



Insights 2020

Charter Network Success

An analysis of charter school types that successfully prepare students for college and beyond

INTRODUCTION

When the concept of charter schools was introduced in the late 1980s by educator and union leader Albert Shanker, the intent was clear: to provide educators the autonomy to design high-quality schools that met their students' needs.

More than two decades later, there are more than 7,500 public charter schools in 44 states, serving 3.3 million students.¹ The overall results have been mixed, characterized by both inspiring success stories and ignominious failures. That disparity is partly a natural byproduct of the role of charter schools as incubators and testbeds for innovation, but it also reflects the wide differences in how charters are governed from state to state.²

For nearly two decades, the research consensus has been that charters on average produce no better results than traditional public schools, despite significant individual success stories where data show that certain charter schools do an exceptional job at supporting students from disadvantaged backgrounds.

Identifying those schools and districts that are supporting the postsecondary success of students from low-income families and underserved minority groups is precisely the effort that GreatSchools has undertaken with its College Success Awards. Created in 2018 to identify high schools that are helping students succeed in college, the Awards are based on newly available data on preparation, enrollment, persistence, and remediation. In 2019, we revised our methodology to better highlight the schools—including public charter schools—that are preparing students from low-income families to enroll and persist in college successfully.

Our analysis of charter schools in the 18 states where we had enough data to track their students into college identified many schools that excel in preparing their students for

ABOUT THIS SERIES

This paper is part of a series of reports which identify promising practices among high schools and districts based on findings from GreatSchools' 2019 College Success Awards.

college. Nearly 150 charter high schools in these states qualified for a 2019 College Success Award, or nearly 4 in 10 of all charter high schools eligible for consideration—nearly double the winning rate of all eligible schools. Like the traditional public schools that were recognized with CSAs, winning charter schools can be found in urban, rural, and suburban communities. Some serve disadvantaged student populations, including schools where nearly all students are Black and Hispanic, while others serve few students of color. In some, 100 percent of students qualify for free and reduced-price lunch; in others, just a handful do.

However, a closer look at the data revealed one important distinction between winning and non-winning charter schools. Nationwide, charter schools that are part of a larger organization—charter management organizations (CMOs) or education management organizations (EMOs)—were slightly more likely to be CSA winners than freestanding charter schools. What’s more, the winning managed charter high schools represented significantly more diverse student populations—a finding which suggests these networks are living up to their stated goals of serving all students well. This paper highlights what the CSA results tell us about successful charter schools and networks.

¹ National Alliance for Public Charter Schools, <https://data.publiccharters.org/>

² https://ssir.org/books/excerpts/entry/understanding_state_governance

FINDING CHARTERS THAT WORK

Charter schools are public schools, typically operated independently from the traditional school districts with whom they share students and, in many cases, funding. Students do not pay tuition, but admission may involve specific requirements or, in some places, a random lottery for a limited number of seats. Some charter schools, like magnet schools, focus on specific subject areas or careers. Charters are overseen and held accountable by authorizers, which, depending on the state, may be independent boards, local education agencies, universities, nonprofit organizations, or the state's department of education. The relationships between charter schools and the governing body that oversees traditional public schools in the same jurisdiction also vary, but as the charter movement has evolved, many localities now present charter schools as part of the broader portfolio of public schools in which students may enroll.

Charter schools tend to reflect the communities in which they are located. More than half of charter schools (57.2 percent) are in urban areas, while nearly one-third (30.9 percent) are in suburban neighborhoods and 7.2 percent serve rural communities.³ As a whole, charters serve a diverse student population. Thirty-two percent of charter students are white, 26 percent are Black, and 33 percent are Hispanic, according to the most recent data compiled by the National Center for Education Statistics.⁴

From the onset of the charter movement, researchers and policymakers have tried to determine whether charter schools outperform their traditional public school counterparts. As an analysis of charter school performance by the National Council of State Legislatures states:

