



## Charter School Regulation as a Barrier to Entry

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## Background

Charter schools were originally devised as a means of granting autonomy to local communities so that they could create schools that best suited the needs of their children. Since charters were first established in Minnesota in 1992 the institution has spread quickly: Charters now operate in 42 states and serve nearly students (NAPCS, 2014). But while the institution itself has proliferated, the original wisdom behind the charter school movement faces increasingly significant challenges. Opponents of charter schools and proponents of charter school accountability (e.g. NACSA-the National Association of Charter School Authorizers) allege that a lack of regulation in the charter sector is responsible for graft and underperformance. In recent years, several states have responded to these concerns by implementing more rigid regulatory environments, raising the standard for charter school authorization, “professionalizing” the authorizer process, and facilitating the closure of poorly performing schools. In the pages that follow, I argue that these well-intentioned reforms carry significant and perhaps underappreciated costs. Specifically, stringent regulatory environments impose barriers to aspiring minority candidates and to standalone charter schools to the detriment of autonomy and creativity.

## Definitions

As Henig et al. (2005) caution, “‘charter school’ is an umbrella term that can apply to a wide range of organizations differing in mission, background, and behavioral tendencies.” For the purposes of this paper, the most important distinction is that between a **standalone** or “mom and pop” charter school and those affiliated with an education management organization (**EMO**) or charter management organization (**CMO**). A standalone charter school is generally a “one-off” (Quinn et al., 2016): a single school established by teachers and/or parents aspiring to provide an alternative option to traditional public schools. These institutions “reflect early charter rhetoric extolling a vision of community-based schools accountable to local demands and operated by neighborhood leaders and parents.” (Quinn et al., 2016).

On the other hand, EMOs and CMOs run networks of charter schools. EMOs, which can be non-profit or for-profit, manage the affairs of multiple schools, including district schools. These organizations work under a contract which generally guarantees certain results within a given timeframe. (Miron et al., 2012). CMOs are networks of at least three charter schools in which the network manages school operations rather than the schools themselves. The most famous and largest example is KIPP (Knowledge is Power), which operates 209 schools across the country.

## Arguments in favor of CMOs, EMOs, and regulation

CMOs and EMOs are a recent phenomenon. Their rapid growth—EMO and CMO schools grew by 25% and 35%, respectively, in 2008-2009 (NAPCS, 2011)- is a response to two related pressures. Paramount in these concerns is a fear that charter schools have failed to deliver

stronger academic performance. Most of these critiques point to a 2009 CREDO study which declared that nearly half of charters schools nationwide failed to distinguish themselves from traditional public schools as measured by standardized test performance. A seemingly sensible, practical solution to this problem is to replicate proven methods. If the KIPP “no excuses” approach could boost achievement in Houston, the same curriculum, culture, and leadership could achieve similar results in New York City or the Mississippi Delta.

EMOs and particularly CMOs also address concerns regarding scalability. Proponents of the CMO/EMO model argue that the standalone model cannot cater to the millions of kids in failing schools or that even if they could reach them, hold little hope for meaningfully boosting achievement. “Scaling” networks like KIPP then is a means to deliver a battle-tested method to the millions in need (Quinn et al., 2016). Proponents of CMOs and EMOs have occasionally compared the quality and professionalization of the nascent network approach to Starbucks (Meyerson et al., 2010), “noting that the rapidly expanding corporation had positively transformed its industry... The CMO was the fast-growth, professionalized alternative that represented a ‘second phase’ of the charter movement.” (Quinn et al., 2016, p. 29) Meanwhile, “By implicit contrast, the ‘mom and pop’ label suggested that the stand-alone had limited reach, was managed by nonprofessionals, and was not designed for impact.” (Quinn et al., 2016, p. 29).

Kevin Hall from the Charter School Growth Fund extolls the virtues and potential of this approach.

