

# Massachusetts Charter Public Schools

## Best Practices in Expansion and Replication

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## Executive Summary

Massachusetts' charter public schools have a proven record of achievement; however state law has limited the number of students and families that they can serve. Not only does the state limit the number of charter schools that can operate both statewide and in each school district, a 2010 revision to the charter school law makes it difficult for new organizations to enter the charter sector.

These restrictions have helped to create a charter sector that is characterized by many high-performing, small, "boutique" schools and comparatively few charter networks or charter management organizations. States with less restrictive charter laws have seen the rapid expansion of some successful charter organizations and have also welcomed charter organizations with national reach, in many cases to the benefit of students and families.

This paper considers what the limited expansion of some charter organizations in the Commonwealth has looked like so far, and explores the different legal and policy conditions that enable large charter and educational management organizations to flourish. It does so with an eye to understanding whether Massachusetts might benefit from policy changes that encourage the expansion of operators already in the state and provide incentives for successful outside operators to bring their programs to the Commonwealth.

Recommendations include providing pathways for new, innovative providers to enter the state. They also include cultivating teacher and school leader pipelines, especially outside of Boston, and ensuring equitable funding for charters, particularly facilities funding. The latter recommendations would benefit providers who are already operating programs in the Commonwealth and provide incentives for outsiders to enter the market.

## Introduction and Background

Boston's charter schools have been called the best in the nation. Several studies, some of which meet a very high research standard because they control for selection bias, have found that these schools close the achievement gap at a rate higher than other charter and district schools across the country.<sup>1</sup> Various theories exist as to why this group of schools is so effective: some cite strong cultures of high expectations; others a strong focus on teacher hiring and development; and still others the “extras” these schools insist on providing, things like high-dosage tutoring and extended school days and years. Many Boston charters have all these things in common.

Another thing that Boston charters and their high-performing peers across Massachusetts share is a state policy environment marked by a very conservative approach to charter school authorizing. The state's current and single authorizer, the Board of Elementary and Secondary Education (BESE)—which takes authorization recommendations from the Department of Elementary and Secondary Education, (DESE)—maintains a very high standard for prospective charter school operators. The BESE also has a history of closing schools when their performance does not meet its high standards. In upholding this important component of the original “charter school bargain,” Massachusetts has differentiated itself from other states, some of which allow ineffective charter schools to persist.<sup>2</sup>

Since passage of the Massachusetts Education Reform Act (MERA) in 1993, the law that created Commonwealth charter schools, the state has placed a cap on the number of charter schools that can exist statewide as well as the number of charter schools that can exist in a given locale. The original legislation stated that there could be no more than 25 charter schools in existence at a given time (that cap has since been lifted to 120 schools, including 48 Horace Mann, or in-district charters), and that school districts would not be compelled to send more than 9 percent of their net school spending to charter schools (under the law, when a student attends a charter school, the amount that the district would have spent on his or her tuition follows that student to the charter).<sup>3</sup>

A 2010 amendment to the charter school law raised the cap in some districts. The same law, however, ensured that it would still be difficult to obtain a charter by turning the cap in some districts into a “smart cap.” *An Act Relative to the Achievement Gap* raised the tuition cap in districts that perform in the lowest 10 percent, according to student scores on state-mandated standardized tests. In those locales, 18 percent of net school spending can go to charter school tuition. The 2010 law opened up thousands more charter seats in these low-performing districts, but it insisted that those seats could only be granted to a subset of existing charter operators.

The smart cap contains a “proven provider” clause, which states that in relevant school districts prospective charter schools “must submit evidence, satisfactory to the Commissioner, to demonstrate a significant management or leadership role at a school or similar program that is an academic success, a viable organization, and relevant to the proposed charter school.”<sup>5</sup> In creating this clause, the state confined new charter schools in low-performing districts to those that would be operated by people and/or organizations that had previously run a successful school. The law defines “success” according to a number of criteria, including: “proficiency level and growth scores on MCAS, data from other standardized tests demonstrating student achievement scores similar to state averages, graduation and drop-out data (if applicable), and in- and out-of-school suspension rates.”<sup>6</sup>

Until 2010, the vast majority of charter schools in Massachusetts and in charter-heavy cities such as Boston were “boutique” operations, single schools, operating under a single board, and in only a few cases affiliated with an outside educational management organization (EMO). Some schools had grown over time, adding middle school grades to an existing high school or growing an elementary school from the ground up, for example. But the 2010 legislation and its modest cap-lift in certain places was a cue to some high-performing charters to attempt something more common in other parts of the country: replication of existing programs and the expansion of school brands into different geographic areas of the Commonwealth.

