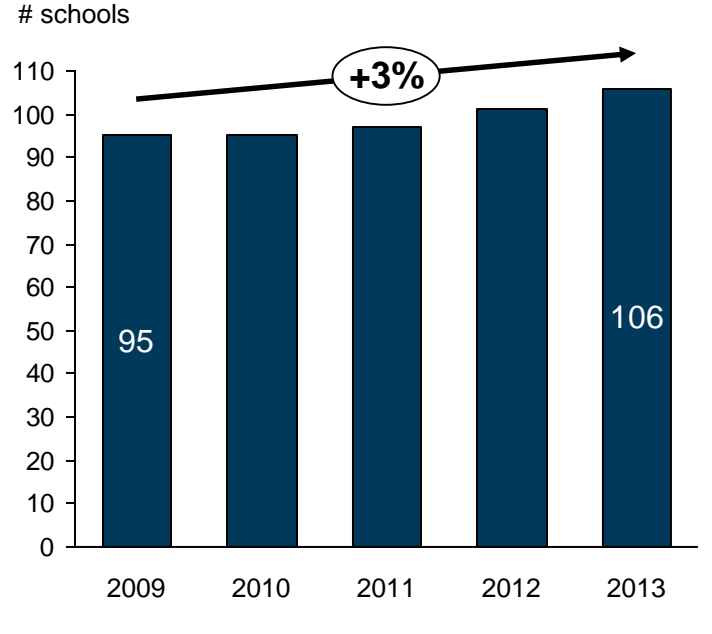
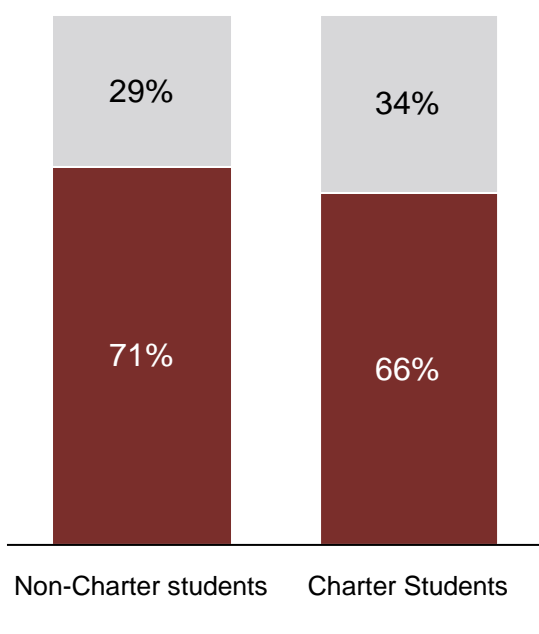
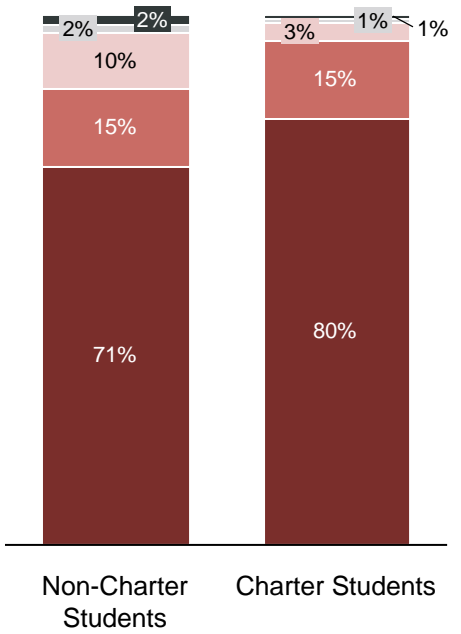
Authorizer

D.C. Public Charter School Board

Demographics

Free/Reduced Lunch Eligibility

Annual Growth Rate of Charters



Other White Black
Asian Latino

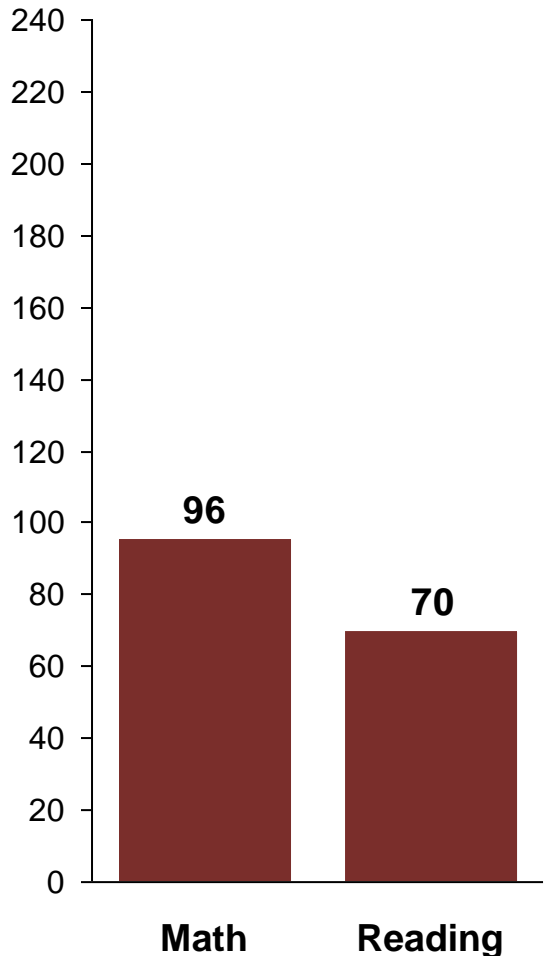
Not Eligible Eligible

Both D.C. charters and the district have improved performance, but charters are improving faster

Key successes and challenges


- From 1998-2010, charter market share in D.C. grew rapidly, but with **mixed quality**
- Charter growth created the **political context** to allow Michelle Rhee and Kaya Henderson to implement significant reforms to DCPS
- Over the past five years, the **independent charter authorizer**, PCSB, improved charter quality by creating a consistent measure of school performance, closing low-performing schools, encouraging growth of high performers, and attracting high-performing CMOs
- **Student achievement** in the charter sector has improved over the past five years
- Both charters and DCPS are improving performance, but charters are improving faster
- Continued charter sector growth and DCPS improvements generated **increased enrollment in both sectors after decades of decline**
- Growing market share has created new challenges for the charter movement
 - Increased political scrutiny and interference
 - Increased pressure to collaborate with DCPS
 - Effort to restrict creation of new charters and/or location of charters that might compete with DCPS schools

Charter Days of Learning over Traditional Public Schools




Detroit, with the nation's second-highest charter market share, is one of only two majority-charter districts

Number and Percentage of Charter Students



58,612 55%

Number of Charter Schools

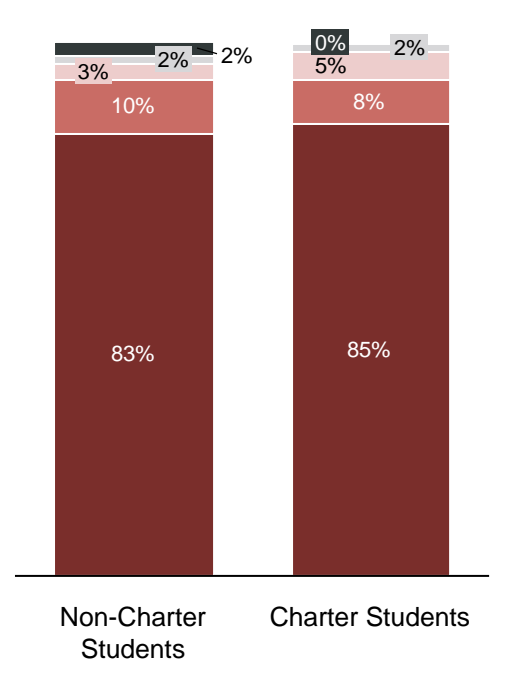


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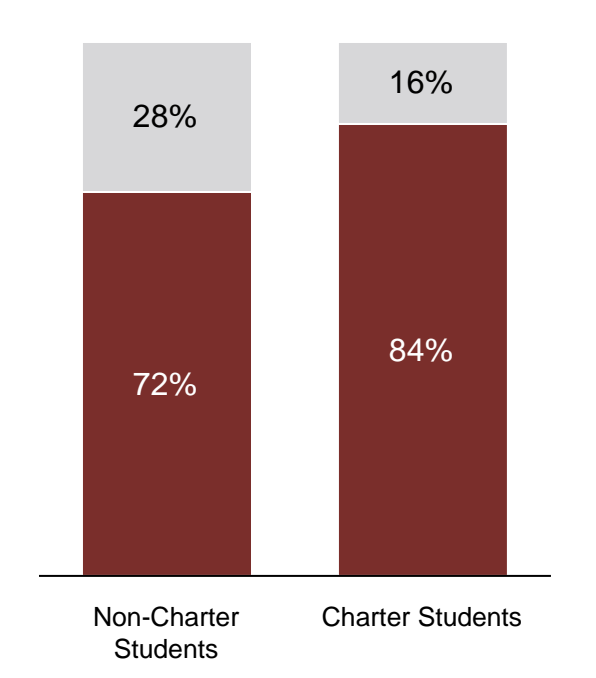
Authorizers

Detroit Public Schools, Wayne RESA, Education Achievement System, 9 Colleges/Universities

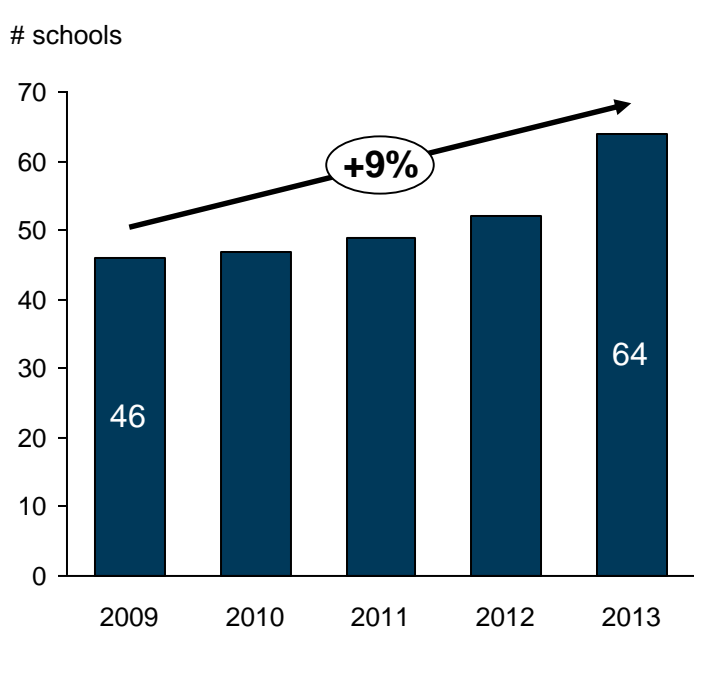
Demographics



Free/Reduced Lunch Eligibility



Annual Growth Rate of Charters



Other White Black
Asian Latino

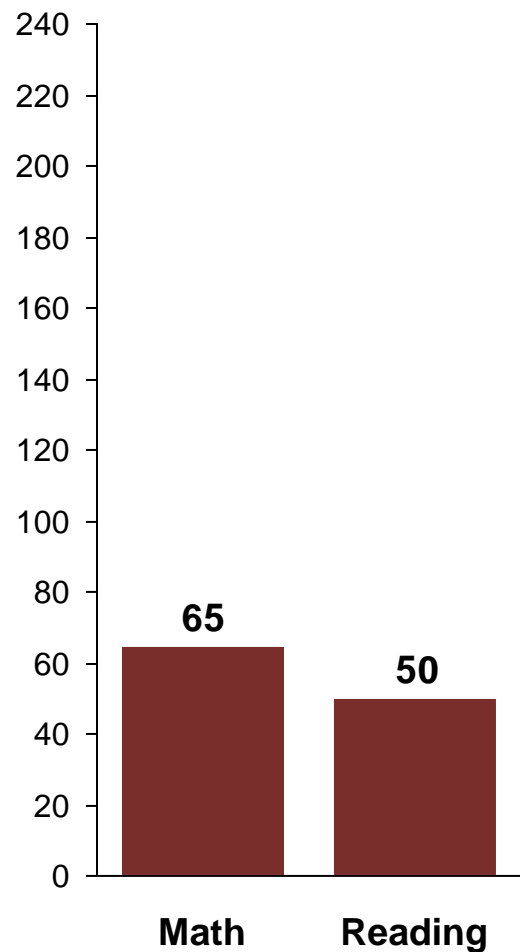
Not Eligible Eligible

Detroit's charter sector has grown in a city plagued by district dysfunction, fiscal crises, and population loss

Key successes and challenges

- Detroit's traditional public schools have a long history of **academic failure and poor management and governance**, and are currently experiencing a **financial crisis**
- The district's challenges mirror challenges facing the **city as a whole**: bankruptcy, high crime and unemployment, and drastic population loss
- Charters and inter-district choice policies provide a **variety of options** for families in Detroit
- Detroit is one of only four cities in a recent CREDO study with both a **small share of low-performing schools and a large majority of schools out-performing traditional public schools**
- CREDO found that Detroit charter schools produced large enough gains to **close the gap between Detroit and the statewide average performance** over several consecutive years
- **Twelve authorizers** authorize charter schools in Detroit
- Michigan's variety of authorizers has enabled charter growth in Detroit, but **authorizer quality varies**
- Detroit has a **high percentage of EMO-run schools**; EMOs in Detroit perform **better on average** than CMOs


Charter Days of Learning over Traditional Public Schools



Source: CREDO 2015 study of charter performance in urban areas.