By 2020, the following is possible: High-performing CMOs will be graduating more than 80% of their students college- and work-ready regardless of family income. Their schools will set the pace both locally and nationally for achievement performance, particularly for low-income students. More than 200 CMO organizations will be delivering a consistent level of high-quality education, creating this performance across many cities and states. A small number of CMOs will have grown to serve at least 20,000 students, placing them among the largest 2% of school districts nationally in terms of size, while delivering a level of performance that will change the current paradigm of delivering performance at scale. (Wohlstetter et al., 2010).

In other words, Dunkin’ Donuts (public schools) fails to deliver high-quality coffee to consumers, perhaps for lack of viable alternatives. Starbucks, on the other hand, is a high-quality product that can be brought to scale to ensure that everyone has access to a high-quality product.

EMOS and CMOS are also preferable financial reasons, namely economies of scale. While EMOs and CMOs incur some additional variable and fixed costs due to their bureaucracy, they can spread the latter over a larger number of students. Indeed, if the increased efficiency outstrips increased costs, then overall per-student cost is decreased (Meyerson et al., 2010; Hassel, 2006 ).

Finally, “system-centered reformers” (Allen, J., Candal, C. & Eden, M. 2017) worry that the free-market based approach touted by “parent-centered reformers” understate the potential of market failures. According to Doug Harris (2017), “schooling is a highly unusual market. It is hard to identify other markets with such complex, hard-to-measure outcomes. It is hard to identify other markets where we have to travel to a specific location every day, limiting options

and choice...This is why schooling is one of the clearest imaginable economic cases of market failure. If there is any market that would benefit from a role for government, it is the market of schooling.”

Part and parcel of the market failure concern is a fear that a lack of regulation could invite pernicious schemers to reap profits at the expense of children. This concern is elevated by recent media reports highlighting such phenomenon, including a John Oliver segment with nearly 9 million views on YouTube. Charter schools affiliated with a CMO appear to be a safer bet than standalone schools vis-à-vis concerns regarding graft and corruption. While standalone charter schools could potentially serve as a “get rich quick scheme,” particularly in states with low levels of regulation, CMOs can only reach the point of becoming a network by building up a brand and a loyal following. Corruption and misdeeds threaten to undue years of hard work.

## Arguments in favor of standalone charter schools and deregulation

There are several compelling practical and philosophical arguments in favor of standalone schools. First, parent-centered reformers preferring the standalone model for whatever reason—community control, more authentic markets, or concerns about isomorphism—doubt whether EMO/CMO aligned schools hold an advantage in terms of measured outcomes. As Jay Greene (2017) critiques, the “matched twin” approach used by CREDO to assess the performance of charter schools and laud the potential of CMOs does not derive a causal impact.

CREDO’s methodology does not compare twins, virtual or otherwise. All they are doing is comparing students who are similar on a limited set of observable characteristics — race, age, gender, and prior achievement scores. “Matching” students on those observable characteristics is just as prone to selection bias as any other observational study that controls statistically for a handful of observed characteristics when comparing students who choose to be in different school sectors. That is, students who choose to attend charter schools are very likely to be different from those who choose to remain in traditional public schools in ways that are not captured by their race, age, gender, and prior test score. In particular, their desire to switch to a different kind of school may well be associated with developments in their life that might affect the future trajectory of their test scores. In short, school choice is prone to bias from selection in observational studies like CREDO.

Going further, even if the CREDO CMO study generates unbiased estimates, the heterogeneity in results across states indicates that the CMO advantage with regard to academic performance is not universal. Indeed, while CMO schools appear to have a large advantage over independent schools in promoting math and English achievement in Massachusetts, New York, Tennessee, and North Carolina, independent schools have an equally large advantage in Arizona, Minnesota, and Missouri. In short, while CMO schools outperform standalone schools on average, their advantage is perhaps not as uniform as one might expect given their expected mastery of the educational process.