Between 2010 and 2016, the Commonwealth granted 28 entities proven providers status. Those groups of two or more individuals, organizations, and charter school boards have developed new programs and replicated their offerings in low-performing districts. Much of this expansion happened soon after the 2010 cap lift.<sup>7</sup> In fact, in 2010 there was such an eagerness among existing charter providers to expand, that many eligible districts reached or came close to reaching the new cap as early as 2013. That was after the state put a moratorium on charter applications in the 2011-12 authorization cycle, so as not to reach the smart cap in some districts too soon.<sup>8</sup>

The expansion of these proven providers has meant more opportunities for some families in communities where charter waitlists are long, such as Boston and Springfield.<sup>9</sup> Across Massachusetts, however, many families are still waiting for access to these proven providers and to other schools. In November 2016, the Commonwealth's voters will go to the polls and decide whether to further increase the cap on charter public schools. The ballot initiative would allow the BESE to authorize up to 12 new charter public schools each year and to concentrate those schools in communities where students perform in the lowest 25 percent on state assessments.<sup>10</sup>

If voters pass the ballot initiative it is likely that Massachusetts will continue to give preference to authorizing proven providers, which could mean that some of Massachusetts' most successful charter operators could expand their offerings even more. If this happens, these providers, DESE, and BESE will have to carefully consider best practices for operating multiple schools, sometimes in multiple locations.

While there are some examples in Massachusetts of charter operators with more than one school in different places, comparatively few of these providers have experience replicating their programming at a large scale and across multiple locations. At present, only three charter providers operating in Massachusetts also operate in other states: they are Uncommon Schools, KIPP, and the SABIS Educational Management Organization. In contrast, states like California, Illinois, New York, Texas and Louisiana welcome charter and educational management organizations that are affiliated with and/or operate dozens of schools each, often but not always in different locations across the country.

This paper considers the current charter school landscape in Massachusetts, providing a description of the number of organizations that have been granted proven provider status (a "status" that is only granted on an annual basis and for which organizations should technically reapply if making a new request to establish additional schools). It also considers charter operators who operate schools in different locations across the Commonwealth. It goes on to describe how charter operators in other states have expanded and replicated their offerings, along with the risks and benefits of scaling their operations. The paper concludes with recommendations for best practices in charter school replication and expansion, with an eye to what the Commonwealth might consider should the November ballot initiative pass.

## The Commonwealth's Charter Landscape, 2010-2016

When the legislature lifted the charter school cap in underperforming districts in 2010, it did so in response to an incentive from the federal government. The federal Race to the Top grant competition gave preference to states that were willing to expand charter school options.<sup>11</sup> In communities like Boston, which had reached or been close to the 9 percent of net school spending cap for some time, the 2010 legislation provided the opportunity that many existing and prospective charter operators had been looking for. Indeed, at the time, some Massachusetts policy makers were beginning to fear that if there weren't opportunity for charter providers to offer new or additional programming soon, the Commonwealth might experience a "brain drain" of talent leaving for other places like New York, California, and New Orleans, where policies allowed for more robust growth in the charter sector.<sup>12</sup>

In 2009, the year prior to the passage of *An Act Relative to the Achievement Gap*, BESE received only 13 applications for Commonwealth charter schools. That year, seven applications were moved to the final round, and one Commonwealth charter school was approved. In the 2010-11 cycle, after passage of the new law, BESE received 39 applications for Commonwealth charter schools, of which 20 were moved the "final application" phase for consideration. That year, the board approved 16 charter schools.<sup>13</sup> Of the 13, seven of those applicants had been granted "proven provider" status (some to open more than one new school).<sup>14</sup>

Demand was so high to establish new charter schools after the 2010 smart cap lift that Commissioner Mitchell Chester put a moratorium on new charter applications the following year. DESE feared that too many of the low-performing communities that were eligible for expansion under the cap would reach the new 18 percent of net school spending cap too soon. Boston, for example, had only 1,000 charter seats left under the new cap by the 2011-2012 school year.<sup>15</sup>