The most rigorous studies conducted to date have found that charter schools are not, on average, better or worse in student performance than the traditional public school counterparts. This average result, however, obscures tremendous variation between individual charter schools and charter schools in different states. Some charter schools significantly outperform their counterparts in traditional districts. Some states have better performing charter schools than others.⁵

While it dates back to 2013, one of the best-known studies of charter school performance captures some of the complexities of understanding the overall performance of the sector. The Center for Research on Education Outcomes (CREDO) at Stanford University examined charter schools in 27 states and found that significant numbers outperformed traditional public schools (24 percent in reading and 29 in math). However, even larger percentages showed no significant differences from traditional public schools (56 percent in reading, 40 percent in math). And 19 percent of charters delivered worse results in reading, while 31 percent did in math.⁶

The College Success Awards recognize and celebrate all public high schools—including charter schools—that excel in preparing students for postsecondary success. The 2019 College Success Awards examined data from more than 8,100 high schools in 25 states to identify which ones were preparing their students for college, based on preparation, enrollment, persistence, and remediation data provided by the states. This data tells us whether students enroll in college, are ready for college-level coursework, and move on to their second year. The methodology was revised from the previous year to place greater emphasis on the schools doing an exceptional job of preparing students from low-income families for success (see Appendix, page 8).

³ National Alliance for Public Charter Schools, <https://data.publiccharters.org/>

⁴ https://nces.ed.gov/programs/coe/indicator_cgb.asp

⁵ <https://www.ncsl.org/research/education/charter-schools-research-and-report.aspx>

⁶ <https://credo.stanford.edu/publications/national-charter-school-study>

In the 18 states where we had disaggregated data for charter high schools, 148 of 390 eligible charter schools qualified for a 2019 CSA, or nearly 38 percent. (To look up winning charter or district schools, [go here.](#))

As with other research into charter performance, however, we saw wide disparities *from state to state*, particularly in the differences between the performance of freestanding charter schools and those managed by larger organizations, including charter management organizations (CMOs) and education management organizations (EMOs). Some states have enormously effective charter schools and charter organizations. Others have few examples of charter excellence. (For more on these organizations and the differences between them, see Box 2 on page 8).

Looking across the totality of charter schools in 18 states, it might be easy to conclude that there’s little difference between the effectiveness of managed and freestanding charter schools. In seven states, charters managed by organizations outperformed freestanding charters. In ten states, freestanding charters outperformed their managed counterparts. (One state, Minnesota, had no CMO or EMO-managed high schools which were eligible for a CSA.) On average, across all 18 states, a slightly higher percentage of charter schools which were part of a CMO or EMO qualified for a College Success Award than their freestanding counterparts (see Table 1, top-right).

Yet these general findings about charter schools hide an important demographic difference between the managed and freestanding charters which won a College Success Award. *The charter high schools which were part of a larger organization were significantly more likely to educate larger numbers of minority and students from low-income families than their freestanding counterparts.* For example, CSA-winning charter schools managed by larger organizations had a combined student population that was 51.7 percent Hispanic. The freestanding charter schools recognized with a CSA, by contrast, represented a student population with far fewer

TABLE 1

% of CSA Winners by State

State	Manage Type	
	CEMO	Freestanding
ar	100%	0%
co	80%	32%
ct	100%	0%
fl	46%	41%
ga	50%	67%
hi	0%	29%
id	0%	54%
in	0%	31%
la	0%	22%
ma	0%	43%
mi	31%	14%
mn		22%
mo	0%	33%
nc	0%	65%
nj	50%	40%
oh	0%	33%
ok	0%	50%
tx	49%	33%
Grand Total	40%	37%

Hispanic students—18.2 percent. There was a less pronounced difference among the percentage of Black students between managed and freestanding charters—they made up 20.6 percent of the student population in managed charters and 19.4 percent in freestanding ones.