This heterogeneity of impacts across states could happen for a few reasons. First, scaling can go awry. Just as one Starbucks franchise might perfect the art of roasting beans, hiring cheerful employees and promoting competent managers, another franchise down the street might bungle those integral processes. Second, the “mom and pop” competition could be exceptionally

good. Even if one Starbucks franchise gets everything right, there is still a chance that the other coffee shop in town simply produces a better product. Promoting CMOs as the best alternative to district schools undermines institutions or aspiring institutions that in certain situations might be better than both CMOs and district schools.

Even if CMOs do hold a test-score advantage, parent-centered reformers argue that test scores are only a single, imperfect measure of school quality (Garcia et al., 2009). While NACSA hones in on standardized test achievement as the barometer of success, Greene (2015) charges that test scores do not correlate with outcomes we truly care about.

the evidence is increasingly clear that test scores are only weakly correlated with all of these other desirable outcomes from schools. The problem is that the high-regulation approach needs achievement tests to be correlated with all of these other good outcomes. If they are going to pick the school choice winners and losers based on test scores, then test scores need to be strongly predictive of other things we care about. People have been very slow to accept the fact that test scores are only weakly correlated with later life outcomes because it would be so convenient if readily available and relatively inexpensive test scores could capture something as complex as school quality.

According to parent-centered reformers, imposing a regulatory regime that focuses on test scores undermines the notion of charter school as laboratory by inducing isomorphism, a phenomenon whereby, according to institutional theory, organizations become more similar to each other over time as a means to secure legitimacy (Burke, 2016). The consequence, of course, is that schools will become less risk-averse and aspiring or struggling charter schools will be “pulled toward a standard model of schooling as a result of the unwritten normative ideas of school structure and function” (Burke, 2016) as a means to legitimacy or even survival. Indeed, Lubienski (2003) observes that charter schools in more developed markets often emulate established concepts of schooling despite common references to innovation. Specifically, Goodman (2013) finds that a large share of CMOs adopt the “no excuse” model featuring “pervasive monitoring of children, targeting behaviors tangential to learning, attributing independent agency to children, and student derogation.”

Isomorphism undermines yet another foundational tenet of charter schools: community control. Henig et al. (2005) explains that

Grassroots community charter schools started by groups of parents or neighborhood leaders who are discontented with the traditional school system might be linguistically, culturally, or ethnically oriented schools, such as those focusing on Armenian culture and language or Afrocentric schools. Fuller et al. (2004, 93–94) characterize the motivation of some of these grassroots charter initiators as a “non-modern return to local cultural forms and particular ways of raising children” and suggest that such schools will make very different commitments to equity and fairness than those tied to for-profit corporations and more professionally oriented mission-driven charters; because their vision can be shaped by very localized values, they also may make very different decisions from one another.

In short, prioritizing established networks of schools over aspiring standalone charter schools largely blunts the degree to which local stakeholders can influence operations and makes

it harder for charter schools to tailor themselves to the needs or desires of specific, targeted communities.

## Data

The purpose of this paper is to examine the degree to which stringent charter school regulatory environments inhibit the establishment of standalone charter schools or those sponsored by minority candidates. Consequently, analysis necessitates access to charter school applications, both successful and unsuccessful, to estimate the degree to which regulation may serve as a barrier to entry.

Several states, including Arizona, Massachusetts, Texas and Indiana make charter applications available online, at least for those applications that are sent to the state board of education. In other instances, including Ohio and Nevada, authorizers sent digital copies of charter school applications upon request. New Jersey and New York applications were received through OPRA and FOIA requests, respectively.