Los Angeles has more students in charter schools than any city in the country and all but five states

Number and Percentage of Charter Students



139,174 21%
15,218 on waitlists

Number of Charter Schools

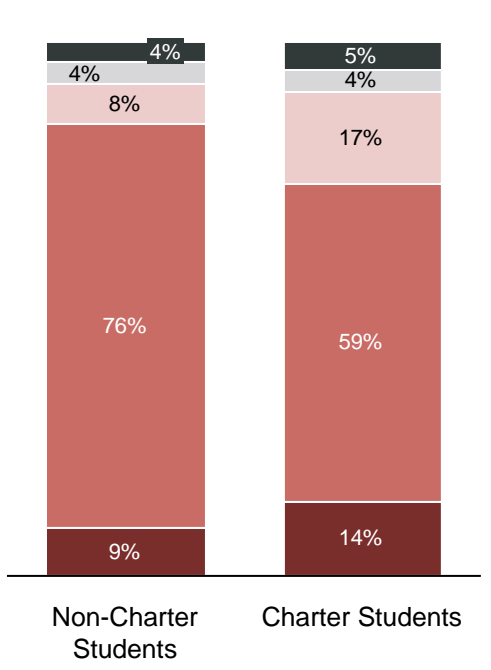


264

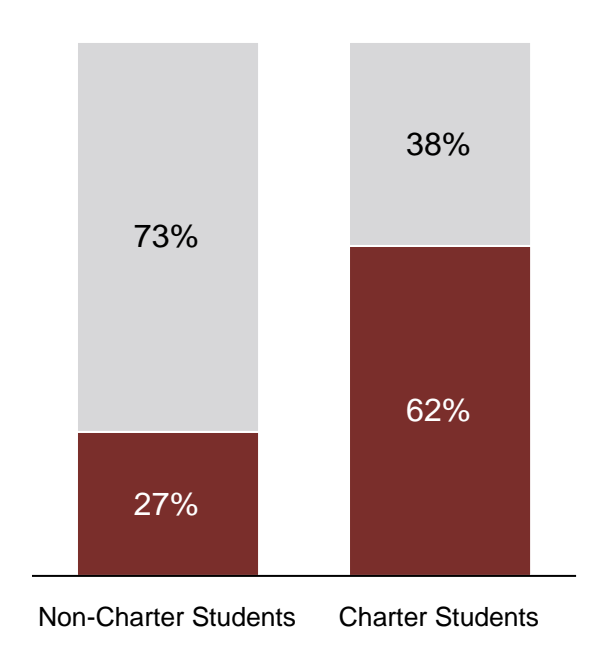
Authorizers

LAUSD
LA County Office of Education
State Board of Education

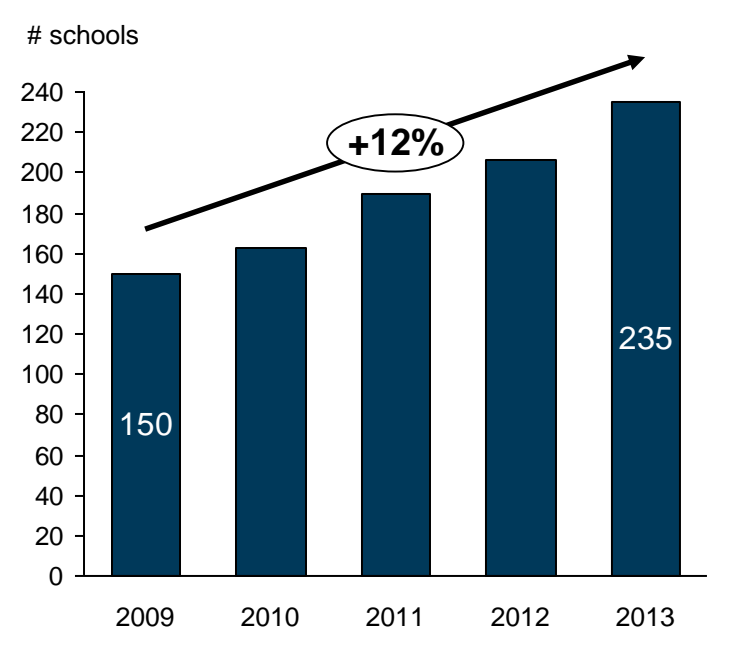
Demographics



Free/Reduced Lunch Eligibility



Annual Growth Rate of Charters



Other White Black
Asian Latino

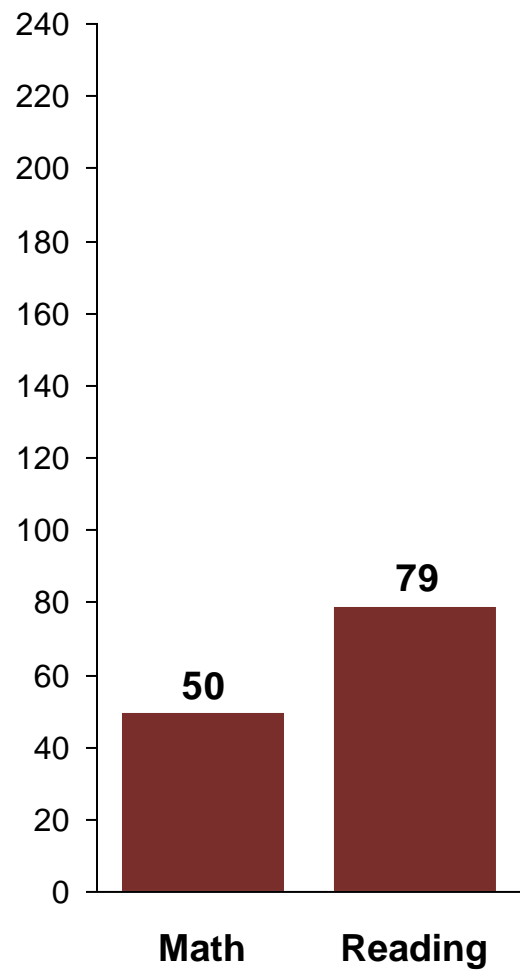
Not Eligible Eligible

Combination of high-performing, local CMOs and strategic philanthropic support is producing results for Los Angeles kids

Key success and challenges

- **Diverse** charter sector includes **national, high-performing CMOs** (e.g., KIPP, Aspire) and high-quality **locally grown networks** that are not nationally known (e.g., Camino Nuevo, Alliance)
- Smart **philanthropic investments** fueled charter network growth
Conversions of existing public schools also contributed to charter sector growth
- **State law** supported growth and quality in Los Angeles:
 - Although LEAs are primary authorizers, **appeals structure** prevents district from shutting out charters
 - Appeals process creates enough hurdles to **prevent weak schools/organizations** from opening
 - **Proposition 39 and SB 740** have enabled charters to access facilities
- **Continued growth** on same trajectory for next 6-8 years will make charters and charter parents a potent political force in L.A.
- The Los Angeles charter sector faces several **challenges**:
 - **District authorizer** creates barriers to creating new charters
 - Difficulty accessing **public facilities**
 - Elected school board creates leadership **instability** and need for **ongoing advocacy and electoral work**


Charter Days of Learning over Traditional Public Schools



Source: CREDO 2014 study of charter performance in Los Angeles.


New York City has the nation's second-largest charter sector, despite relatively low market share

Number and Percentage of Charter Students



70,210 7%
50,400 on waitlists

Number of Charter Schools

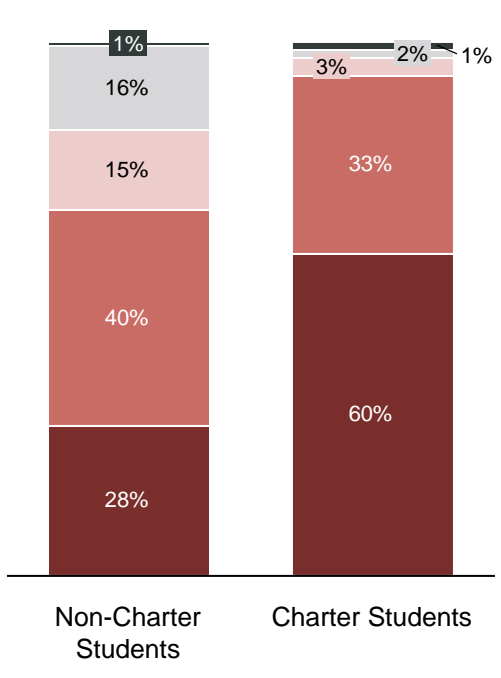


197

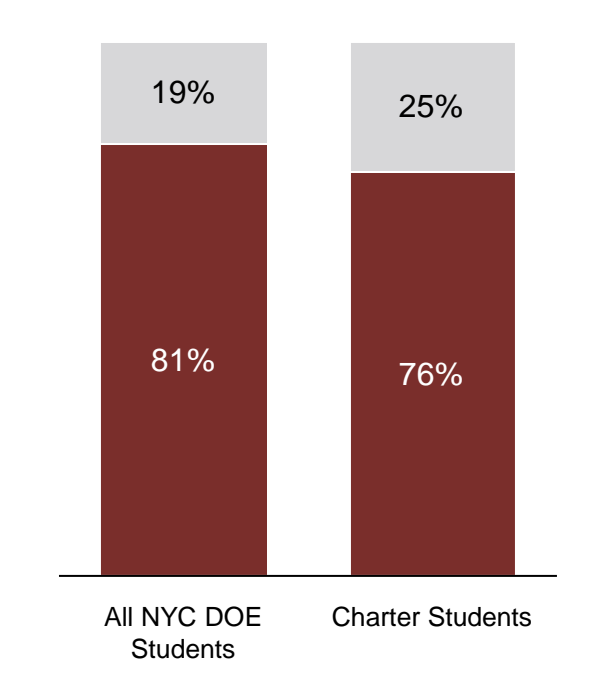
Authorizers

**State University of New York
New York State Dept. of Ed.
NYC Dept. of Education***

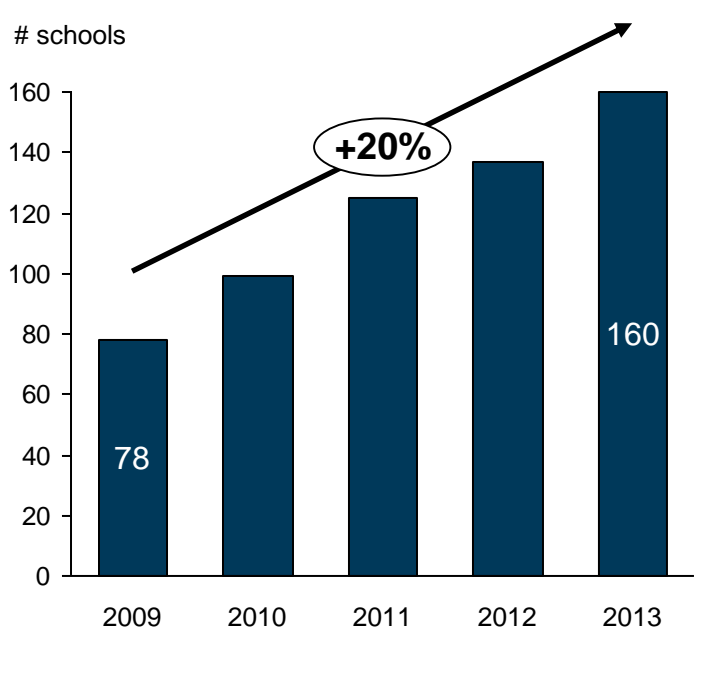
Demographics



Free/Reduced Lunch Eligibility



Annual Growth Rate of Charters



Other White Black
Asian Latino

Not Eligible Eligible
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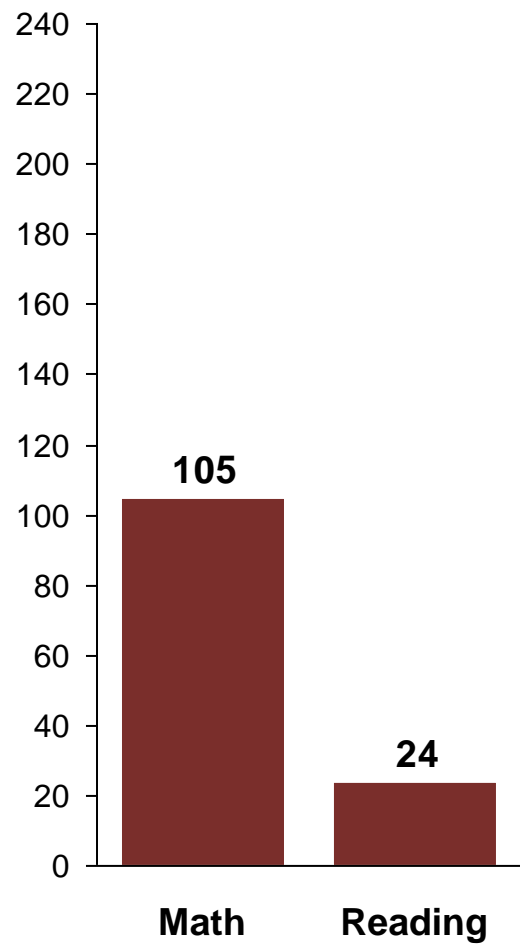
*NYC DOE no longer approves new schools.
Sources: NAPCS 2014 Growing Movement report; NYC DOE; NAPCS dashboard, school years 2009-13; CREDO 2013, 2014.