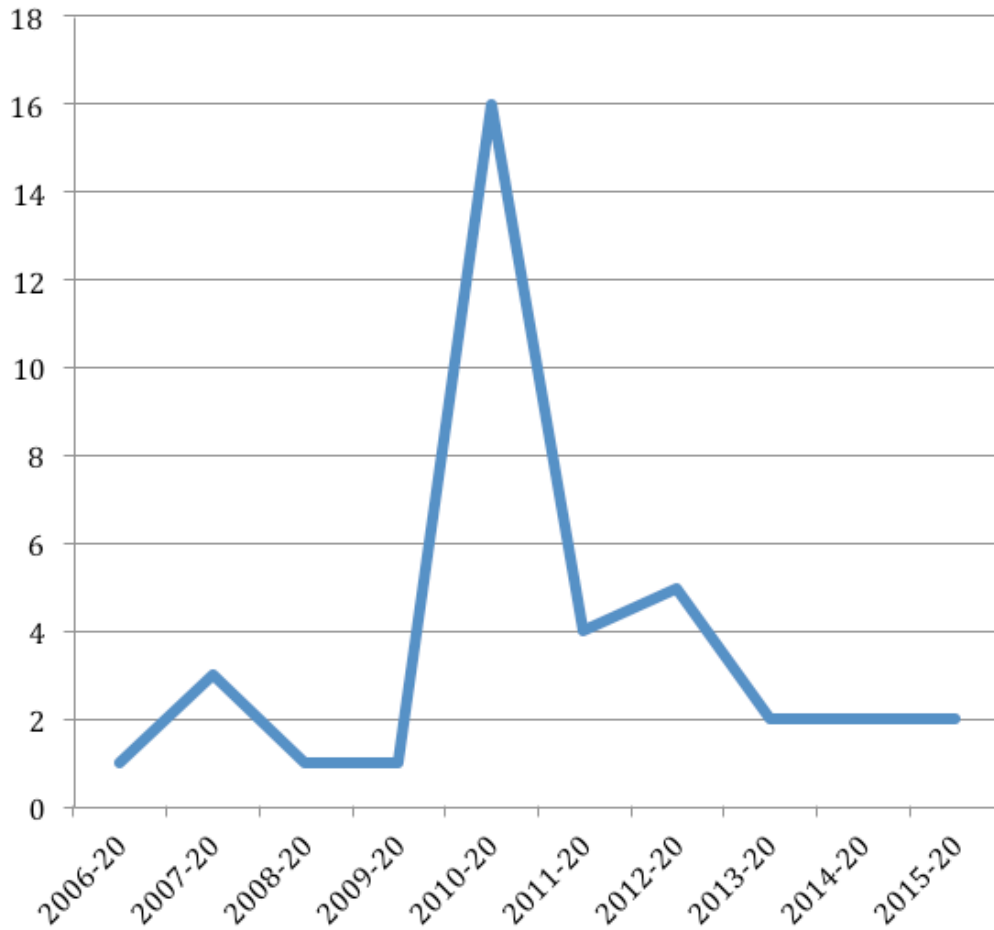
These initial authorization rounds after the new legislation were the first time the Commonwealth had to consider what constituted a proven provider. The status has been awarded to two groups of individuals, seven organizations (including one EMO (SABIS), and 19 charter school boards, three of which are affiliated with educational management organizations: Uncommon Schools, KIPP, and the Community Group. All these individuals, organizations, and boards had previously operated at least one successful school.<sup>16</sup>

At the time, the vast majority of these providers sought to replicate existing programming. In most cases, schools opened additional campuses to serve more students in different areas of the same city. In a more limited number of cases, existing school boards and organizations established schools in cities far away from their satellite school. In one case, Match-Community Day, an existing school board sought to tailor its programming to English language learners, a population of students that it had not previously served in large numbers.

In the case of these proven providers, the term "replication" captures a range of methods for taking programming from a "flagship" school and implementing it at satellite schools. According to DESE, at the time of application, some proven providers propose that different campuses will have a great deal of autonomy over local decisions, like curriculum and school culture. Others offer an approach that would keep the flagship and satellite schools uniform in most respects, with less autonomy delegated to local leaders.<sup>17</sup>

In most cases, it is still too soon to tell if one of these approaches works better than the other in the Massachusetts context. It could be that providers can maintain stable schools and foster strong outcomes either way. The approach that each

## MA, Number of Charters Approved, By Year



proven provider outlines in its application to start a school is just one of many factors that weighs before making its final recommendations to BESE regarding the authorization of new schools.<sup>18</sup>

Ultimately, though the 2010 legislation enabled some excellent schools to replicate, the new cap was not generous enough to spur the growth of charter management organizations at a large scale. Among charter management organizations in Massachusetts, only a handful operate multiple schools, and far fewer have opted to operate schools in different communities. Some schools have chosen to expand their offerings by adding additional grades or additional seats to existing grades (this does not always require proven provider status). Even the few educational management organizations, such as KIPP, SABIS, and Uncommon Schools, that operate schools in states across the country continue to operate comparatively few Massachusetts schools (KIPP currently has two schools in the Commonwealth, SABIS operates three, and Uncommon Schools has five Massachusetts campuses, all in the city of Boston).<sup>19</sup>

There is no definitive answer as to why more Massachusetts charter schools have not requested or attempted to expand. Some want to remain in communities where demand for charter schools is the greatest. These happen to be the same communities where it is exceedingly difficult to win additional charter school seats because they have reached or are close to the smart cap.