Applications are examined to decode important pieces of information, specifically, whether the application was accepted or rejected<sup>1</sup> and whether the applying school was affiliated with an EMO or CMO. Some states require applicants to state whether they are affiliated with one of these organizations while other applications, especially those publicly available online, do not explicitly clarify their organizational structure. In those instances, I conduct an internet search for the name of the entity submitting the application to determine organizational structure. While this is fairly straightforward-I assume a school is affiliated with an EMO or CMO if the applying organization operates three or more schools-it can be difficult to distinguish EMOs from CMOs. Consequently, EMOs and CMOs are lumped together for the purpose of the analyses that follow. While I would ideally consider these entities separately, I assume that they are somewhat equally preferred by authorizers and have similar effects on operations. Indeed, both forfeit a great deal of autonomy to a central office (Bulkley, 2002) which “have considerable influence over the instructional design and operations of their affiliated charter school,” and both “play an important part in the scalability of the charter school movement by enabling the replication of models that work, creating economies of scale, encouraging collaboration between similar schools, and building support structures for schools.” (NAPCS, n.d.).

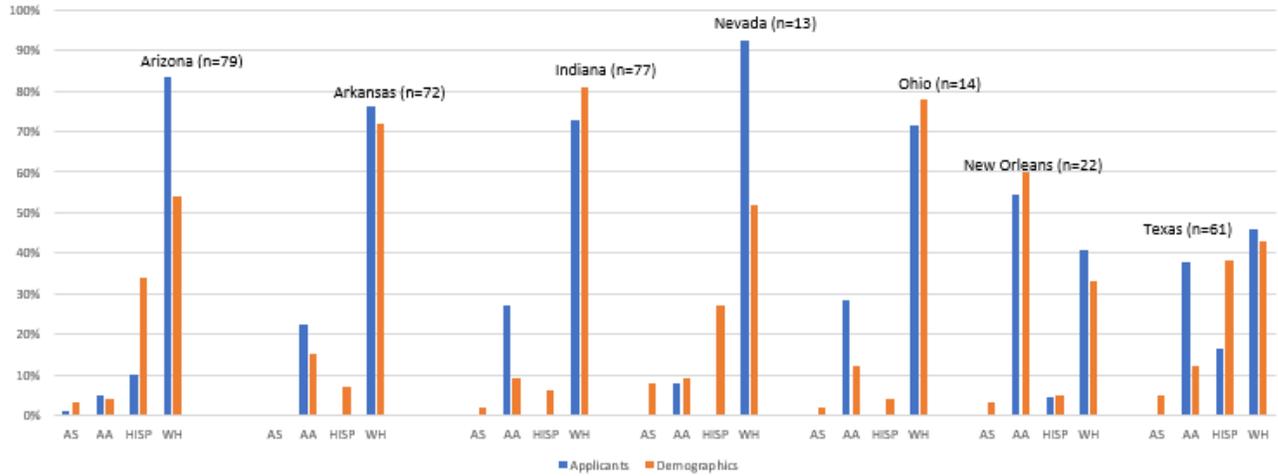
I also code certain information for the individual listed by the applying entity as the main point of contact. While applications do not generally provide any information apart from the name, contact information and occasionally home or business addresses, I use the information provided within the application to conduct an internet search for the individual by Googling their name alongside their city of residence or business. I then observe social media profiles or local news stories to code their race, colleges attended, and highest degree attained. Note that applications are the product of organizations or several community members-teachers, parents,

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<sup>1</sup> Several charter school applications were withdrawn. Those are scored as rejections. If an application was resubmitted, then the decision is coded as the more recent outcome (ie if the application was rejected or withdrawn but approved in a later year, it is coded as successful).

and business leaders-working together, so the single point of contact does not contain all relevant personnel information.

Figure 1: Composition of charter school applicants by state



However, the designated point of contact spearheads the effort, plausibly acts as the “face” of the endeavor, and there is a high degree of correlation in racial groups within applying entities (ie if the main point of contact is African American, most of the other individuals are too, especially for standalone schools). In short, a lot can be gleaned by focusing on this chief point of contact.

