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POLICY GUIDE

# Charter School Replication: Growing a Quality Charter School Sector

The **National Association of Charter School Authorizers (NACSA)** is the trusted resource and innovative leader working with educators and public officials to increase the number of high quality charter schools in cities and states across the nation. NACSA provides training, consulting, and policy guidance to authorizers and education leaders interested in increasing the number of high quality schools and improving student outcomes. Visit us at [www.qualitycharters.org](http://www.qualitycharters.org).

# Contents

■ Background on Charter School Replication .....	1
■ Key Considerations for Policymakers Committed to Supporting Quality Charter School Replication .....	2
How should a state define charter school success worthy of replication?	
How can states modify charter caps to enable replication?	
What governance structures support replication of charter schools?	
What other key structural questions do policymakers need to consider for charter replications at the outset?	
How can states modify charter application procedures for replicators?	
How can states streamline charter renewal for replicators?	
How should state policy ensure performance accountability for school networks?	
How can states support replication more proactively?	
■ Recommendations and Best Practices for State Policy on Charter School Replication .....	4
■ Resources and Further Analysis .....	5

## About NACSA’s Policy Guide Series

The growth and quality of a charter school sector is largely dependent on state policies that define approval, monitoring and renewal structures, criteria and processes. NACSA’s Policy Guide series is intended to support state legislatures in developing policy environments that promote quality authorizing and quality charter schools. Additional copies of this Guide are available upon request.

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## ■ Charter School Replication: Growing a Quality Charter School Sector

“Replication” is the practice of a single charter school board or management organization opening several more schools that are each based on the same school model. The most rapid strategy to increase the number of new high-quality charter schools available to children is to encourage the replication of existing quality schools.

### ■ Background on Charter School Replication

As the charter sector grows and matures, a key challenge is achieving scale while sustaining quality. The growing number of students on charter school waitlists, recently reported to exceed 365,000 students nationwide, is evidence that the demand for quality charter schools vastly exceeds supply.<sup>1</sup> One approach that is becoming more widespread to meet demand is the replication of existing successful charter schools.<sup>2</sup> This approach holds great promise in building the supply of quality charter schools by leveraging documented success.

Most state laws, however, do not consider or support the possibility of replication. Instead, they assume that every new charter school is a brand new, unique entity, rather than an existing entity with a proven track record. Some laws have elements that inhibit replication. In either case, these provisions slow the opening of new, quality schools and miss the chance to provide new, higher quality opportunities to children.

Replication strategies also hold significant potential for district reform agendas and specifically, efforts to turn

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around low-performing schools. For instance, Chicago, New York City, and New Orleans have all embraced replication as part of a broader reform strategy.

Yet replication is not easy. It presents distinct management and policy hurdles that can hamper the success of this strategy. The charter sector has seen the emergence of a set of “management organizations” (see *Management Organizations*, below) that are tackling these challenges as they replicate successful school models. But policymakers also have a critical role to play by altering existing policies and developing new ones explicitly designed to support quality school replication.

### ■ Key Considerations for Policymakers Committed to Supporting Quality Charter School Replication

#### How should a state define charter school success worthy of replication?

It is important that replication strategies be focused on schools with a proven track record of success. The quality of a school should be measured by defined

standards for academic, financial, and operational performance. Whether a successful school is worthy of replication requires additional analysis to determine a school operator’s capacity to replicate successfully while sustaining the results of its existing schools.

## Management Organizations

Management organizations provide an education program and centralized administrative services to a network of schools. They come in two corporate forms: nonprofit charter management organizations (CMOs) and for-profit education management organizations (EMOs).

Local, regional, or national management organizations are well-positioned to play a pivotal role in replication efforts. They can provide centralized programmatic expertise, an administrative structure critical to replication efforts focused on creating a network of quality schools and economies of scale essential to growth and sustainability. Consequently, they can accelerate replication efforts because they can develop, centralize, and disseminate expertise far more rapidly than individual schools.

Demonstration of a school operator's *potential for quality replication* should include both 1) a sound, detailed, and well-supported growth plan; and 2) evidence of ability to transfer successful practices to a potentially different context that includes reproducing critical cultural, organizational, and instructional characteristics.<sup>3</sup> Management organizations proposing to replicate schools ought to be able to demonstrate clear evidence of a track record of success in existing schools and the capacity to expand.