The difference in the low-income status of the student populations in managed and freestanding CSA-winning charters was dramatic. In winning charter high schools managed by larger organizations, more than two-thirds of students (68.5 percent) were low-income. In CSA-winning freestanding charters, only 36 percent of students were low-income. Although there were again wide disparities from state to state, there’s a clear difference between the student populations of the managed charter high schools that are doing a good job preparing their students for college and their freestanding counterparts (see Tables 2, 3, and 4 on page 6).

TABLE 2

% of Black Students by State, Charter Type and CSA Winning Status

State	CEMO		Freestanding	
	Non-winner	Winner	Non-winner	Winner
ar		62.9%	4.2%	
co	9.2%	12.1%	4.5%	1.3%
ct		61.8%	46.5%	
fl	16.0%	14.9%	19.5%	13.1%
ga	33.7%	98.1%	50.2%	29.2%
hi	1.3%		1.8%	2.2%
id	0.0%		0.8%	0.6%
in	78.3%		31.9%	31.0%
la	59.6%		43.0%	28.4%
ma	27.2%		29.7%	26.6%
mi	44.8%	30.5%	36.8%	23.9%
mn			52.2%	98.7%
mo	97.3%		51.7%	98.5%
nc	49.6%		33.8%	7.8%
nj	93.3%	86.2%	57.1%	37.7%
oh	57.4%		54.6%	51.5%
ok	10.2%		3.7%	10.7%
tx	10.1%	8.4%	13.7%	8.3%
Grand Total	31.5%	20.6%	27.5%	19.4%

TABLE 3

% of Hispanic Students by State, Charter Type and CSA Winning Status

State	CEMO		Freestanding	
	Non-winner	Winner	Non-winner	Winner
ar		6.7%	2.1%	
co	39.1%	71.8%	32.2%	13.9%
ct		34.9%	33.3%	
fl	64.1%	67.6%	28.9%	24.6%
ga	6.7%	1.3%	6.9%	10.5%
hi	12.3%		13.3%	4.0%
id	9.1%		12.2%	6.6%
in	7.4%		11.2%	22.5%
la	22.3%		4.5%	1.8%
ma	49.4%		21.6%	15.6%
mi	12.2%	2.6%	9.0%	11.0%
mn			11.3%	0.0%
mo	1.4%		46.9%	1.0%
nc	5.5%		8.0%	4.4%
nj	6.2%	11.6%	25.4%	52.6%
oh	7.3%		8.1%	6.7%
ok	57.5%		86.6%	8.7%
tx	62.3%	68.9%	41.5%	60.1%
Grand Total	36.7%	51.7%	20.6%	18.2%

TABLE 4

% of Low-income by State, Charter Type and CSA Winning Status

State	CEMO		Freestanding	
	Non-winner	Winner	Non-winner	Winner
ar		56.7%	59.5%	
co	35.5%	76.0%	33.5%	11.2%
ct		77.2%	67.3%	
fl	69.2%	65.0%	42.7%	32.6%
ga	68.9%	99.5%	69.4%	49.8%
hi	30.3%		61.3%	24.4%
id	57.6%		37.8%	20.3%
in	87.5%		66.1%	52.4%
la	66.0%		62.3%	56.9%
ma	70.6%		56.8%	34.8%
mi	64.0%	80.5%	57.2%	39.2%
mn			89.5%	95.9%
mo	100.0%		93.3%	67.9%
nc	44.9%		32.7%	10.0%
nj	87.8%	86.7%	67.0%	75.8%
oh	50.3%		66.0%	51.3%
ok	81.0%		89.9%	41.5%
tx	66.5%	63.6%	39.8%	57.8%
Grand Total	65.7%	68.5%	53.4%	36.0%

While performance on academic indicators is historically correlated with income, the charts below show that managed charter schools were much more likely than their freestanding counterparts to counter this trend. Overall, managed charter high schools with high percentages of students from low-income families saw better overall rates of performance on CSA metrics than freestanding charter high schools

with similar proportions of students from low-income families (see Chart 1, below).