Figure 2: Highest Degree Attained by Applicant

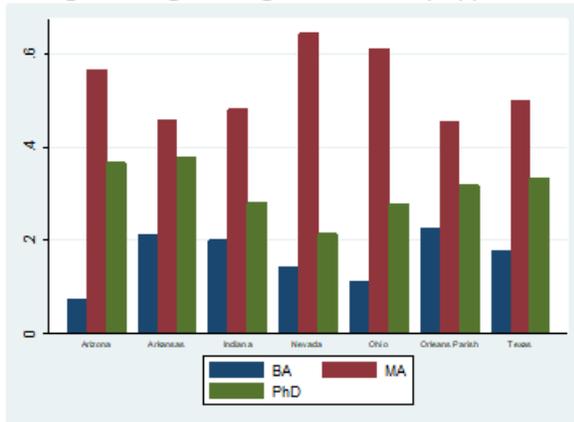
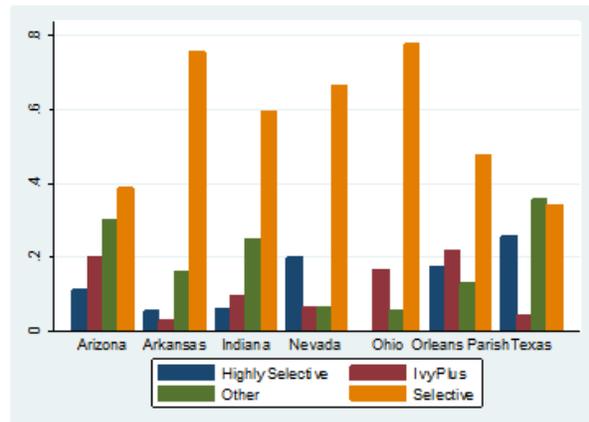


Figure 3: Most Prestigious University Attended by Applicant



To date I have coded 394 applications that span nine years (2010-2018) and seven states (Table One). This is a minority of applications to which I have access. I chose to begin with these states because they reflect diversity vis-à-vis geography and charter regulatory regimes.

These applications reflect the entirety of those which were received or are available from those states with the notable exception of Texas. Given that Texas makes more than 500 applications available, coding all of them would be imprudent. Therefore, I selected two years

surrounding a policy change with the hope that the effects of the policy change can be analyzed as a case study<sup>2</sup>.

Table I: Charter School Applications by State

	Arizona	Arkansas	Indiana	Nevada	Ohio	Orleans Parish	Texas
Rejected	3	31	41	8	11	12	59
Accepted	76	41	42	7	7	11	11
% Approved	96	60	51	47	39	48	16

## Results and Discussion (Phase I)

Barriers to entry could manifest in two ways. First, cumbersome or daunting application processes could deter would-be applicants from applying in the first place. These barriers would be less daunting for CMO/EMO applicants who are more familiar with the application process and could perhaps mostly replicate applications that have been sent to different authorizers. Second, greater regulation could induce authorizers to prefer applications from White applicants and CMO/EMO-affiliated entities.

Barriers in phase 1-applying to open a charter school- are difficult to observe empirically, as there is no data available for prospective applicants who may have been deterred from applying. However, observing the ratio of applicants affiliated with an EMO or CMO in each state could provide some clues. Specifically, if the application process is demanding and cumbersome, or if standalone candidates perceive a high likelihood of rejection, then a greater share of applicants might be affiliated with an EMO or CMO. To observe heterogeneity in affiliation among applicants across states, I use a probit model to estimate state effects vis-à-vis affiliation. Formally,

$$Pr(Affili_i = (1/x)) = \phi(\beta_0 + \beta_1 state_i + \varepsilon)$$

A second model considers CMO/EMO affiliation as a function of the state's NACSA score in the year that the application was submitted<sup>3</sup>. The NACSA score, which is out of a total of 33 points, proxies for regulatory environment. A higher score is associated with higher regulation<sup>4</sup>.

<sup>2</sup> Texas SB2 (2013) increased the cap on charter schools from 215 to 305 by 2019. However, only 2 more applications were accepted in 2014 than 2013. More Texas data will be coded later to determine how this policy might matter over time.