### How can states modify charter caps to enable replication?

Statutory limits on charter school growth, commonly known as “caps,” are an obstacle to replication in many states. Of the 41 states (including the District of Columbia) with charter school laws, 26 place caps on charter growth by absolute number, by number per year, by authorizer, or by percentage of overall enrollment.<sup>4</sup> Caps do nothing to promote quality among charter schools. Instead, they prevent the replication of quality schools.

Avoiding or removing charter caps is the best solution, but where this is not feasible, a middle ground is to modify existing caps so that they permit some

growth based on quality. Coined “Smart Charter Caps,” such limits would allow replication in different ways, such as:

- not counting replications of successful charter schools against the state cap;
- instituting a separate numerical cap for replications of successful schools; or
- inviting replicators to apply to authorizers or some other body for waivers from existing caps.

States pursuing this kind of “smart cap” need clear guidelines for determining eligibility for replication, including guidelines for schools that currently operate only in other states and therefore have no within-state performance record.

### What governance structures support replication of charter schools?

To support replication, state policymakers need to offer successful charter schools and management organizations a legal mechanism to open additional schools efficiently. The best way state policy can enable effective governance options for replication is to allow a single governing board to hold multiple charters. This allows for a simple and effective governance structure, including unifying governance

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under a single high-capacity, strongly committed, and experienced board.

Allowing a single board to hold multiple charters may not work in states with caps on the number of charters allowed. In these cases, state policy can enable successful providers to operate multiple schools under a single preexisting charter and board. For accountability purposes, allowing multiple schools to operate under one charter creates additional complexity. This approach should only be used when statutory caps are present.

### **What other key structural questions do policymakers need to consider for charter replications at the outset?**

To create a state environment that supports quality school replications at scale, policymakers must resolve initial questions such as:

- What is the legal status of the new schools: Is each school its own local education agency (LEA), or is the network the LEA?<sup>6</sup>
- Do state funding procedures provide replication schools access to start up and operational funding to which they are entitled?

The answers to these questions will vary by state, depending on the established laws, policies, and systems within each state. In any state environment, committed policymakers can and should develop clear, coherent, and intentional policies that support quality school replications.

### **How can states modify charter application procedures for replicators?**

Unlike applications to start a new charter school, schools that are proposing to replicate already have a

track record of academic achievement and fiscal and administrative actions. State policy should ensure that this track record is evaluated in proposals to replicate. Replicators should provide information, not only on what they plan to do at their new schools, but also on what they have achieved at their existing school. They should also address how they will scale up their managerial capacity as they grow from a one-school organization to a multiple-school organization.

In practice, authorizers must ensure that the need for additional information does not become overly burdensome on the applicant. For example, one comprehensive application document and evaluation process should be used to consider a proposal to open several new schools (instead of separate applications and evaluation processes for each school).

### **How can states streamline charter renewal for replicators?**

In states where initial charter terms are granted for less than five years, state policy should enable authorizers to extend charter renewal terms to at least five years for charter operators with a record of success.

### **How should state policy ensure performance accountability for school networks?**

For the purposes of academic and financial accountability, individual schools that are part of a network of schools should be held accountable in the same manner as schools that are not part of a network. That is, their academic performance should be reported by school, as should their financial performance. Financial accounting and reporting for multiple

## State policy is important in creating a climate where successful replication can thrive.

schools must be transparent and differentiate among schools. Policies should ensure that schools have adequate financial controls in place so that public funds that are allocated for students at a school in a network are expended for students at that school. States may also choose to allow schools to report performance by network, but not as a substitute for school-level accountability.

## ■ Recommendations and Best Practices for State Policy on Charter School Replication

To scale up the supply of quality public schools, state policy should not only permit but explicitly and vigorously promote replication of successful charter schools and address barriers that currently hinder replication. To spur quality replication of successful charter schools, NACSA recommends the following best practices:

- **Clearly define and articulate success worthy of replication.** State policy should set a clear bar for replication based on defined, measurable student outcomes and operational performance and the ability to replicate successfully in diverse conditions.
- **Remove or avoid charter caps.** Charter caps stymie healthy growth of quality schools and should be avoided or removed. If caps are unavoidable, make them “smart:” enabling replication of successful schools while limiting other kinds of charter growth.
- **Allow single boards to govern multiple schools.** State policy should enable replication to occur under a single board given the authority to hold charters for multiple schools.