New York City's high-performing charter sector has withstood political opposition

Key successes and challenges

- NYC charters are **concentrated in areas of the city**, where students have traditionally been underserved, leading to much higher market share in these communities; 24 percent of students in Harlem, for example, attend charter schools
- On average, NYC charters are **high performing**, closing the achievement gap for the predominantly low-income and racial and ethnic minority students they serve
- NYC's charter movement also has **strong political leadership** that has enlisted both donors and families to **advocate** for charter schools
- **Former Chancellor Joel Klein and Mayor Bloomberg** championed charter schools, creating space for their growth in **public school facilities**
- Current **Mayor de Blasio** has been critical of charter schools, but has had **limited success** in curtailing charter growth
- Combination of **strong parent demand, high performance, and strong political leadership** has enabled New York's charters to persist and **thrive despite opposition**


Charter Days of Learning over Traditional Public Schools



Sources: CREDO 2015 study of charter performance in urban areas; CREDO 2009 New York City study.


Boston has the nation's highest-performing charter sector, but statutory caps have limited growth

Number and Percentage of Charter Students



9,568 15%
15,464 on waitlists

Number of Charter Schools



32

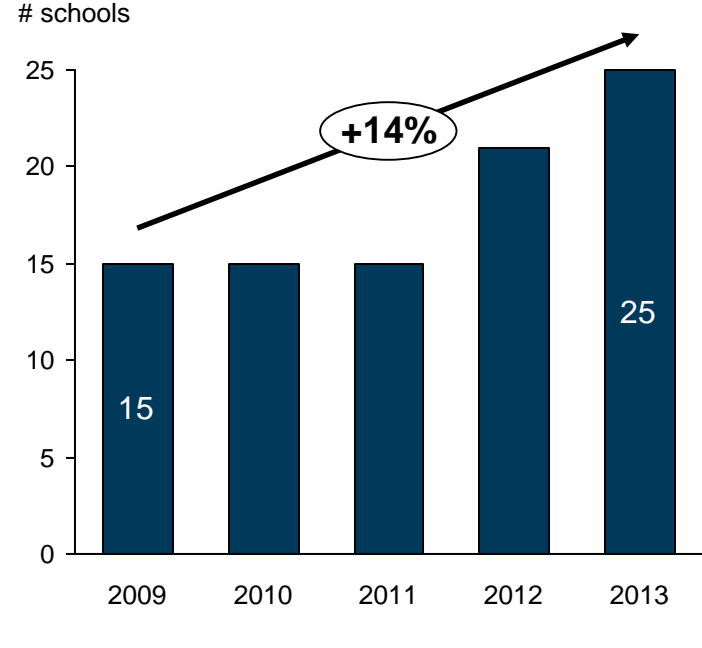
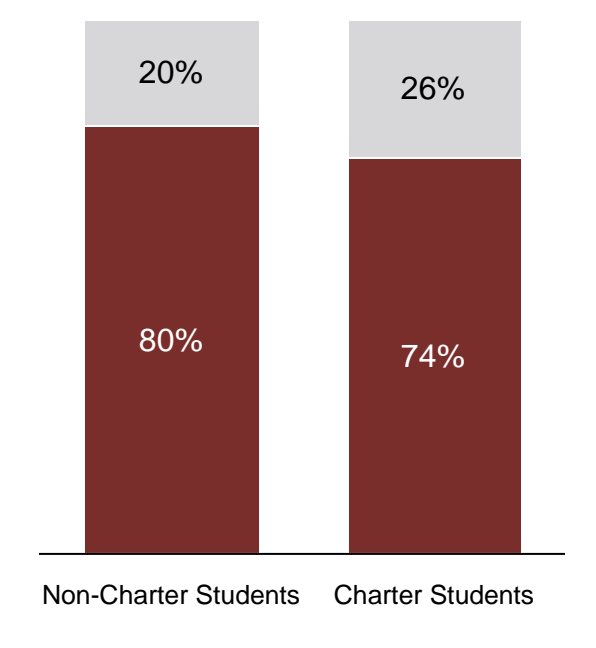
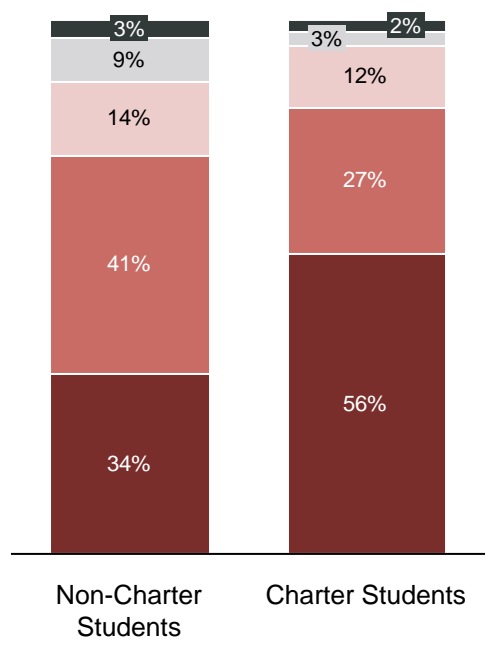
Authorizer

MA Dept. of Elementary and Secondary Education

Demographics

Free/Reduced Lunch Eligibility

Annual Growth Rate of Charters



Other White Black
Asian Latino

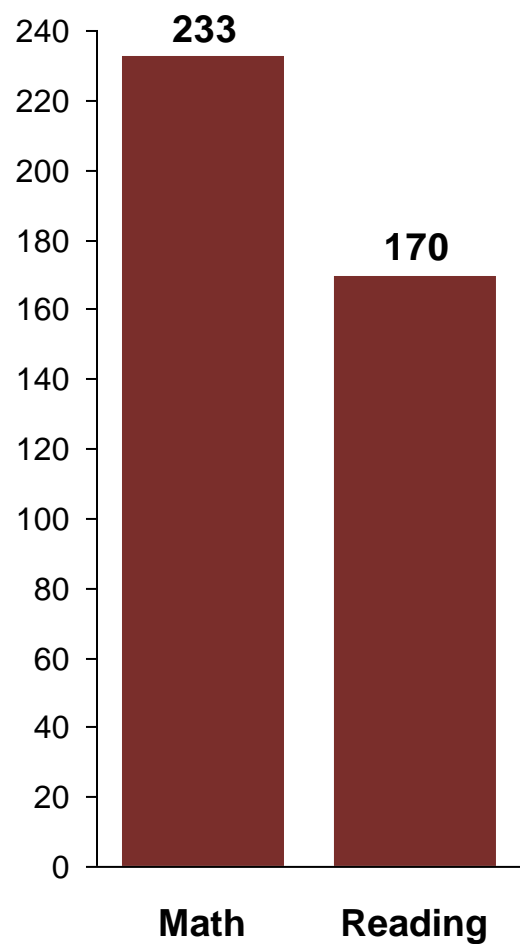
Not Eligible Eligible

Boston's experience illustrates the importance of political and advocacy support to enable charter growth

Key successes and challenges

- Boston's charter sector posted the **highest learning gains** in the country in both math and reading
- Nearly **27,000** Boston students are on charter **waitlists**
- **Statutory caps** have prevented Boston's charter sector from growing to meet demand:
 - Only **120 charters** may be authorized in the state.
 - Massachusetts also caps the amount of an **individual district's budget** that can be transferred to charters at 9 percent (rising to 18 percent in the 10 lowest-performing districts by 2017)
- Although the **cap was raised in 2010**, the state has already awarded virtually all new seats permitted under the increased cap, **limiting further growth**
- The persistence of restrictive caps in the nation's highest-performing charter sector illustrates that school quality alone is not sufficient to build support for charters—**politics and advocacy are crucial to further growth**


Charter Days of Learning over Traditional Public Schools



Source: CREDO 2015 study of charter performance in urban areas.


Denver had used a portfolio approach to expand quality options in both district and charter schools

Number and Percentage of Charter Students



13,653 16%

Number of Charter Schools



46

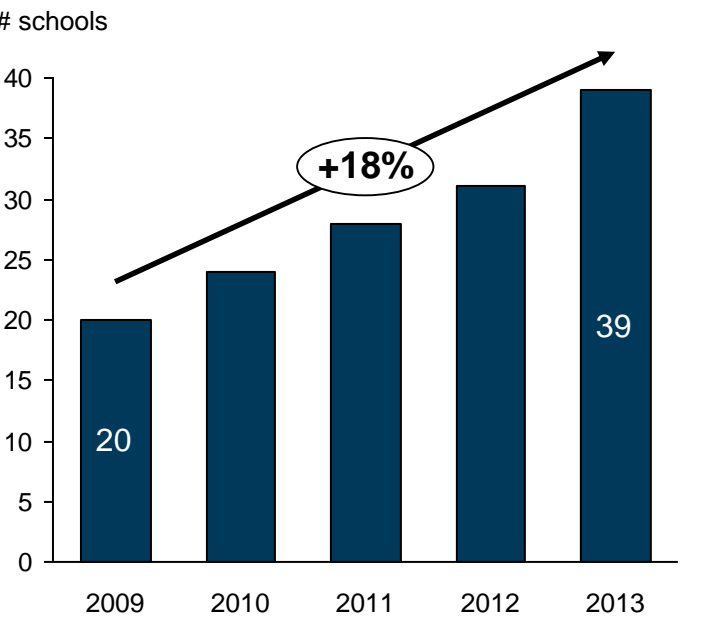
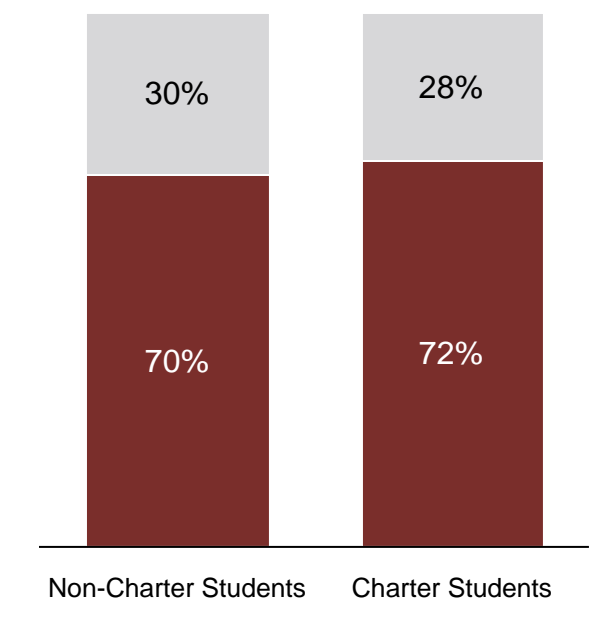
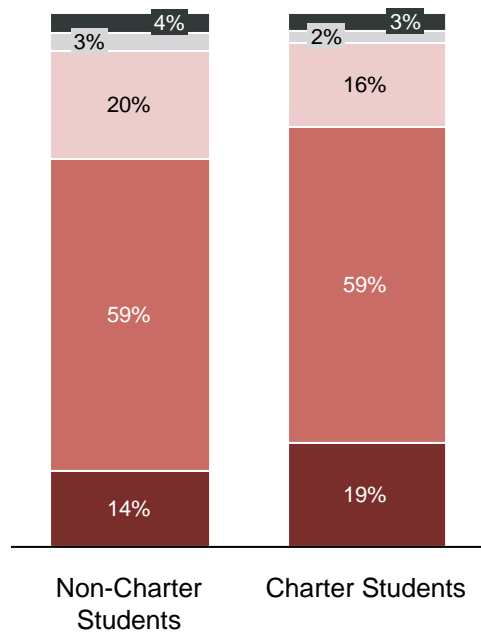
Authorizers

**Denver Public Schools
Colorado Charter School Institute**

Demographics

Free/Reduced Lunch Eligibility

Annual Growth Rate of Charters



Other White Black
Asian Latino

Not Eligible
Eligible

Denver’s portfolio approach offers the most developed model of district-charter collaboration

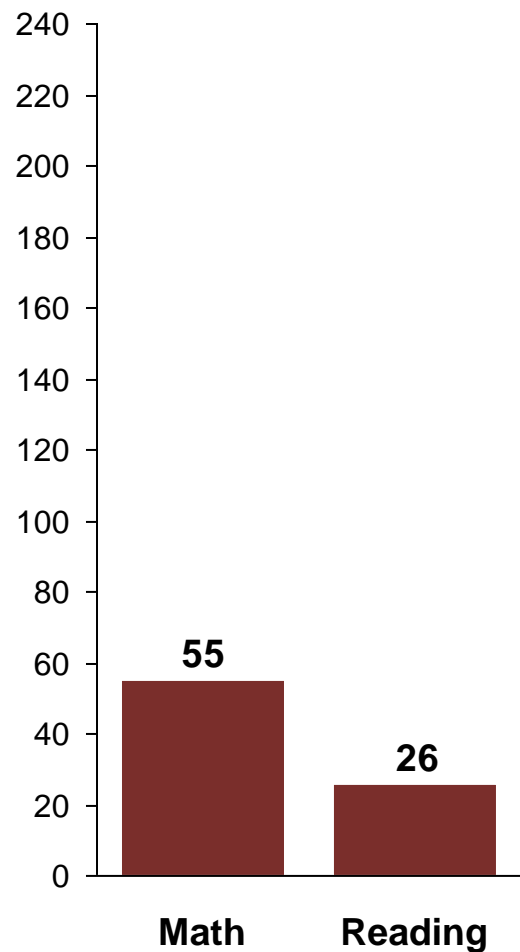
Key components of district-charter collaboration in Denver

- Unified cross-sector enrollment system, **SchoolChoice**, created in 2011 to address parental frustration with multiple applications
- **CompactBlue** pairs DPS teachers and administrators with their charter counterparts to share data, participate in professional development, and design curriculum
- DPS provides high-quality charters space in available district **facilities**; 60 percent of Denver charter schools are in DPS space
- DPS and charters have worked together to increase the share of **special education students** in charter schools
- DPS overhauled **transportation** to support parent choice in both district and charter schools
- Range of options for families also includes **intradistrict choice** and **“innovation schools”** (in-district schools with increased flexibility) as well as charter schools

Challenges of district-charter collaboration in Denver

- Charter leaders suggest that sometimes only the **district’s agenda** is addressed
- Reforms are **dependent on support from district leadership** and favorable school board

Charter Days of Learning over Traditional Public Schools



Source: CREDO 2015 study of charter performance in urban areas.