<sup>3</sup> NACSA produced state report cards for 2014-2016. For applications that predate or postdate that timeframe I impute the closest estimate (e.g. 2014 score for the year 2013). This produces limited random error (scores generally don't change from year-to-year).

<sup>4</sup> NACSA, the National Association of Charter School Authorizers, "works to increase and improve quality educational opportunities for children by strengthening charter school authorizing." They specifically advise multiple authorizers within states, authorizer standards, authorizer evaluations, authorizer sanctions, reports on performance, performance management and replication, renewal standards and default closure. Save for multiple authorizers, all their recommendations call for more stringent regulation.

$$Pr(Affil_i = (I|x)) = \phi(\beta_0 + \beta_1 NACSA_{is} + \varepsilon)$$

Estimates provide some indication of phase 1 barriers to entry, as there is large variation across states in terms of CMO/EMO affiliation. Specifically, applicants in Texas are 31.7 percentage points less likely to be affiliated with a management organization compared to Nevada, whereas applicants in Ohio are 25.6 percentage points more likely to be affiliated with a management organization.

Table II: Affiliation with an EMO or CMO (all applicants)		
	I	II
Arizona	-.163 (.127)	-
Arkansas	-.168 (.128)	-
Indiana	-.063 (.127)	-
Nevada		-
Ohio	.256 (.178)	-
Orleans Parish	-.050 (.151)	-
Texas	-.317** (.129)	-
NACSA	-	.004* (.003)
n	362	362

The second model offers some indication that higher regulation might be responsible for barriers in phase 1. Specifically, a one-point increase in the state NACSA score is associated with a .4 percentage point increase in the likelihood of the applicant being affiliated with a management organization. In short, it appears that would-be independent applicants in higher regulation states are either concerned about their chances of being accepted or they are deterred by a more cumbersome or complicated application process. That Texas has a strong regulatory environment but a large share of applications from standalone candidates might suggest the latter is more important.

## Results and Discussion (Phase II)

Observing barriers in phase 2 of the analysis is straightforward. Expressing the outcome of the application (approved or rejected) as a function of certain individual characteristics, including the applicant's affiliation with a management organization, race, college degree and

college attended<sup>5</sup> in addition to the NACSA score sheds light on whether certain individuals face barriers during the authorization process. Formally,

$$Pr(\text{Accept}_i = (1/x)) = \phi(\beta_0 + \beta_1 \text{EMOCMO}_i + \beta_2 \text{AAHis}_i + \beta_3 \text{Degree} + \beta_4 \text{Selectivity} + \beta_5 \text{NACSA}_{is} + \varepsilon_i)$$

Overall, the estimates indicate that Black and Hispanic candidates face significant barriers during phase 2. This deficit is as large as 25 percentage points when controlling for all characteristics and 78 percentage points when not controlling for management organization affiliation. Meanwhile, management organizations enjoy a distinct advantage in terms of receiving authorization.

	I	II	III	IV	V
EMO or CMO	.194*** (.049)	-	.223 (.050)	.206*** (.045)	.186*** (.052)
Black/Hispanic	-.251*** (.050)	-.783*** (.172)	-	-.271*** (.047)	-.282*** (.052)
PhD	.018 (.078)	.054 (.236)	-.021 (.080)	-	.041 (.083)
MA	.083 (.072)	.205 (.219)	.075 (.074)	-	.089 (.078)
Ivy Plus	.095 (.109)	.366 (.330)	.128 (.111)	-	.160 (.114)
Highly Selective	.082 (.107)	.371 (.328)	.136 (.108)	-	.095 (.113)
Selective	.030 (.086)	.186 (.261)	.066 (.086)	-	.074 (.090)
NACSA Score	-.015*** (.002)	-.047*** (.008)	-.017 (.002)	-.015*** (.002)	-
n	294	303	294	348	294

The most specified model indicates that this advantage is 19.4 percentage points, while the least specified estimates a 20.6 percentage point advantage. Concerningly, the management organization coefficient is highest in the model that includes all characteristics except race. Black and Hispanic applicants are less likely to be affiliated with an EMO or CMO and then less likely to be accepted even after controlling for college characteristics and affiliation with an EMO or CMO. In short, they are penalized twice.