Others, who might be more willing to enter communities that are not yet at the cap, may realize the difficulties of operating schools that are far away from one another—distance poses financial and logistical challenges for central administrative staff that might be dedicated to multiple schools. This challenge comes in addition to the more general challenge of scale: It may be easier to raise capital to start two schools than it is to raise capital to start three or four. Furthermore, the more schools a network operates, the more challenges its central leadership will face. Should a network desire to keep its central office slim, the capacity of central administrative staff will become diluted with every new school that opens.

Another possibility is that charter school operators know that different communities have different needs and even different



### Select List of MA Charters Operating Multiple Schools

	# of Commonwealth Charter Schools	Types of Schools	Locations
KIPP Academy	2	K-8, K-12	Boston, Lynn
Roxbury Prep (EMO, Uncommon Schools)*	4	5-8, 9-12 (1 high school)	Boston
Brooke Charter School Network*	3	K-8, 9-12 (1 high school)	Boston
Match Education*	4	Pre-k-4, 5-6, 7-8, 9-12	Boston
City on a Hill Charter Public School Network	3	9-12	Boston, New Bedford
The Community Group (EMO)	3	K-8	Lawrence
SABIS, Inc. (EMO)	3	K-12	Holyoke, Lowell, Springfield

\*These organizations have consolidated their schools to exist under one charter.

desires. Different communities also come with different political challenges. A charter network opening in a new community faces the challenge of engaging and soliciting buy-in from an entirely new set of stakeholders, whereas opening a school in a community where a similar, successful school already exists does not carry the same time commitment and risk. Community buy-in can be an important factor in charter school success; It could be an uphill battle to enroll students in charter schools where charters have not previously existed and where demand is not comparatively high.

But it is also notable that very few charter operators from other states have chosen to come to Massachusetts. As previously mentioned, KIPP, Uncommon Schools, and SABIS are three organizations that have opened schools in the Commonwealth. Other providers that operate in multiple states, providers such as Achievement First, which operates 30 schools in five cities across Connecticut, New York and Rhode Island, might seem like likely candidates to open schools in Massachusetts.<sup>20</sup>

The existing charter school cap is the most obvious reason that more Massachusetts CMOs have decided not to expand and that more outside CMOs have chosen not to apply for charter school seats in the Commonwealth. If the ballot initiative passes, that could change. Moreover, if the ballot initiative does not pass, there are other avenues charter proponents could still pursue to obtain either another cap lift or abolish the cap altogether.

Passing new legislation is the route that has been used in the past, but that could become even more difficult if voters elect not to lift the cap at the ballot box. Lawsuits are another method for effecting educational reform. The lawsuit *McDuffy v. Secretary of the Executive Office of Education* “established the

state constitutional standards against which education reform in Massachusetts would be judged.”<sup>21</sup> In September of 2015 a suit naming three Boston students who did not win charter school lotteries and were then assigned to underperforming Boston Public Schools sought to lift the cap. The suit claimed the students were denied equal access to the adequate education promised to all students under the (MERA).<sup>22</sup> Though that suit was dismissed, lawyers plan to appeal.<sup>23</sup>

Even if the cap is eventually lifted, there are other features of the Massachusetts policy environment that may or may not entice charter management organizations to the Commonwealth. Understanding what CMO growth looks like in other places and the extent to which the Massachusetts policy environment is favorable to CMO replication and growth is important not only for the expansion of charter schools in the Commonwealth, but for the support of existing schools as well.