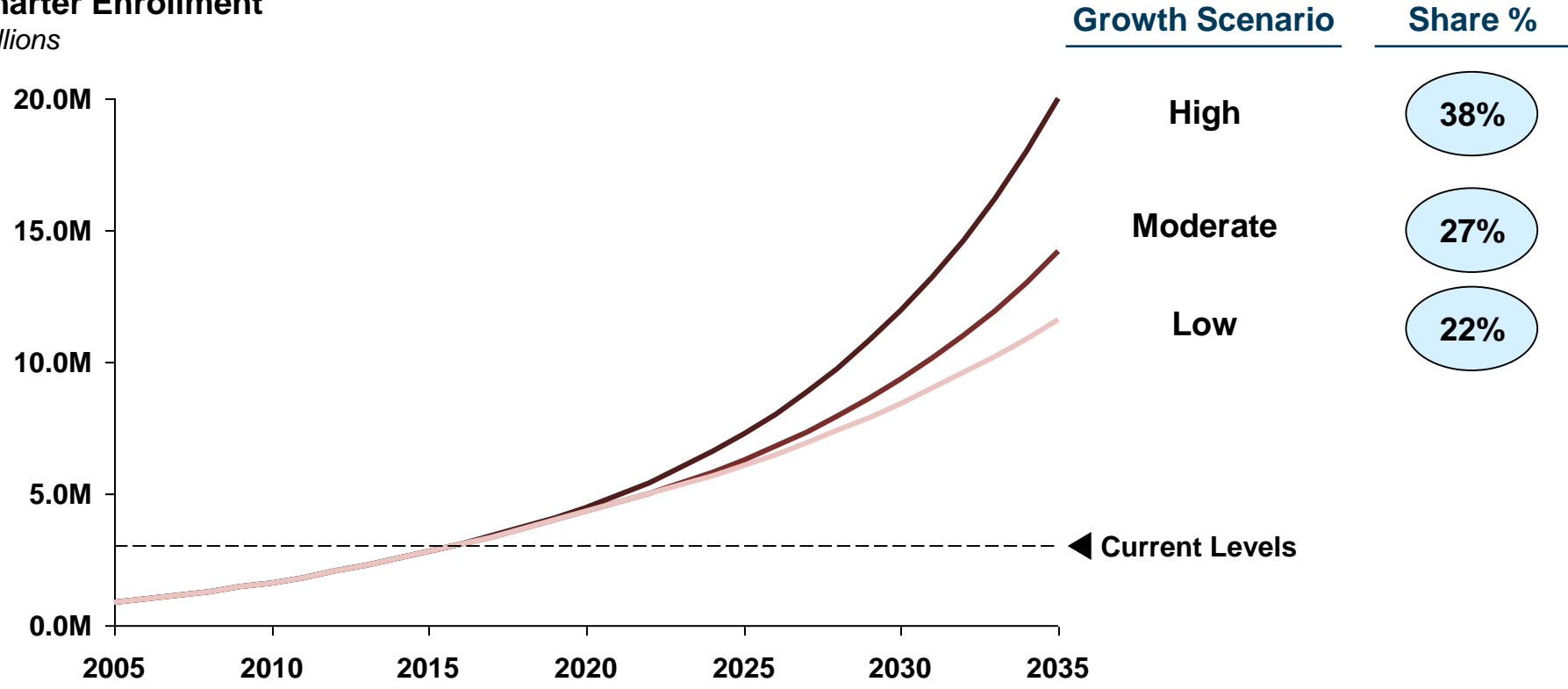


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Future challenges

If current trends continue, charter schools will educate 20-40 percent of all U.S. public school students by 2035

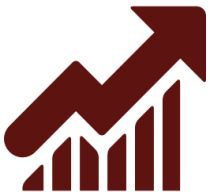
Charter Enrollment
millions



Notes

- Projected growth rates reflect historical trend data and Charter School Growth Fund projections
- Low growth rate scenario assumes that CSGF growth rate declines .05% per year and stabilizes at 10%; non-CSGF rate declines .05% per year and stabilizes at 5%
- Moderate growth rate scenario assumes that CSGF growth rate declines .05% per year and stabilizes at 15%; non-CSGF rate declines .05% a year and stabilizes at 7%
- High growth rate scenario assumes that CSGF growth rate declines .05% per year and stabilizes at 17%; non-CSGF rate declines .05% a year and stabilizes at 9%

Reaching this potential requires addressing barriers to growth



Operator capacity to scale and pipeline of quality new schools



Human capital and talent



Facilities



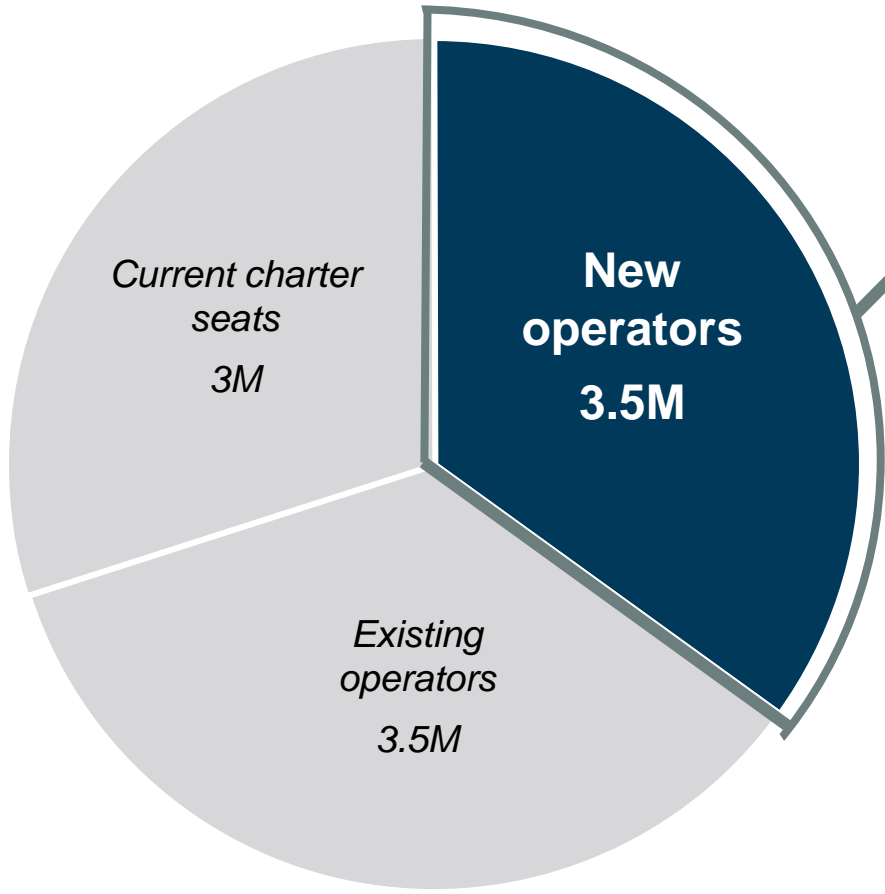
Political and policy obstacles



As the movement **scales**, it will need to be prepared for **new challenges** that come from **increased market share** and **expansion to new areas**

Meeting growth projections will require high-quality new operators

Meeting growth projections will require creating 7 million new high-quality seats over the next 15 years



Although current operators project capacity to account for nearly half of projected growth, the sector will need **new operators** to supply **3.5 million** additional seats

Achieving this number of new seats will require **at least 70 new, high-quality operators** by 2030

To sustain growth, the charter sector must invest both in **scaling existing CMOs** and in creating new, high-performing schools that can **eventually replicate**

Source: Analysis conducted by the Walton Family Foundation, Neerav Kingsland

Existing high-performing CMOs experience common growth pains as they reach increasing levels of scale

Key Domains of CMO Capacity

Common Pain Points

Academic performance	<ul style="list-style-type: none"> • Must have solid academic program in place before growing • Growing too fast or without adequate internal capacity and systems can negatively impact academic results
Decision-making and communication	<ul style="list-style-type: none"> • Communication and culture issues compound with scale; lead to ineffectiveness, inefficiencies, and redundancies
Culture and values	
Human capital	<ul style="list-style-type: none"> • Talent is the most critical factor to ensure operational & programmatic success • Need HR capacity & systems to recruit, develop, and retain talent at all levels • Need leadership bench and strong leaders for new geographies
Communications and outreach	<ul style="list-style-type: none"> • Growing to new communities requires significant attention to community engagement, relationship building, learning about new community
Advocacy	<ul style="list-style-type: none"> • Growth requires capacity & expertise to navigate policy and political landscape • CMOs are increasingly building their own advocacy and grassroots capacity
Financial trends	<ul style="list-style-type: none"> • Funders want to see a path to sustainability before funding growth • Need precise plan for school size and staffing
Facilities	<ul style="list-style-type: none"> • Need a process in place early – lack of a sufficient facility makes opening a school impossible
Operations	<ul style="list-style-type: none"> • Sound operational processes critical for effective mgmt. of school openings • Sustainability issues compound with scale
Governance	<ul style="list-style-type: none"> • Board must have right capacities & vision to set/monitor strategy for growth

Replication of high-performing CMO models in new jurisdictions has also proven challenging

Key challenges facing CMOs replicating in new jurisdictions

- Differences in student demographics, human capital pipelines, and state standards and assessments may require adjustments to **model**
- Lack of familiarity with new student and community **demographics**, culture, and needs
- Distance from “mothership” creates **challenges recruiting and supporting leaders** in new jurisdiction
- Need to learn to navigate **new political dynamics**
- Lack of attention to **community outreach** and engagement can undermine success

The track record of CMO replication to new states is disappointing

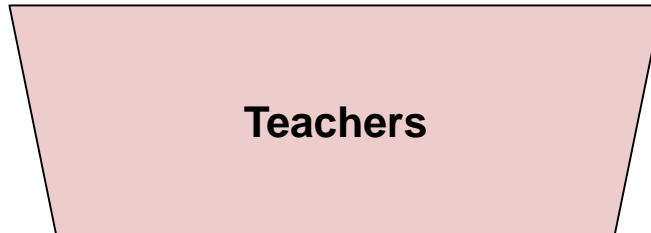
- **YES Prep** recently pulled out of planned expansion to Memphis due to lack of community support and a change in district policy related to co-locations
- Memphis expansion has also been challenging for **Green Dot** and **Aspire**
- **Rocketship** has slowed pace of growth after experiencing replication and community challenges in Milwaukee, Tennessee, and Washington, D.C.
- **Democracy Prep** replication in Camden has been successful, but in Washington, D.C., replication has struggled

Human capital challenges at all levels affect charter quality and growth

Typical Human Capital Pipeline

Charter Boards

- Quality board members are essential to the success of a nonprofit governance model
- Boards also add significant fundraising & subject area expertise and support