A final question remains: To what extent does increased regulation inhibit standalone or minority candidates? To answer this question I limit the sample to Black/Hispanic or standalone applicants to gauge the degree to which increased regulation impedes authorization. These estimates indicate that increased regulation negatively effects the prospect of authorization for both Black and Hispanic candidates. Specifically, a one-point increase in NACSA score is associated with a 1.7 percentage point decrease in the likelihood of authorization, regardless of model specification. Interestingly, the marginal effect of being associated with a management

<sup>5</sup> College attended indicates the most selective college attended at any level. These institutions are coded according to the Barron classification system.

organization is quite small for Blacks and Hispanics compared to the rest of the sample. Moreover, while degree attainment or colleges attended appear to have negligible effects for the general sample, Black or Hispanic applicants are about 50 percentage points more likely if they attended an “Ivy plus” school.

Table IV: Accepted Applications (Black/Hispanic only)				
	I	II	III	IV
EMO or CMO	.114 (.085)	-	.096 (.086)	.138 (.092)
PhD	.133 (.132)	.119 (.132)		.119 (.144)
MA	.047 (.135)	.040 (.134)		.033 (.149)
Ivy Plus	.472*** (.174)	.509*** (.175)		.563 (.178)
Highly Selective	.264 (.201)	.285 (.204)		.256 (.221)
Selective	.241 (.158)	.286* (.155)		.339 (.158)
NACSA Score	-.017*** (.004)	-.017*** (.004)	-.017*** (.004)	-
n	89	92	98	89

While the full sample enjoys a roughly 20 percentage point advantage when affiliated with an EMO or CMO, Black and Hispanic applicants receive only about a 10 percentage point advantage from management organization affiliation.

Table V: Accepted Applications (Independent candidates)				
	I	II	III	IV
Black/Hispanic	-.302*** (.076)	-	-.334*** (-.010)	-.302*** (.077)
PhD	.016 (.119)	.014 (.125)		.034 (.123)
MA	-.046 (.113)	-.026 (.118)		-.063 (.116)
Ivy Plus	-.278 (.186)	-.219 (.185)		-.288 (.187)
Highly Selective	-.063 (.193)	-.005 (.191)		-.056 (.193)
Selective	-.192 (.165)	-.170 (.162)		-.207 (.165)
NACSA Score	-.192 (.165)	-.008** (.004)	-.010*** (.004)	
n	119	119	137	119

Increased regulation also appears to pose significant challenges for standalone candidates. Indeed, a one point increase in NACSA score is associated with an 8 to 19 percentage point increase in the likelihood of authorization depending on model specification.

Note in these models that the coefficient for Black/Hispanic is quite large. African American and Hispanic candidates not affiliated with management organizations face particularly steep hurdles.

## Conclusion

Regulation imposes significant barriers to entry for standalone applicants, African Americans, and Hispanics aspiring to open a charter school. The former could be by design: CMOs and EMOs might appear to be a safer bet in a system concerned with test scores. Barriers for minority applicants, however, are a policy concern regardless of what one thinks about the proper level of regulation.

These findings should not be taken to mean that charter school regulation should be abolished altogether. Rather, they underscore that increased regulation has had unintended and undesirable consequences. So how can this issue be remedied? The solution may in fact be less regulation altogether in some of the most highly regulated states, as deregulation in business is associated with differentiation (Pehrsson, 2009). Certainly barriers that prevent entities from applying to open a charter school should be loosened, as more choices for authorizers is desirable regardless of how they decide to select which entities to authorize.