In fact, when looking at students from disadvantaged minorities, managed charter high schools with high percentages of minority students did as well overall on college readiness metrics as those with almost none (see Chart 2, below).

CHART 1

How do managed and freestanding charters compare in preparing their low-income student populations for college?

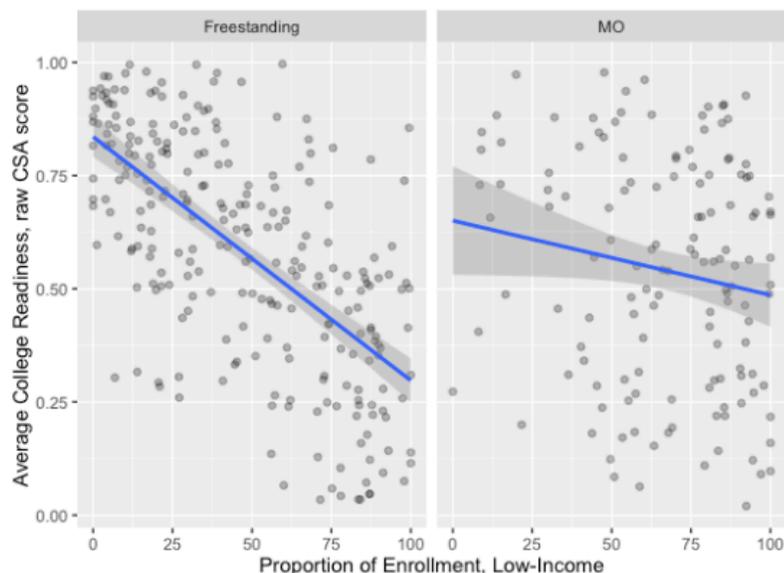
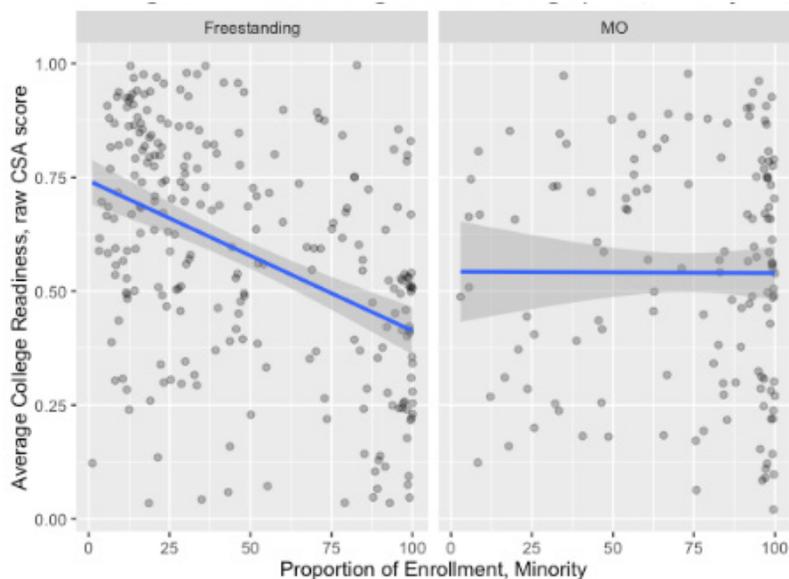


Figure 1a.
 Freestanding (F) slope: -0.00538
 r^2 , F: 0.4196
 Sample size, F: 48
 MO slope: -0.00164
 r^2 , MO: 0.02689
 Sample size, MO: 33
 P-value, low-income: 3.067e-11
 P-value, CSA score: 0.1169

CHART 2

How do managed and freestanding charters compare in preparing their students from underserved minority groups for college?



BOX 2

What are CMOs and EMOs?

In 2017, two-thirds of the nation's charter schools were operated as standalone nonprofit entities.⁷ The majority (68 percent) of charter school students attended this type of independent school.