### The Right Conditions for Charter School Replication

By the most important standard, Massachusetts is an attractive place to establish charter schools. The state’s charter school law allows Commonwealth charter schools the real autonomies that charters require to be successful, such as freedom to determine the length of the school day and year, control school operating budgets, and assemble the best staff to meet student and school needs. Massachusetts is also known for its very strict approach to accountability: when charter schools fail to meet the terms of their agreement with the state—when they fail to help students achieve strong outcomes or to engage in financially sound and sustainable practices—the BESE closes them.<sup>24</sup>



Also important is that the single authorizer in Massachusetts is the BESE, which takes recommendations on charter school applications and closures from DESE, which oversees the day-to-day charter authorization processes. DESE is an external authorizer, meaning that, unlike local school districts, which authorize charters in some states, it is supposed to be a disinterested party when it comes to the (sometimes tense) relationships between charters and traditional public schools. It matters that DESE is an external authorizer, but it also matters that it is the only authorizer in the Commonwealth. Many charter school proponents note that a single authorizer model has its drawbacks—it can limit innovation and provides no check and balance if authorization processes are disputed or if there is a perception that the authorizer is not accountable for its decisions, which can sometimes be controversial.<sup>25</sup>

In some parts of the country and in states with different authorization processes, charter management organizations run a great number of schools. Some have achieved a scale that will likely never be realized in Massachusetts, either by a Massachusetts-born CMO or an outside CMO that decided to apply to open charter schools in the Commonwealth.

There are several reasons why such scale is unrealistic: First, Massachusetts is a comparatively small state—it simply enrolls fewer students than many of the states with large CMO presence, like California and Texas. Second, demand for charter schools is greatest in urban centers. Massachusetts is known for having very high-performing district and charter schools, which have traditionally sought to serve students without access to a high-quality education. Schools have little incentive to expand beyond the Commonwealth’s largest urban centers, where a disproportionate number of schools struggle to achieve strong student outcomes. Finally, there is the obvious issue of the cap, even the higher cap in low-performing districts. It is the cap that in fact limits the overall number of students who can enroll in charter schools. Below is a table of some of the largest charter management

organizations in the country, listing the number of schools each operates to date, number of students served, school types, and locales.

Even if it is unlikely these CMOs would establish a large presence (or for some, any presence) in Massachusetts, lessons learned from their growth are worth exploring. The experiences of these organizations, the successes they have achieved and the challenges they have faced, as well as the policy conditions that have enabled them to flourish provide valuable insights.

**Strong Outcomes at Scale**

One question that is often asked about charter schools in Massachusetts and nation-wide is whether the strong results some charter schools achieve are replicable at scale. Charter critics often charge that strong academic outcomes are easier to achieve in one or two small schools but far more difficult to realize as organizations scale, some to become the size of large school districts, and serve increasing large and diverse student populations.

Studies of individual charter management organizations show a diversity of outcomes across different schools. As they scale, CMOs are likely to see some schools struggle more than others to achieve strong outcomes, and they may have to intervene or close those schools. On the whole, however, CMOs that have reached scale, such as those listed in the table below, continue to help students achieve outcomes superior to their peers in local school districts.

One example of success at scale is the KIPP organization. In a gold-standard study that used both lottery comparisons to limit selection bias and, when lottery comparisons were not possible, quasi-experimental design, researchers found that not only does KIPP have a positive impact on student achievement compared to the schools that KIPP students would have otherwise attended, but also that KIPP has continued to have positive impacts on student achievement as it has scaled.

	# of Schools	# of Students Served	School Types	School Locations
KIPP Charter Public Schools	200	80,000	K-12	20 states and the District of Columbia
Aspire Public Schools	40	16,000	K-12	California, Tennessee
Yes Prep Charter School Network	16	11,600	6-12	Houston, Texas
Achievement First Charter School Network	32	11,500	K-12	Connecticut, Rhode Island, New York

For example, a longitudinal study of KIPP schools finds:

- Across the KIPP network, the average impacts of middle schools on student achievement were positive and statistically significant throughout the 10-year period covered by the study data, although they were higher in earlier than in recent years.
- KIPP middle schools that opened in 2011 and later . . . are producing positive impacts similar in size to those that older KIPP middle schools produced in their first years of operation.
- KIPP high schools increase students' course taking, likelihood of applying to college, and several other college preparation activities.<sup>26</sup>

A national study of charter management organizations confirms that achieving strong results, especially for certain groups of students, at scale is not an anomaly in the CMO world. A large-scale study conducted by the Center for Research on Education Outcomes at Stanford University finds that while most CMOs across the country are “pretty average,” in general CMOs help students achieve slightly better outcomes than they likely would have in the district schools they would have otherwise attended. This general rule of thumb does not, however, hold true for “historically disadvantaged subgroups.”

CMOs across the country produce “stronger academic gains for students of color and students in poverty than<sup>27</sup> those students would have realized either in traditional public schools or in many categories . . . in independent charter schools.”