Supply of high-quality teachers impacts level of school quality



Supply of school leadership talent is a major constraint on growth

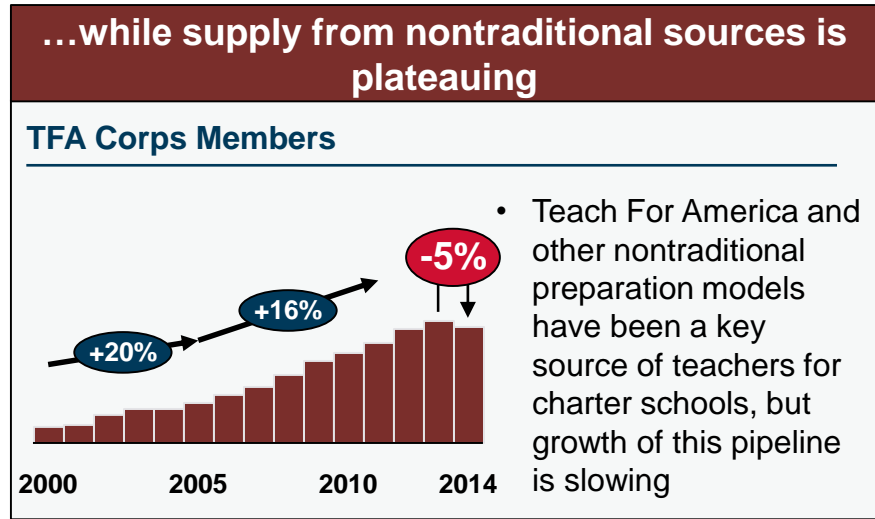
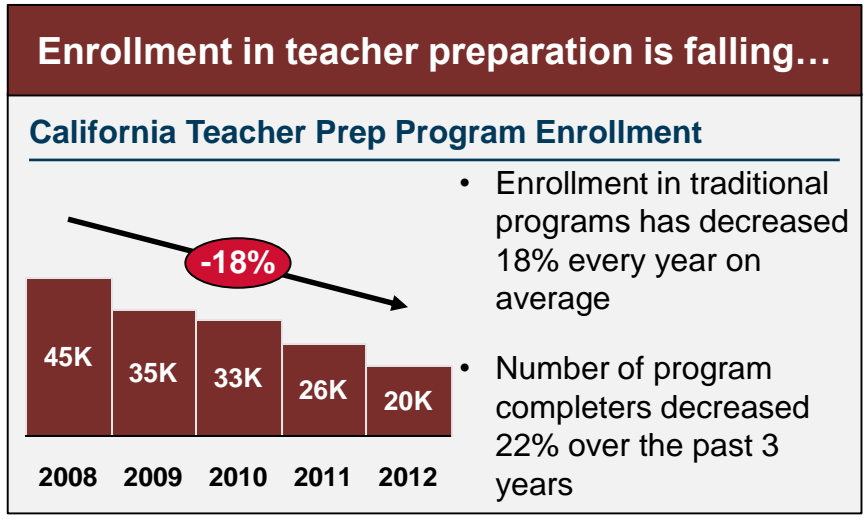


Succession and senior leadership challenges are crucial to long-term sustainability

Continued growth requires developing pipeline of **quality talent at all levels**

High-performing charter schools will face new challenges securing teaching talent in the coming years

Supply Challenges



Quality Challenges

- Many high-performing CMOs have **human-capital-intensive models** that place **rigorous demands** on staff
- High-performing CMOs have produced results by focusing on **recruiting** and **developing** teaching talent

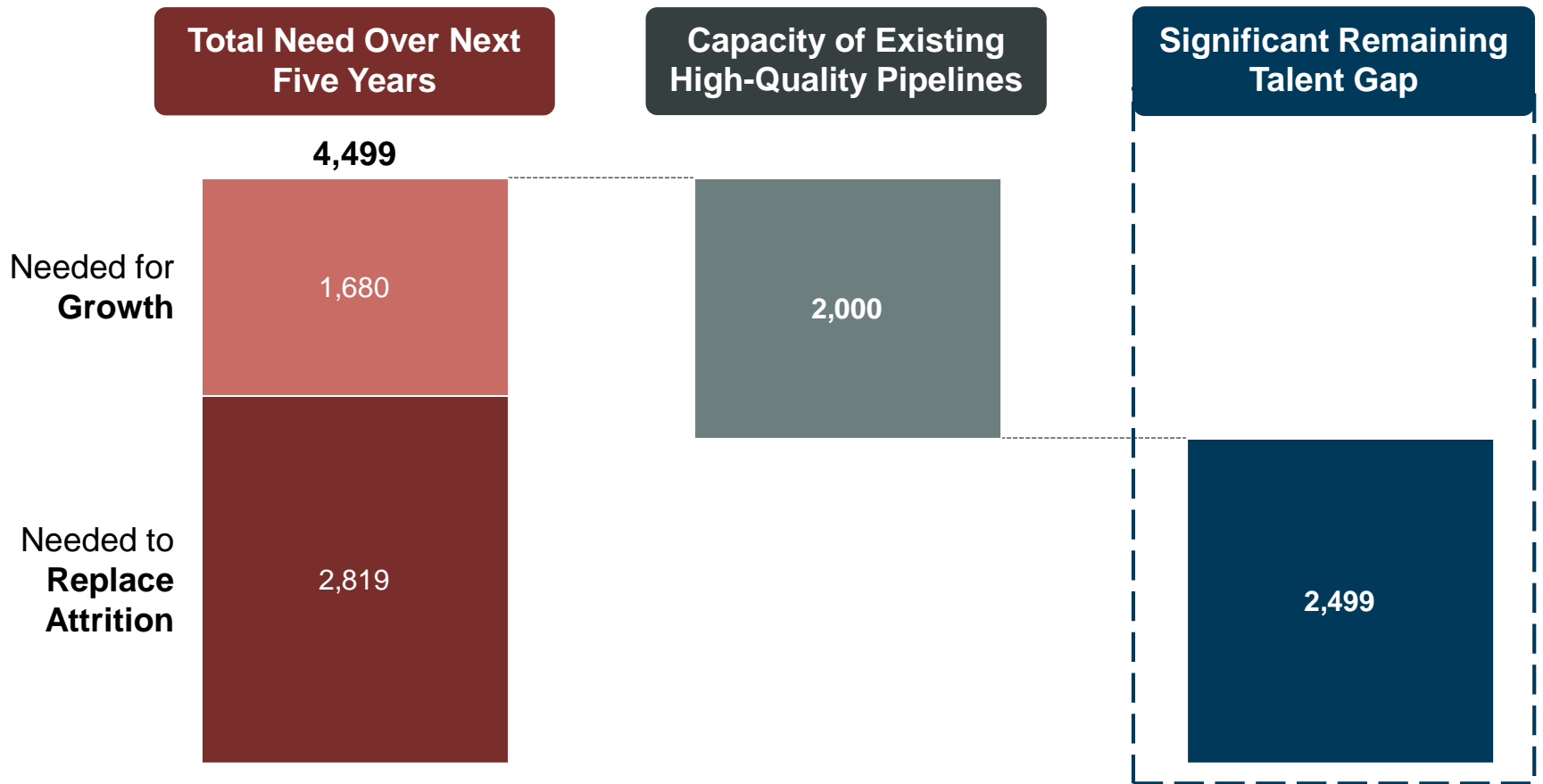


- As the movement achieves **greater scale**, it will need to learn how to be effective with teachers from **deeper in the talent pool**
- As high-performing models mature, ensuring the **sustainability of teaching roles** is also an increasing priority

Sources: Teach For America; NCES; Third Way.

School leadership pipeline is a major factor constraining pace of new school creation

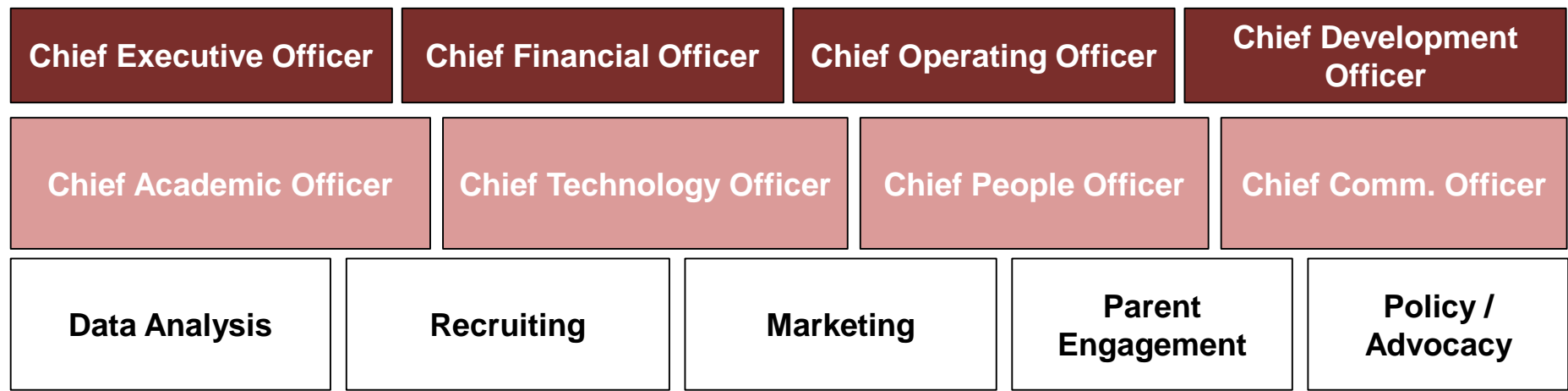
Current and future charter schools will require 4,500 new principals over the next five years



Sources: Current charter principal & attrition estimates based on data from National Center for Education Statistics, Principal Attrition and Mobility Report (2014). Estimate of number of leaders produced annually by pipeline programs based on prior Bellwether research.

Continued growth of high-performing CMOs requires increased supply of executive and senior leadership talent




CMO Senior Leadership Team



Estimated 3,650 leaders needed for senior roles in next 5 years

Sources: EdFuel, Map the Gap (2014). Also includes senior leadership needs for school management organizations operating networks of private schools serving low-income children and autonomous schools of choice within district sector.

In response to these challenges, CMOs are increasingly building their own human capital pipelines

 <p>Created to prepare teachers for three New York City CMOs, but has since expanded</p>	 <p>Develops teacher and administrative leaders within and outside of KIPP</p>	 <p>Alternative certification program for teachers at specific D.C. charter schools</p>
<p>1400 participants annually in the first-time teacher prep program</p>	<p>1400 participants</p>	<p>500 participants</p>
<ul style="list-style-type: none"> • Started as a unique partnership with Uncommon Schools, KIPP, and Achievement First • Expanded to operate in Chicago, Houston, New Orleans, and Newark and serve educators in both district and charter contexts • Now offers a range of training and development for both teachers and leaders 	<ul style="list-style-type: none"> • 7 distinct programs develop leaders at all stages in pipeline: <ul style="list-style-type: none"> • 6 develop internal and external staff to work at KIPP • One trains administrators for other education organizations • Fisher Fellowship, the best-known program, trains select leaders to start new KIPP schools 	<ul style="list-style-type: none"> • Prepares first-time teachers to work in high-need D.C. charters • Provides participants with post-residency “placement support,” including school partner selection support and feedback and observations for first full year

While these approaches are promising, they are resource intensive and meet only a portion of projected sector needs

Facilities are a major obstacle to charter growth

\$38.5 Billion

Estimated cost to build new facilities to accommodate projected growth to 2020

This level of investment is neither **realistic** nor **necessary**. Charter schools must **access existing public space**. Increasing access to **district space** requires **political solutions**.

“The push for quality is irrelevant if there's no facilities funding.”

“Real estate is a huge issue. It's a game changer. Districts have figured out different ways of blocking facilities.”

“If we don't tackle facilities, we won't be able to grow.”

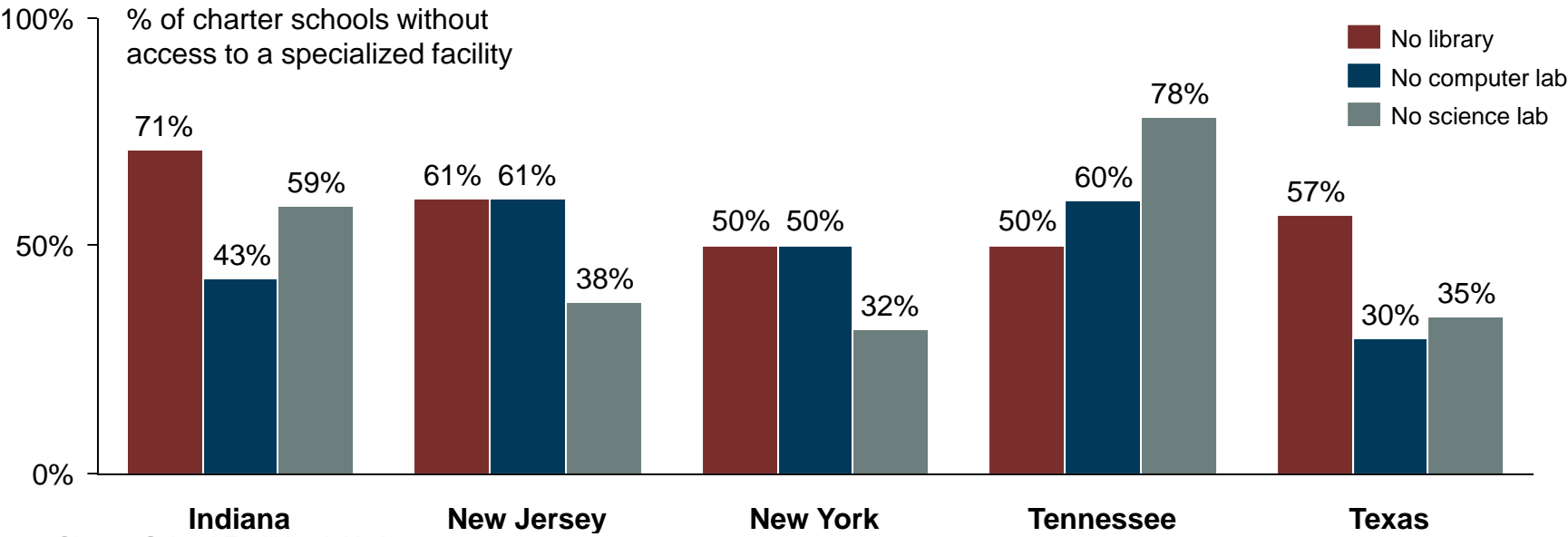
Charter schools currently face problems accessing appropriate facilities

Accessing district facilities has proven challenging for charter schools

- Districts have been reluctant to share space with charters, even when mandated by law
- Districts have found ways to circumvent policies that give charters a “right of first refusal” on vacant or excess space
- Co-locations can be politically difficult and controversial



These challenges have real impacts on charter school students – many charters struggle to find space and lack libraries, computer labs, or science labs



Source: Charter School Facilities Initiative 2013.