The remaining charters, however, were operated by larger organizations. Definitions vary, but we define charter management organizations (CMOs) as nonprofit organizations that hold the charter for multiple charter schools. Like traditional public school districts, CMOs have the potential to standardize operations and replicate promising practices across multiple schools. According to CREDO, about 20 percent of charter schools were part of CMOs in 2017.

While they are less common, education management organizations (EMOs) are for-profit entities that operate multiple charter schools. Other models exist, including organizations that provide selected services to multiple charter schools but are not the holders of the charter. But for the purposes of this report, we are aggregating the results of CMOs and EMOs—in large part because there are relatively few EMOs in the states for which we have data, making it difficult to draw adequate comparisons between the different types of managed charter organizations.

WHAT WE LEARNED

The main takeaway from these results is that significant numbers of charter schools can—and do—excel in preparing their students for success in college. In the 18 states we studied, nearly four in 10 of the charter high schools eligible for CSA awards did just that. (This is nearly double the rate of CSA winners for all schools.) It's also important to recognize the success that charter schools that are managed by CMOs and EMOs have had in preparing student populations with large proportions of low-income and minority students for college.

That was the goal of IDEA Public Schools, founded in 1998 by two Teach for America members, with the mission of preparing underserved students for college. Starting with elementary students, IDEA now operates full PreK-12 campuses with a rigorous focus on college preparation. In Texas, where IDEA first took root, all six of its charter high schools eligible for a 2019 CSA were award winners. Their student populations range between 91 and 99 percent Hispanic, and between 85 and 93 percent of their

students qualify for free or reduced-price lunch. Today, IDEA serves more than 53,000 students in 96 schools and claims that 100 percent of its graduates go on to postsecondary education.

In Colorado, DSST Public Schools operates open-enrollment middle and high schools in cooperation with two traditional public school districts, Denver Public Schools (DPS) and Aurora Public Schools. Formerly known as the [Denver School of Science and Technology](#), DSST operates eight campuses in Denver and one in Aurora. Admission is by lottery as part of the DPS SchoolChoice open enrollment system. Both of DSST's eligible high schools received a CSA award in 2019, with low-income students making up 53 and 70 percent of their respective student populations and minority students 61 and 79 percent, respectively. DSST also claims a 100 percent postsecondary attendance rate, and importantly, tracks graduates' performance in college. In 2019, 87 percent of DSST alums moved on to the second year of college, and their six-year graduation rate was

⁷ <https://web.archive.org/web/20180117200122/http://credo.stanford.edu/pdfs/CMO%20FINAL.pdf>

⁸ <https://coloradoleague.org/news/482403/QA-with-Bill-Kurtz-Founder--CEO-of-DSST-Public-Schools-.htm>

53 percent.⁸ The experiences of both of these high-performing CMOs suggest it is possible for managed organizations to successfully replicate models and/or expectations across multiple campuses, a perennial challenge in educational reform and design that merits closer attention.

The wide disparities in performance from state to state are not surprising to those who have studied the charter sector and the differences in state laws, authorizers, and regulations. Those disparities also reflect the foundational idea that charters were intended to create schools that are free to teach in different ways than their traditional public school counterparts and then held accountable for whether or not they are able to do so successfully. Accountability is difficult without data, however, and only 18 states had the kind of disaggregated student performance data that allowed us to track charter high school students into college—data which is essential for authorizers and policymakers to understand whether or not the charter schools they oversee are making good on their promise of preparing all students for college.

Charter schools, like all public schools, should be held accountable for their ability to support all students and prepare them for success in college and life. The findings from our analysis demonstrate that not only are charter high schools capable of doing this, but also that, in many cases, they can reverse longstanding gaps in performance between low-income/minority students and their more advantaged peers. It is our hope that a better understanding of how they do so can help improve the lives of all public school students in every community, regardless of the type of school they attend.

APPENDIX: CSA METHODOLOGY AND LIMITATIONS

BACKGROUND

The objective of the College Success Awards is to recognize and celebrate public high schools that

are successfully preparing students to succeed in college. Award winners are determined by a methodology that evaluates school-level data on college preparation, college enrollment, and college performance.