### The Question of Centralization

Interestingly, CMOs achieve these results while taking different approaches to expansion. There is no “secret recipe” for student success based upon whether a CMO tightly or loosely prescribes systems, structures, and behaviors for satellite schools. KIPP provides an example of a CMO that encourages local autonomy. It has a central foundation that helps “each new school leader and location secure facilities and a charter, and build a strong board.” Once a KIPP school opens, however, “decision making, including curriculum, faculty selection, budgeting, and all other local-level details are left to the school leader and the local board of directors.”<sup>28</sup> This is not to suggest that there isn't a signature “KIPP approach.” Through its foundation, KIPP provides ongoing teacher professional development and support for school leaders, who are recruited and cultivated through the foundation. But once they are hired and practicing, individual school leaders have a lot of control over how they build their schools.

An organization like Achievement First (AF)<sup>29</sup> takes a more centralized approach in some domains. As it scaled, the network realized that its greatest challenge was talent; “figuring out how to attract, retain, and develop the right people.” In response, the CMO has grown a central office that provides sophisticated supports to satellite schools with regard to teacher recruitment, screening, hiring, and development. “A central office manages and coordinates efforts for the network,” and a dedicated team of central office staff works with principals to determine school needs, screens candidates based on those needs, and then assists in the hiring process once principals have made decisions about a smaller pool of candidates that the central office has selected. The central office also closely tracks the effectiveness of its efforts, focusing on teacher performance and retention and the relationship of these two things to its hiring processes.<sup>30</sup>

Additionally, the AF network prescribes a “Teacher Career Pathway,” in which all AF schools participate. In brief, teachers across the network are evaluated on a number of measures, both academic and non-academic, and can be rewarded on the basis of these evaluations with new titles, responsibilities, and pay raises. In doing so, it sets clear expectations and standards for what constitutes good teaching across the network.

In the Massachusetts context, there is little to suggest that, thus far, DESE and/or BESE consider one replication approach (a strong central office v. a lot of local autonomy for schools) superior to another in the authorization process. This could be because even the largest Massachusetts CMOs operate only a handful of schools. A look at the Commonwealth's history also shows that both organizations (such as those affiliated with SABIS) which favor a centralized system and organizations (such as those affiliated with KIPP) that take a less centralized approach have been authorized. The national CMO landscape suggests that this “case by case” approach to authorization makes sense—CMOs should be evaluated on the basis of outcomes and financial viability, as opposed to administrative structures.

## Human Capital

In a 2015 national survey of CMOs, the National Alliance for Public Charter Schools found that strong teacher and school leader pipelines matter greatly when CMOs are deciding whether to expand into a given area. In fact, three quarters of the 20 CMOs surveyed “saw a supply of high quality teachers and leaders as essential to their expansion into a new city or region. Interviews revealed that availability of high quality teachers and leaders is perhaps the key constraint to CMOs looking to CMOs looking to expand into new regions.”<sup>31</sup>

And different CMOs may prioritize different kinds of pipelines. The same survey found that some CMOs prioritize school leader pipelines over teacher pipelines.<sup>32</sup> One reason for this could be that many CMOs have developed their own, quite sophisticated approaches to teacher training. Some Boston-based CMOs note that they prioritize hiring smart people who are a good fit with the organizational culture, and also trainable and open to feedback.<sup>33</sup> Research also finds that charter schools and CMOs value their ability to hire for “fit” over credentials—they do not want to be weighed down by requirements that school leaders or teachers, have specific credentials or certifications at the time of the hiring decision.<sup>34</sup>

At first blush, it would seem that Massachusetts is well positioned to attract CMO expansion with strong teacher and school leader pipelines. Metropolitan Boston alone has 54 institutions of higher education, including many colleges and universities with highly respected teacher training programs.<sup>35</sup> Moreover, Boston and surrounding urban centers, such as Chelsea, Revere, Lawrence and Springfield, have a relationship with Teach for America (TFA), a partner that many CMOs leverage for teacher recruitment.<sup>36</sup> In recent years Boston, especially, has been incredibly fortunate to benefit from the net supply of teachers these institutions and organizations produce. But even Boston does not have an ideal pipeline, and issues with school leader and teacher recruitment become more complex as the Commonwealth encourages CMOs to expand beyond this major urban center.