Other potential solutions would not force authorizers to forfeit quality control. To start, philanthropic foundations might reconsider how they allocate money toward the charter school sector, if at all. Whereas foundations at one time supported standalone schools alongside the budding networks, beginning in 2009 foundations increasingly converged funding to charter management organizations, ostensibly due to concerns about scaling charter schools upward and promoting supposedly established, proven models of schooling (Ferrare & Setari, 2017; Hassel, 2006; Quinn et al., 2016; Quinn et al., 2012).

Philanthropic support to CMOs might be harmful in two ways. First, philanthropic support helps to codify state and federal policy toward charter management organizations. Scott (2009) points out that a study asking policy makers to identify the most influential person in education placed Bill Gates first overall, ahead of then Education Secretary Margaret Spellings. Meanwhile, historian Diane Ravitch (2006) opined that Gates should be considered the nation's superintendent. As long as powerful foundations continue to signal their support for CMOs, state policy is likely to follow suit.

Going further, philanthropic support can produce massive inequities in funding between standalone charter schools and network-affiliated schools (Baker & Ferris, 2011; Furgeson et al., 2012), granting them a comparative advantage in several ways. First, and perhaps most importantly, prospects for near and long-term solvency is one of the most important factors that authorizers weigh in deciding which schools to sponsor (Consoletti, 2011). Disproportionately donating money to CMOs then immediately puts them at an advantage, particularly in high-regulation states. Moreover, increased cash flows appear to give CMOs an advantage in operations, at least as far as authorizers are concerned.

Growth fosters more growth, as home office personnel can devote time and talent to growth in ways that one-off school site administrators cannot. Growth also enhances visibility and, indirectly, reputation or brand as perceived by present and future authorizers.” The average CMO is more widely recognized than the average stand-alone charter school, and, absent any information to the contrary, a recognized entity with a known history has less investment risk than an unknown entity. If for no other reason than this, CMOs may fare better than stand-alone charters in interactions with both potential authorizers and with discretionary funders. (Farrell et al., 2014).

Federal government policy might also be amended to address these concerns. Indeed, the Obama Administration was quick to seize on the potential of CMOs, as then Secretary of Education Arne Duncan championed the potential for CMOs to “replicate” best practices and “turn around” the nation’s lowest-performing schools. (Wohlstetter et al., 2010).

“The charter movement is one of the most profound changes in American education—bringing new options to underserved communities and introducing competition and innovation into the education system. Across America we see great charter schools, from Noble Street in Chicago to IDEA Academy in Texas, Inner-City Education Foundation and Partnerships to Uplift Communities in Los Angeles and Friendship Public Charter Schools in D.C. ... We have great charter networks like Aspire, KIPP, Achievement First and Uncommon Schools. You’re steadily getting to scale. Today, I am challenging you to adapt your educational model to turning around our lowest-performing schools.” (Wohlstetter et al., 2010).

In the same year, the Obama Administration’s directed an additional \$50 million in CSP (Charter Schools Program) competitive grants exclusively appropriated to CMOs (Farrell et al. 2014), likely exacerbating barriers, at least for standalone applicants.

States and organizations interested in leveling the playing field can offer services to equalize some of the structural disadvantages facing minority and standalone applicants. Hassell (2006) describes how the California Charter School Development Center runs charter school boot camps that prep hopeful charter leaders on a variety of topics. Meanwhile, charter school “incubators,” including the Education Resource Center in Dayton, Ohio, acts as a venture-capital firm, providing technical assistance to applicants deemed to have a higher probability of success. Finally, there is an emerging market for fee-for-service providers such as Minnesota-based SchoolStart. These organizations similarly assist applicants during the authorization process.

Perhaps most importantly, state law could redirect authorizers to reconsider the criteria for closing charter schools, as surely fear of closure is one of the most important factors during the authorization process. Allen, Candal and Eden (2017) suggest that parents and students should be contacted and surveyed to gauge how the school is performing. Less restrictive closure criteria could serve as a check on isomorphism while empowering families in challenged areas to wrestle control away from philanthropists and the traditional public schools from which they seek escape.

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