State policies can help charter schools access and pay for facilities

State Charter Facilities Programs

- 11 states have some policies to make district facilities available to charters
- 12 states and D.C. provide charters per-pupil facilities funding, but per-pupil amount is less than \$1,000 in all but three of these states
- 10 states and D.C. provide some kind of capital grant for charter facilities
- 4 states allow charter schools to tap into local taxing authority through mill levies
- 9 states and D.C. operate publicly funded loan programs for charter school facilities
- 8 states and D.C. offer some form of credit enhancement
- 42 states and D.C. allow charter schools to access some form of tax-exempt debt

Only **three states** (California, Colorado, and Utah) and **D.C.** provide charters **equitable access to capital and facilities funding**



Examples

California

- Prop 39: Gives charter schools a legal right to access district facilities
- SB740: Provides facilities subsidies to charters utilizing private space

Colorado

- Allows participation in local bonds
- “Charter School Matching Moneys Loan Program” provides state loans to meet required matches under facility financing program
- Prohibits charging rent for district space

New York

- Article 56 of the amended Charter Schools Act to support facilities access for NYC charters
- NYC DOE must offer “reasonable, appropriate, and comparable” co-location or other public space to approved charter schools at no cost
- If the school is denied space or not satisfied with the offer, it can appeal and receive rental assistance

Political and policy factors pose a real threat to continued charter sector growth

- 1 State policies continue to constrain growth
- 2 Charters receive inequitable funding
- 3 Federal charter school funding has stagnated even as sector has grown
- 4 Low-performing charter schools and corruption create political liabilities for movement
- 5 Political opposition poses an ongoing threat
- 6 Diversity issues may also exacerbate political and community engagement challenges

State policies continue to constrain charter growth

7

7

22





No Charter Law

District Is Only Authorizing Option

Caps on Charter Schools

- Kentucky
- Montana
- Nebraska
- North Dakota
- South Dakota
- Vermont
- West Virginia

- Alaska
- Florida
- Iowa
- Kansas
- Maryland
- Virginia
- Wyoming

- Arkansas
- California
-  Connecticut
- D.C.
- Idaho
- Illinois
-  Maine
-  Massachusetts
- Michigan
- Mississippi
- Missouri
- New Hampshire
- New Mexico
-  New York
- Ohio
- Oklahoma
- Pennsylvania
- Rhode Island
- Texas
- Utah
- Washington*
- Wisconsin

Sources: NAPCS

 Indicates cap limits charter growth

*In 2012, Washington State voters approved a ballot initiative creating charter schools in the state, but that law is currently facing legal challenges and its status is uncertain.

Charters schools receive less per-pupil funding than traditional public schools

On **average**, charter schools receive

28% (\$3,509)

less, **per pupil**, than their district peers



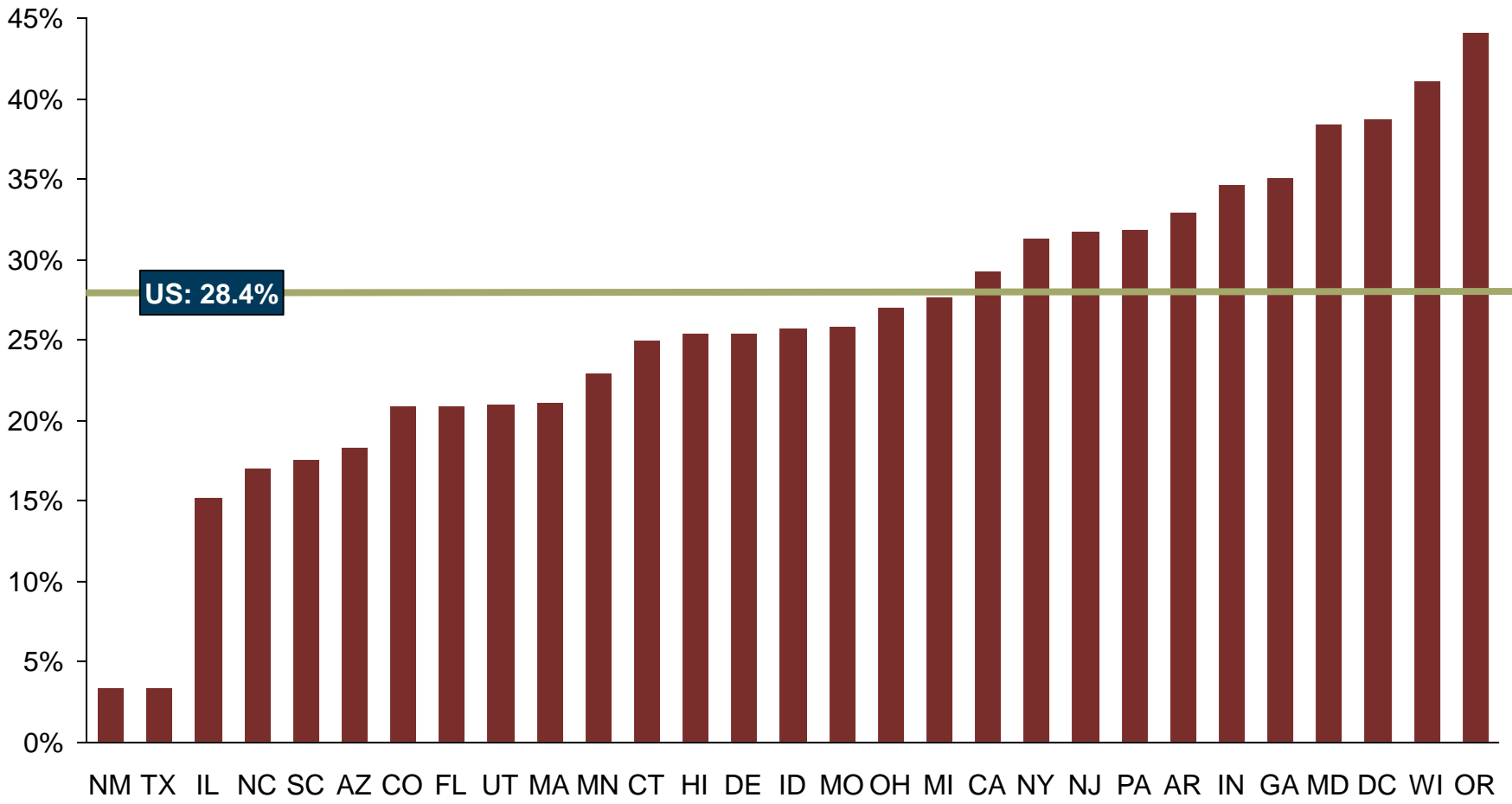
Nationally, charter schools received

\$8.9 billion

less per-pupil funding than
district schools in **FY11 alone**

The gap in per-pupil revenue varies across states

Percentage Variance in Per-Pupil Revenue between District and Charter Schools, by State



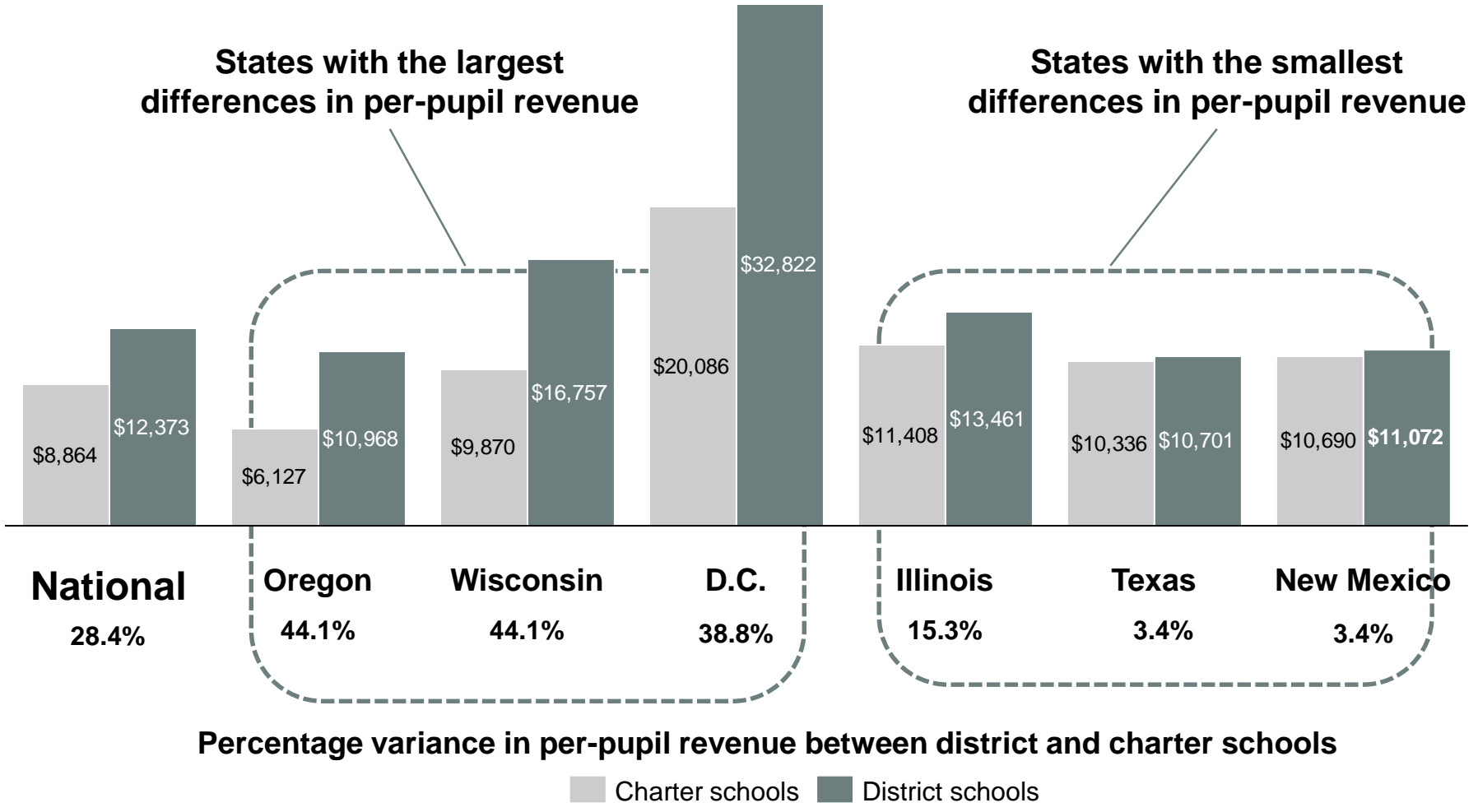
US: 28.4%

TN: -.1% In Tennessee, charters receive .1% more than district schools.

Source: University of Arkansas 2014 (analysis based on FY11 data).

Aggregate differences in per-pupil revenue mask wide disparities in actual charter revenue between states

Per-Pupil Revenue, by Sector



Source: University of Arkansas 2014 (analysis based on FY11 data).