First, Massachusetts struggles to enlist a diverse cadre of teacher and school leaders. A 2014 *Boston Globe* review of state data revealed that “school staffing hovers around 92 percent white” and that “students of color make up just 13 percent of the 22,000 students enrolled in public and private programs training the next generation of teachers across Massachusetts.”<sup>37</sup> This problem is not unique to the Commonwealth; states across the nation struggle with teacher and school leader diversity. However, depending on the CMO and the locale of each proposed school, a lack of diversity among school faculty and staff could be a major consideration that influences expansion.

Furthermore, in the Commonwealth’s most impoverished locales, the problem extends beyond a CMO’s ability to recruit a diverse workforce. The MA DESE, which is acutely aware of and actively working to rectify various challenges with the Commonwealth’s educator workforce, notes that students living in poverty are more likely to have teachers who are inexperienced, who have been evaluated as “ineffective,” and/or who are teaching out-of-subject.<sup>38</sup> When a community does not have a strong college or university presence or a relationship with an alternative educator preparation program, it is more likely to have trouble finding good teachers. To exacerbate the problem, communities that serve impoverished students are less likely to retain excellent teachers with attractive salaries—effective teachers may eventually choose to work in better off communities with more attractive pay scales and opportunities for advancement.

A 2014 American Institutes of Research (AIR) report commissioned by DESE finds that the educator preparation pipeline problem could become especially acute in the “Commissioner’s Districts,” the ten largest districts in Massachusetts, which have some of the highest rates of poverty and three or more schools that have been identified for restructuring.<sup>39</sup> Problematically, these are exactly the districts that, under state charter law, would likely be eligible for or at the very least targeted for charter school expansion from year to year. A dearth of qualified educators and school leaders in these places could influence a CMO’s decision to expand.

## Funding, Philanthropy, and Facilities

On at least two financial measures, Massachusetts should be attractive to CMOs: its charter school funding formula is equitable and there is an existing philanthropic base in the Commonwealth.

In Massachusetts, funding for charter schools comes mainly from the per-pupil tuition that schools receive when students enroll. When a student opts to attend a charter school as opposed to the district school that he or she would have otherwise attended, the money the district would have received for that student follows him or her to the charter school.<sup>40</sup> This is different than in many states. According to the Center for Education Reform, a school choice advocacy group, “Nationwide, on average, charter schools are funded at 61 percent of their district counterparts, averaging \$6,585 per pupil compared to \$10,771 per pupil at conventional district public schools.”<sup>41</sup>

Major national and local donors have also made Massachusetts’s charter schools a priority, mainly because of their proven results. Donors like the Walton Family Foundation have made generous investments in the Commonwealth’s charter sector,<sup>42</sup> and local organizations, like the Boston Foundation, have also made “strategic grants” to individual schools and charter

school organizations.<sup>43</sup> New Schools Venture Fund, with assistance from organizations like the Boston Foundation, has specifically invested in the replication of the Commonwealth’s high quality charter schools, effectively “doubling the size of the most successful charter sector in the country.”<sup>44</sup>

The one place where many charters need to concentrate funds (especially start-up funds) is on facilities. Massachusetts, like many other states, provides minimal assistance to charter schools when it comes to accessing, securing, and renovating school spaces. The law does not compel public school districts to share available space with charter schools or even to lease empty district buildings, and the state provides only a small facilities stipend (roughly \$800.00 per student) to cover the cost of rent, mortgage, and/or school building improvements.<sup>45</sup> District schools, unlike charter schools, not only have access to the municipal tax base in each locale to raise money for facilities, they are also eligible to receive funding from the Massachusetts School Building Authority (SBA), which, in its 10-year history, “has made more than \$12.1 billion in reimbursements to cities, towns, and regional school districts for school construction projects.”<sup>46</sup>

Consequently, charter schools are forced to rely on donors and private fundraising for capital resources. All too often, the cost of securing and updating facilities encroaches upon school budgets and sometimes limits the services that charter schools would otherwise like to provide to students and families.

A 2013 report commissioned in part by the Massachusetts Charter Public School Association (MCPSA) found that, on average, Massachusetts charter schools spend three percent of their operating school budgets on facilities—“a significant amount for many charter schools.”<sup>47</sup> Difficulty securing appropriate spaces where, for example, charter schools can have on-site cafeterias to serve breakfast and lunch to students (many of whom depend upon the federal lunch program for both meals) poses an additional burden. When small schools cannot afford the space for a federally approved kitchen they have to contract with outside vendors to provide meals to students, which increases costs and further encroaches upon operating budgets. The 2013 report found that 80 percent of the Massachusetts charter schools included in its survey lacked a kitchen.