## How can states support replication more proactively?

Networks of successful charter school models need to be cultivated; they will not grow to scale in a vacuum. State policy is important in creating a climate where successful school replication can thrive. States can create replication “incubation” or “acceleration” funds to invest in the efforts of successful charter schools to scale up. Alternatively, states can partner with major private funders, such as NewSchools Venture Fund and the Charter School Growth Fund, that already have expertise in making such investments.<sup>7</sup> States could target such investments to proposals to serve high-need areas or to “start fresh” in previously failing district schools.

- **Streamline the application process for school replications while ensuring appropriate due diligence based on past performance.** State policy should require authorizers to conduct a rigorous application process for replication candidates, but allow them to streamline the process to focus on evaluating the school operator’s performance record, growth plans, and capacities.
- **Develop appropriate accountability mechanisms for charter replicators or networks.** Accountability mechanisms should be rigorous but streamlined for school operators with a history of success, such as allowing authorizers to offer extended charter renewal terms to schools in a high-performing network.
- **Provide incentives for replication.** States should consider incubation or acceleration funds to encourage and support replication. Incentives can entice operators and direct resources to activities critical to replicating proven school models with fidelity.

- **Change state policy, if necessary, to ensure that replication schools are eligible for federal and other start-up grants.** The federal Public Charter School Program (PCSP), which is administered at the state level by state education departments, is a critical source of start-up funds for new charter schools. Many states currently do not allow replication schools to receive PCSP start-up funds if they are operated under a pre-existing charter (i.e., the state does not recognize them as new start-up schools, even though they are). State policy should recognize the start-up needs of replication schools and ensure that such schools are eligible for funding to the same extent as other new charter schools.
- **Manage expectations, evaluate, and learn lessons.** Replicating effective school models is difficult work, and as with any entrepreneurial initiative, even the best-laid plans do not guarantee success. Policymakers should commit to evaluating replication efforts and drawing lessons to improve the success rate, while maintaining steadfast support for the broad goals of replication.

## ■ Resources and Further Analysis

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## ■ Acknowledgements

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<sup>1</sup> See National Alliance for Public Charter Schools. (2009). *Caps on Charter Schools*.

<sup>2</sup> Replication of successful charter schools is the focus of this policy guide but expansion is another important piece of scaling up the charter school sector. Replication entails *creating* a new school based on an existing model while expansion entails *expanding* grade levels or number of students per grade.

<sup>3</sup> See Lake, R. (2007) *Identifying and Replicating the “DNA” of Successful Charter Schools: Lessons from the Private Sector*.

<sup>4</sup> See Ziebarth, T. (February, 2007). *Peeling the Lid off State-Imposed Charter School Caps*. National Alliance for Public Charter Schools.

<sup>5</sup> For a detailed explanation of “smart caps,” see analysis by Rotherham, A. J., (September, 2007). *Smart Charter School Caps*. Education Sector.

<sup>6</sup> The provision of special education is the most common

issue where the legal status of a charter school comes into play. Under the Individuals with Disabilities Education Act (IDEA), the legal status of a charter school has defining implications for how responsibility for special education is assigned, and thereafter managed and overseen. If a charter school is part of an local education agency (LEA), responsibility is shared between the charter school and its district, which is often also its authorizer. If a charter school is a legally independent LEA, it is assigned the same responsibilities related to educating students with disabilities as any other in the state. That is, the charter school must make available a full continuum of placements to students according to their needs. For more information about special education, see NACSA Issue Brief #13: *Navigating Special Education in Charter Schools* <http://www.qualitycharters.org/files/public/IssueBriefNo13.pdf>

<sup>7</sup> See NewSchools Venture Fund (2006). *Charter Management Organizations*; New Schools Venture Fund (2008). *Charter School Growth Fund*.