Multiple factors contribute to this gap in per-pupil revenue

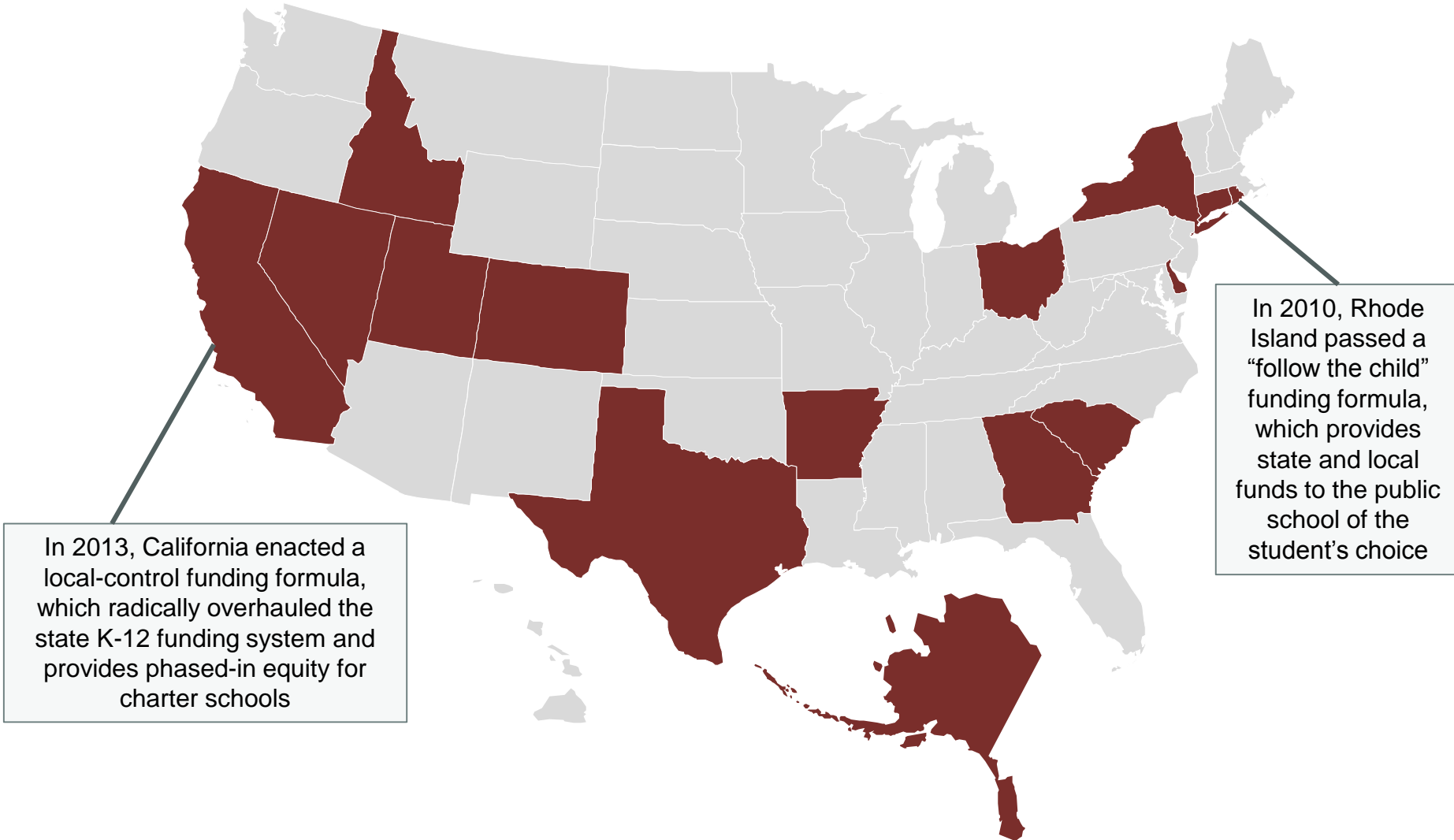
Economic recession exacerbated district-charter funding disparities

Charter schools often **do not have access to categorical grant funds** for specific purposes or activities

In states without **centralized systems** to oversee dispersal of funds to charters, charters often **get less than statute requires or intends**

Charter schools often lack access to **capital or facilities funding** or receive **less than districts** do from these funding sources

Since 2010, 15 states have made progress on advancing fiscal equity for charters

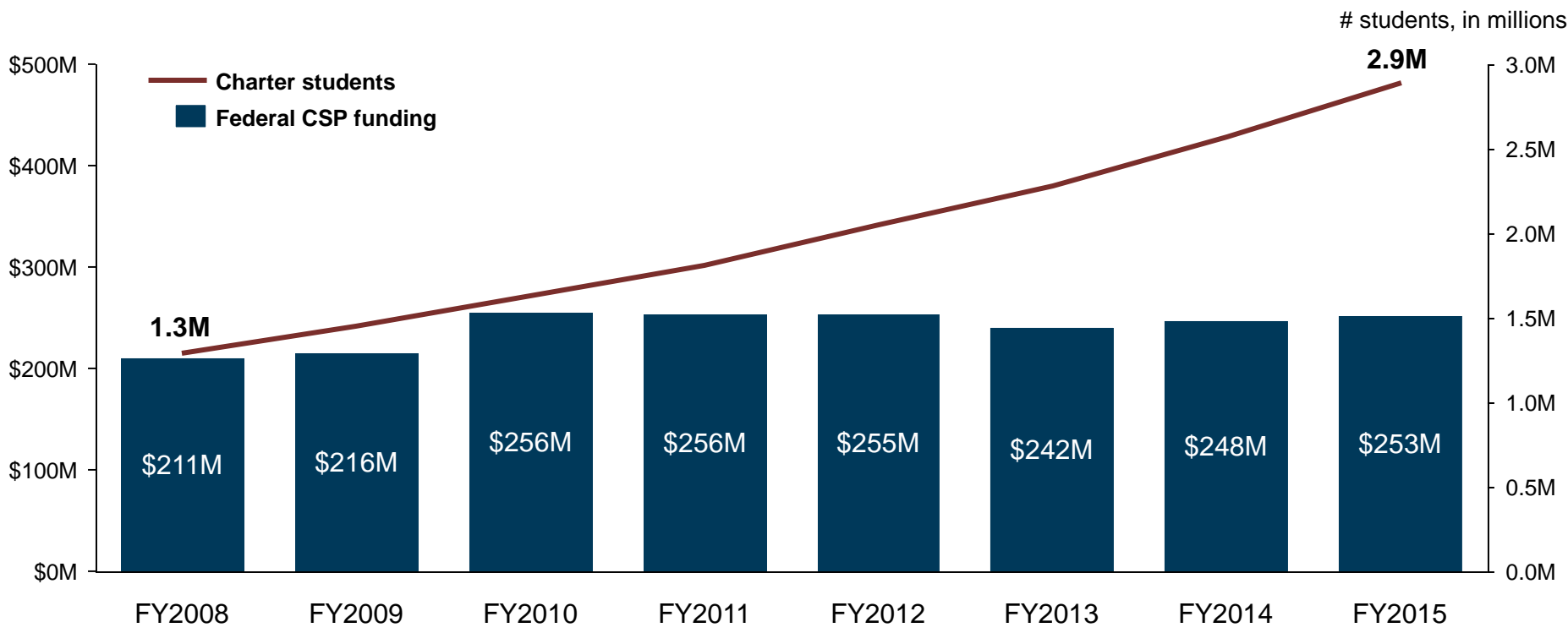


These **gains** were the result of **concerted, multiyear** advocacy efforts

Federal charter schools funding, a crucial support for new school creation, has not kept pace with sector growth

Federal Charter Schools Program (CSP) Funding and Sector Enrollment

By fiscal year, in millions



Notes

- Charter Schools Program funds have played a crucial role in providing start-up funding for new charters
- Since 2010, program has also included set-aside for replication of high-performing CMOs
- Annual funding levels are unstable
- Current funding is just 20% higher than 2008 levels, even though the sector has grown 124%

Low-performing charters could create quality and political problems for the movement

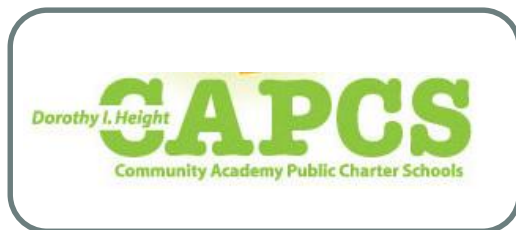
“The quality of charter schools could become a political problem for us in the future. We could have a situation where charters are powerful but they become their own new status quo that needs to be undone.”

- A subset of states and cities (e.g., Ohio, Pennsylvania) has **underperforming charter sectors**. These states and cities impact overall perceptions of charter quality.
- Older and lower-quality research shows weak charter performance. Because key stakeholders are **not research-savvy**, the narrative of poor performance is hard to shake.
- Even strong sectors have a **subset of low-performing schools**.
- As a result, low-quality schools and sectors **continue to hurt the charter movement in public opinion and politically**.

Instances of financial malfeasance pose additional potential risks, politically and for school autonomy

Recent **high-profile** examples of charter school **corruption** include:

Washington, D.C.



\$14M

D.C. attorney general brought a civil suit against founder **Kent Amos** with **diverting** \$14M over the past decade.

Funds went to a **private entity** that Amos allegedly used for **personal profit**.

Even if corruption is confined to a **subset of schools**, it could negatively impact **public opinion**.

Chicago



\$38M

The **SEC** charged UNO with **defrauding** bondholders of \$38M.

Numerous scandals attached to CEO **Juan Rangel** led him to resign.

Concern about corruption may also lead authorizers or regulators to **limit autonomy** for all charters.

Pennsylvania



\$8M

U.S. Attorney's office in Pittsburgh charged former CEO **Nick Trombetta** with filing **false tax returns** and **diverting** \$8M in school revenues.

Corruption reinforces the **myth** that charters are **corporatists** out to **make money** for individuals.

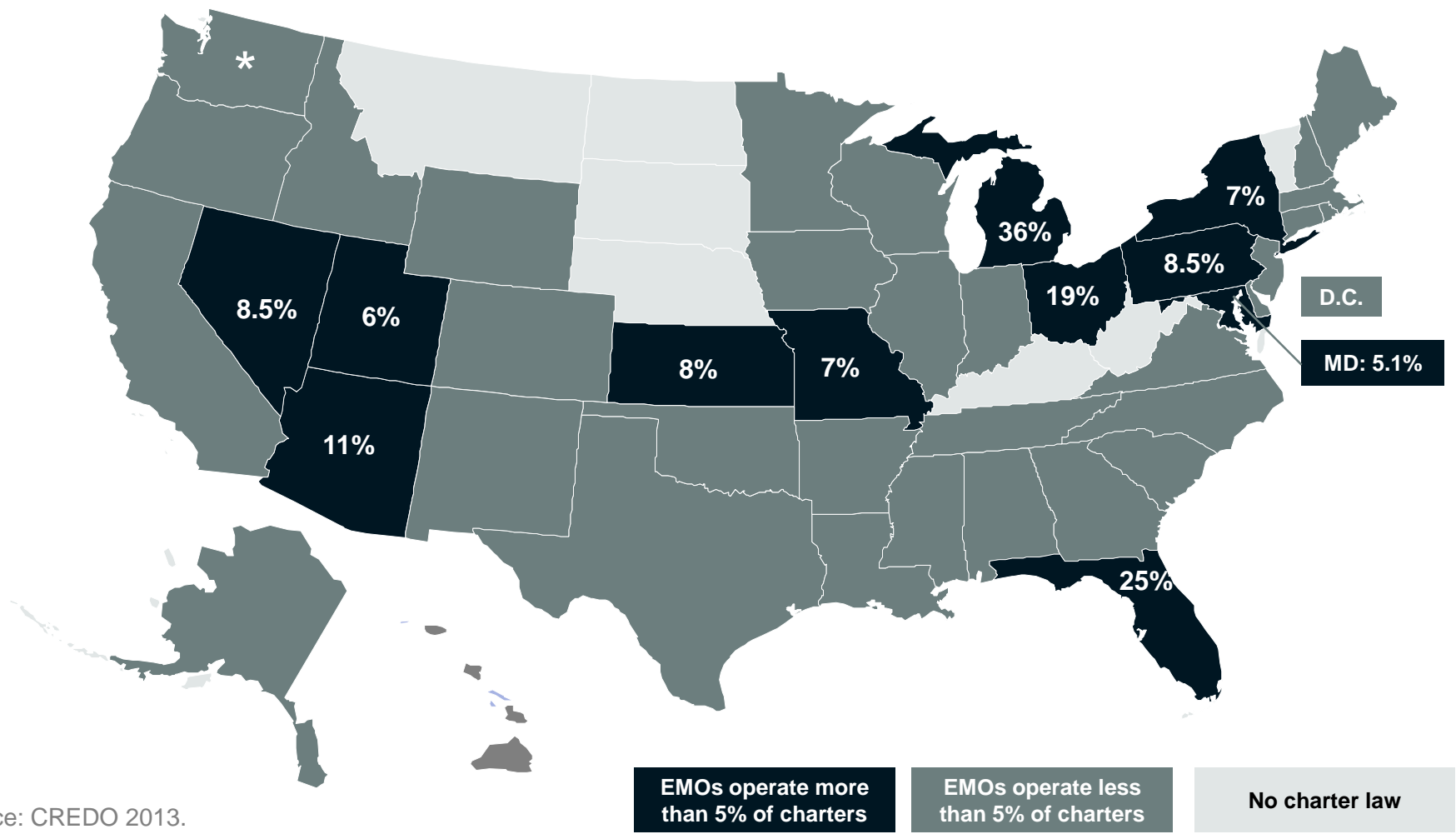
For-profit charter market share is correlated with poor academic outcomes; Michigan is the exception

	% EMO-operated	Reading Performance	Math Performance
Michigan	36%	+43 days of learning (DOL)	+43 days of learning (DOL)
Florida	24.8%	-7 DOL	0 DOL
Ohio	19.2%	-14 DOL	-43 DOL
Arizona	11.1%	-22 DOL	-29 DOL
Nevada	8.5%	-108 DOL	-137 DOL
Pennsylvania	8.5%	-29 DOL	-50 DOL

Politically connected for-profit charter companies in these states have **resisted efforts** to strengthen **charter accountability** and **quality**

Source: CREDO 2013. Reading and math performance measured in days of learning. Number indicates the difference in days of learning between the state's charter sector and traditional public schools.