In fact, the MCPSA and its colleagues suggest the facilities burden that Massachusetts charter schools face could be a major limiting factor in charter schools’ future expansion. According to the report:

As Massachusetts charter schools expand, facility challenges will need new solutions. More operating funds may be needed to address charter school facility issues, and the fast-growing charter school student population in Massachusetts may not benefit

from the quality facilities that other public school students have come to expect.<sup>48</sup>

Research from the National Alliance for Charter Public Schools and Bellwether Education support this assertion. In the NACPS 2015 survey CMOs reported that both “equitable per pupil funding” as well as access to start-up capital and facility assistance are important considerations in the “overall financial equation” that can determine a CMOs willingness to expand into different locales.<sup>49</sup> Similarly, a Bellwether Education policy brief that considers where one high-performing charter management organization, Aspire Public Schools, would fare in different locations notes that because most CMOs need “private funding to help finance growth and capital costs . . . there is confusion about where the actual challenges lie and how sustainable these (CMO schools) are.”<sup>50</sup>

## Conclusions and Recommendations

Whether it happens via a ballot initiative, the legislature, or the courts, some increase in the cap on charter schools, especially in low-performing districts, seems inevitable in the near future. With so many Massachusetts students and families on wait lists (more than 32,000 unique students in 2016), policymakers and charter providers will continue to feel the pressure to meet demand.<sup>51</sup>

There are many very positive features to the authorizing environment in the Commonwealth. Most importantly, in law and in practice, Massachusetts allows charter schools meaningful autonomy and couples that with a very strict approach to holding charters accountable. And while the proven provider clause of 2010 has limited innovation in the charter sector, it has ensured that highly effective providers have been allowed to replicate.

Instead of resting on the state’s excellent reputation for producing high quality charter schools, policymakers and charter providers should look to the future; they should consider how to make the Commonwealth’s policy environment more friendly to the expansion of home-grown charters and whether there are features of the policy environment that could be altered to attract more of the nation’s high-quality and, in some cases, innovative charter management organizations to the state. Especially if the Commonwealth will continue to leverage charter operators in turnaround situations, as it has done in places like Lawrence and Springfield, it would be well served to attract highly effective outside talent in an effort to ensure that a variety of options are available.

## Recommendations

*Work with teacher training institutions and organizations to diversify and strengthen teacher and school leader pipelines, especially in low-performing communities outside Boston:*



The need for excellent teachers and school leaders is real not only for charter schools and charter management organizations, but for district schools as well. Diversity also matters to the education profession; research shows that effective minority teachers can have more of an impact, in some cases, on student outcomes for minority students. Policymakers should continue to pressure traditional teacher training institutions to more effectively recruit diverse candidates and should continue to work with alternative teacher training organizations to increase teacher and school leader pipelines. Further, the state should partner with high-need communities outside of Boston to make salaries and living conditions more attractive to high-quality teaching candidates.

*Ensure continued equity in per-pupil funding for charter school students and revise the Commonwealth's approach to funding facilities for charter schools:*

While Massachusetts charter schools do enjoy a more equitable system of per-pupil funding than operators in most states, they continue to suffer under the burden of locating and paying for facilities to house their students. Policy makers should provide incentives to school districts and others to lease available space to charter schools at a fair price. Policymakers should also consider how to provide charters with access to the same kind of funding assistance that districts enjoy, such as support from the School Building Authority or an increased facilities stipend that would enable charters to operate on a level playing field with their district counterparts. Should the cap on charter schools be lifted at any point in the future, access to facilities and access to capital to pay for and renovate facilities will be an important factor in charter operators' decisions to expand, whether those operators are home-grown or from outside of the state.

*Encourage new and innovative charter providers to enter the Commonwealth:*

Massachusetts is known for producing very high quality charter operators, but the cap on charter schools has forced some very promising operators and leaders to take their ideas elsewhere. Lifting the cap on charter schools, especially in communities with high demand, is one important step in encouraging more innovation in the space. Ensuring that the Commonwealth has a policy environment friendly to outside operators is another. Should a cap lift occur in the near future, policy makers should carefully consider the extent to which they will balance the authorization of proven providers against the authorization of new and promising charter authorizers. If onerous regulations make it increasingly difficult to win a charter in Massachusetts, students and families who desire a charter education will suffer from a lack of real choice.

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*Assessing Charter School Funding in 2016*, White Paper, April 2016

*Massachusetts Charter Public Schools: Best Practices Using Data to Improve Student Achievement in Holyoke*, White Paper, March 2016

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