For-profit charter operators are concentrated in certain states

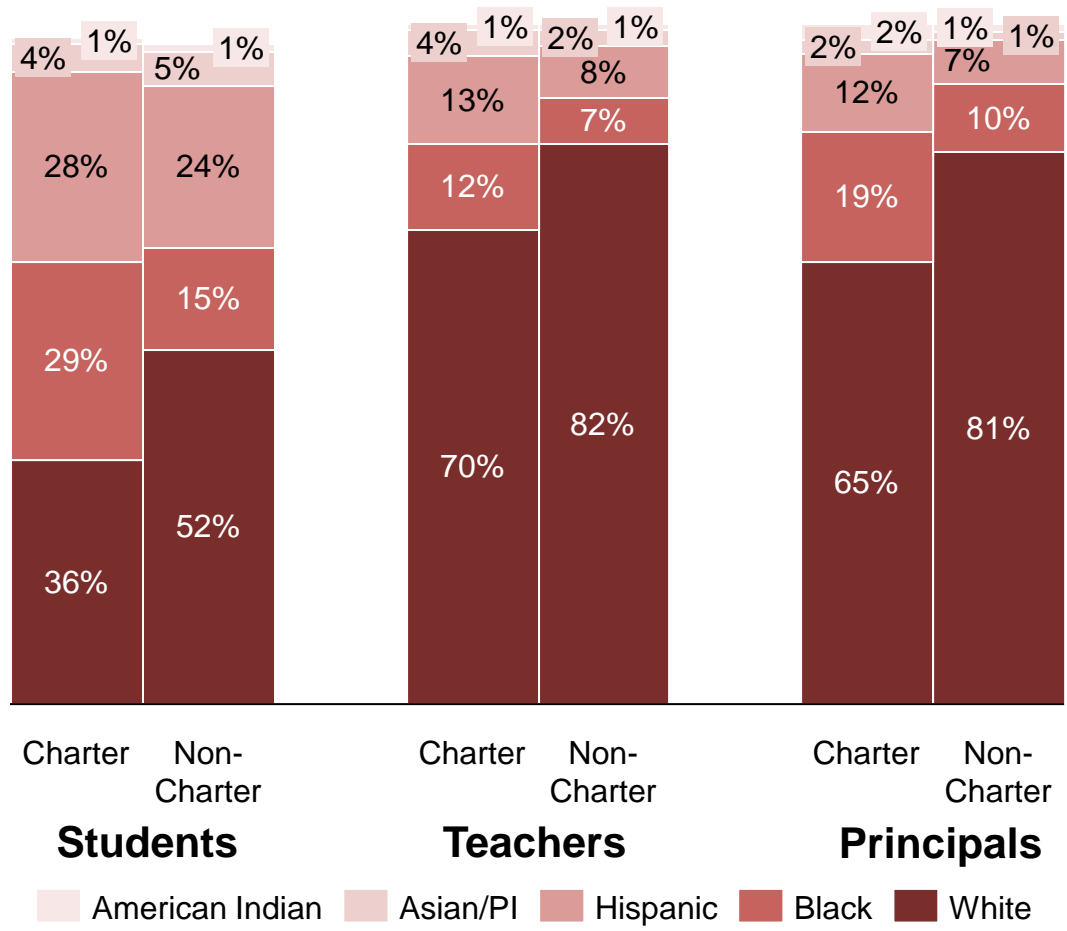


Source: CREDO 2013.

*Washington State's charter law is currently facing legal challenges and its status is uncertain.

The charter workforce is more diverse than district schools, but still doesn't reflect community and student demographics

Demographics of Charter and Non-Charter Students, Teachers, and Principals



Discussion

- Despite the relative diversity of school staffs, **senior leadership** in high-performing CMOs is often white and from more-elite backgrounds
- **White CMO founders** receive the bulk of **public attention** and **philanthropic funding**
- Movement needs to do a better job of identifying and **elevating leaders of color** with authentic connections in their communities
- Charters continue to be perceived as a “**white**” and “**elite**” reform, despite **more diverse workforce** and leadership than **districts**

Source: NCES SASS data files, 2011-2012.

Even if charters overcome obstacles to sustain growth, increased market share will create new challenges

When charters become “the system,” running good individual schools is no longer enough



Charter leaders in majority-charter communities must also consider how the system of charter schools works together to provide all children with access to quality education

Increasing political and public scrutiny of charter schools’ operations

Are charter schools providing equitable access for all students?

How does our definition of charter school change in an all-charter system?

Should some charters become neighborhood “schools of right” for students?

Should individual charter schools be required to serve proportionate shares of students with disabilities?

How do we prevent incumbent operators from becoming a new set of entrenched interests in education?

Do charters need to sacrifice autonomy around issues of discipline, enrollment, and backfilling in order to serve all students?

How does the system of choice work for families?

Equity issues take on greater salience in high-market-share cities, but raise important questions for broader charter movement



Special Education

- Charter schools often serve a lower percentage of students with disabilities
- Meeting needs of all students will require building charter capacity to serve special education students in a variety of settings



Transportation

- Lack of transportation can be a major barrier to families' ability to access choice
- All-choice or all-charter systems must develop new approaches to transportation to enable families to access a variety of schools outside their neighborhoods



Backfilling






- Charter schools in most states have autonomy over the grades and times of year in which they choose to enroll new students
- Many charter schools only enroll new students in certain grades and do not accept mid-year transfers
- To ensure access for all children, high-market-share cities may need to require or incentivize more schools to backfill



Discipline

- Charter schools typically have autonomy to set their own discipline policies
- Some charter schools have adopted strict discipline policies that result in higher rates of suspensions and expulsions, with those students returning to traditional district schools
- High-market-share cities must reduce expulsions or create new options for expelled students

New Orleans and Washington, D.C., illustrate different approaches to dealing with these challenges

Challenge	New Orleans	D.C.
 Neighborhood Schools	Elementary schools can reserve up to 50 percent of seats for students in a particular neighborhood	2012 task force rejected neighborhood preferences for most charter schools (except in some former DCPS buildings)
 Backfilling	Open-enrollment schools must backfill vacancies at any time of the year and in all grade levels	Charters are not required to backfill or admit students year-round
 Discipline	Standardized expulsion policies for all charter schools	“Equity reports” provide information about discipline rates and the extent to which DCPS and charters are serving all students
 Lottery	“One App” common lottery provides a streamlined process for families to apply to multiple schools	“MySchoolDC” common lottery enables families to submit one application for both charter and DCPS options
 Unique Challenges	As an all-charter system, New Orleans has adopted unique policies to ensure all children have access to schools	Growth in D.C. charter sector has led to increased scrutiny, political interference, pressure to collaborate with district

Other cities are assessing, designing, or implementing unified enrollment systems

**Denver
Newark
Oakland**

**Detroit
Memphis**

**Indianapolis
Cleveland**

There is growing interest in charters among middle-class families

Charters already serve middle-class students in some places

- Charters in some states serve relatively few low-income kids:
 - **Colorado:** 17.1% low-income students
 - **Utah:** 19% low-income students
- As the sector **gains market share** in major cities and **urban millennials** have children, charters are attracting middle-class parents:
 - **San Antonio:** Great Hearts, BASIS
 - **Washington, D.C.:** Growing number of Montessori, bilingual, expeditionary learning schools
 - **New York:** Harlem Success Academy expanded to open schools in locations that attract more-affluent families

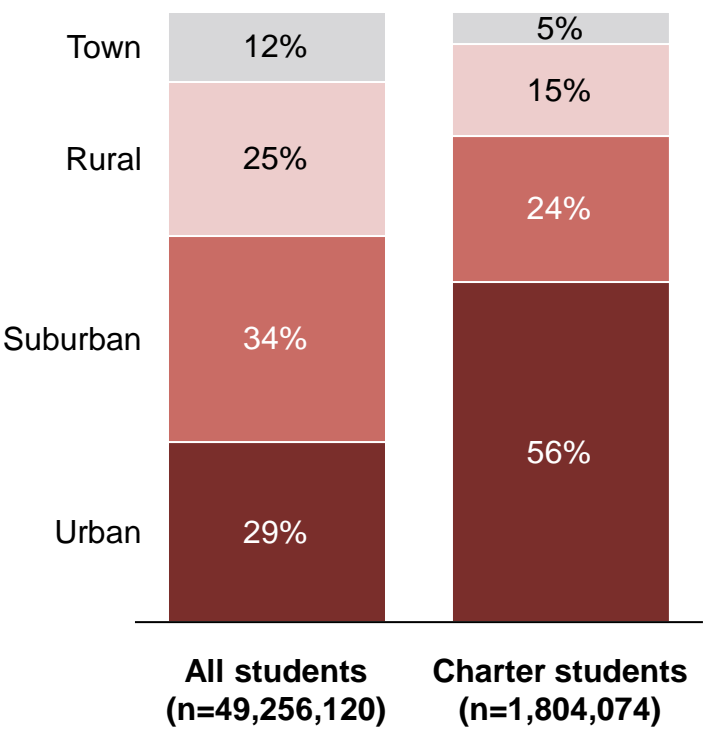
Attracting more middle-class parents has both benefits and risks

- 1 Branding:** Attracting more middle-class kids could undermine equity case for charters; raise concerns about “creaming”
- 2 Politics:** Attracting middle-class parents could strengthen political base for charters, but could also fuel opposition from other middle-class families who see charter competition threatening their schools
- 3 Performance:** Existing charters produce greater learning gains for low-income students and students of color, but not for white and non-poor students

Heated debate within the charter movement about whether increasing the number of middle-class families in charter schools is a desirable goal

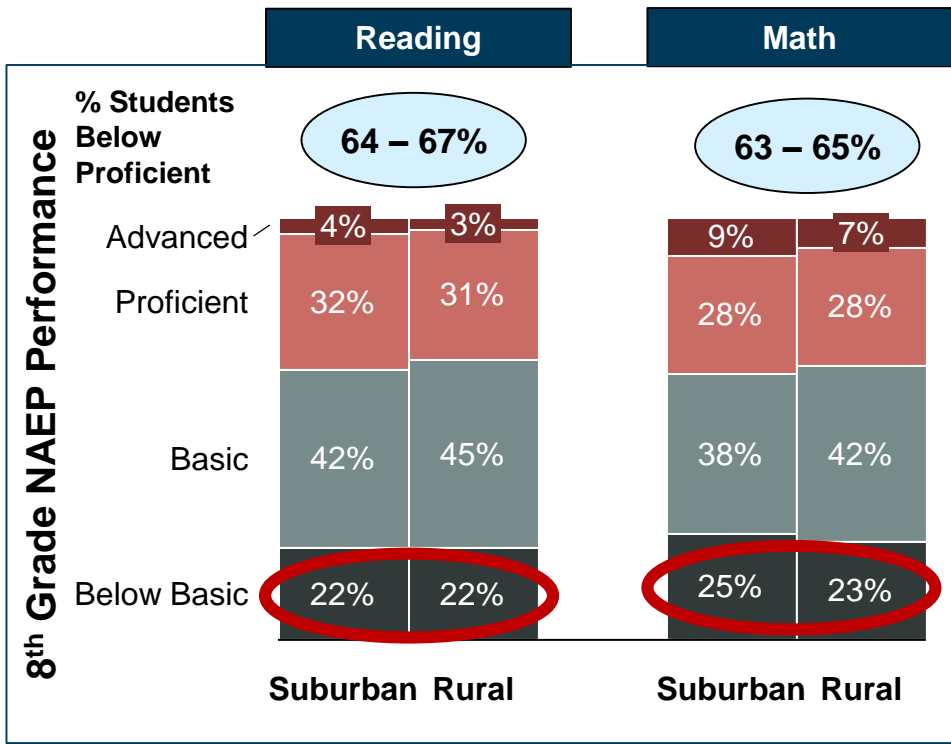
Reaching projected charter market share will require greater charter growth in rural and suburban areas

Over 50% of charter students live in a city, but only 29% of all students do



Getting above 20% national charter market share will require growth beyond urban areas

Many suburban and rural students are not meeting grade-level standards



These suburban and rural students also need high-quality education options

Charters must overcome new challenges to expand in rural and suburban communities

Parent Demand

Rural and suburban parents are less likely to believe their schools are not performing well

“In suburban areas...there’s no evidence whatsoever that the local school district is not doing its job. So what’s the rationale for a charter school?” - New York Times, July 16, 2011

“Urban areas are used to the idea of problems in education. The debate is about solutions, not problems. Suburban America is not ready to talk solutions because they don’t agree there’s a problem.”

Practical Challenges

Transportation

Expansion in suburban and rural areas will require providing transportation

Human Capital

Charter schools will face greater challenges attracting high-quality human capital in suburban and rural communities

Political Opposition

Expansion to rural and suburban areas will provoke new opposition, including suburban Republican elected officials who have historically supported charter schools

“Suburban politics are harder. In New Jersey, for example: the work in Newark got harder because of charter proposals in affluent suburban communities. Moderate Democrats and Republicans in suburbs turned against the charter movement.”

Parents don't always choose the highest-quality-school options

All things equal, parents prioritize the academic performance of a school over other factors

★ top parent preferences in selecting a school, all parent income levels

But all factors are rarely equal

★

★

★

★

★

★

Proximity Sibling "Legacy" Sports/Band After care Academics

Low-income parents are even less likely to prioritize a school based on academic factors

Despite the differences in academic performance, low-income parents are more likely to rank Elementary and High Schools #1 higher than the other schools

Elementary School #1 ★

Located across the street

Extended-day or free after care

School grade C

High School #1 ★

School retained "legacy" name

Football or band

School grade C

Elementary School #2

Located two miles away

Traditional schedule, no after care

School grade B

High School #2

School changed name

No football or band

School grade B

Safety is also a concern for low-income parents in some communities