STATES INCLUDED

After a national data collection effort, GreatSchools.org collected sufficient data to calculate the award in 25 states: Arkansas, Colorado, Connecticut, Florida, Georgia, Hawaii, Idaho, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, North Carolina, North Dakota, Ohio, Oklahoma, Texas, Vermont, and Wyoming.

Eleven of the states where schools are eligible for a 2019 College Success Award provided additional data on measurements of college success for students from low-income families, which allowed GreatSchools.org to review the schools' college-success efforts with a greater lens on equity. The states providing this additional data for students receiving free and reduced-price lunch are Connecticut, Georgia, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Nebraska, New Jersey, and North Dakota. For more information about state-by-state eligibility rates, see [Appendix A on the GreatSchools.org website](#).

DATA INCLUDED

Award winners are determined by calculating a school-level score and applying a threshold to delineate which schools receive an award and which do not. This school-level score is comprised of three components:

1. The **College Preparation** component includes the percent of students from a 4-year cohort who graduate from high school, the SAT or ACT participation rate, and the average performance on the SAT or ACT.
2. The **College Enrollment** component includes school-level metrics that vary by state. Some states report this data as "Percent Enrolled in

College Immediately Following High School,” others as “Percent enrolled in any institution of higher learning in the last 0-16 months,” or “Graduating seniors pursuing either a 2-year or 4-year college/university.”

3. The **College Performance** component includes remediation and persistence metrics, which also vary in availability by state. The remediation metric is “Percent of students needing remediation for college” and is sometimes disaggregated by subject. The persistence metric is “Percent enrolled in college and returned for a second year.”

DATA LIMITATIONS

There are three principal limitations to the data:

1. College enrollment and persistence data do not take into account institution quality, thus college preparation data is included as a proxy for quality.
2. In some states, data are not disaggregated by student groups, so results may not be equally distributed across groups. When disaggregated student data is provided by states, we calculate college success metrics for students receiving free and reduced-price lunches (FRL student group) and incorporate this data for students from low-income families into the methodology.
3. Data are “point in time” data, not longitudinal data, so results will not necessarily isolate the value added by the school from any out-of-school factors that may be influencing performance.

AWARDS CALCULATION METHODOLOGY

Initial score calculation methods

First, each of the inputs available for a particular school is standardized. To do this, the school’s position in the statewide distribution for each metric is calculated as a percentile.

Some states mandate that a specific college entrance exam is taken by all high school graduates. In these

states, if data for multiple college entrance exams is obtained, only the data for the mandated exam is used. In states that do not require a specific exam to be taken, and there is data for more than one college entrance exam available, the data for the exam with the higher participation rate statewide is used. If participation rates are not available, the exam on which the school’s students performed better is used.

Within each component, we calculate an average of the percentiles of the available metrics, resulting in a score for each of the three categories (College Preparation, College Enrollment, College Performance) for each school. This approach ensures that we give equal weight to all three components in the final school-level score. For schools with no available data in one of the metrics, the average across the other metrics is taken. For example, if a school does not have graduation data, then the College Preparation component’s average percentile is based only on College Entrance Exam Performance and Participation data.

The last step in calculating the single school-level score is to calculate the average of the subscores of the three components. To limit the advantage of missing data, schools that do not have data in all three categories are considered ineligible for the award. Once these schools are removed, the eligible schools in each state receive a single school-level score calculated from the three components. We adjust the single school-level score to account for student income levels during the subsequent equity-focused score adjustments.

Equity-focused score adjustments

To ensure that GreatSchools.org’s 2019 College Success Awards recognize success through different lenses, including equity, we revised the 2019 College Success Award methodology to identify schools that are “beating the odds” by better serving students from low-income families who might otherwise not be prepared for or attending college. Our equity-focused methodology includes: 1) adjusting a school’s single school-level score based on how the

school performs relative to expected levels based on their low-income student enrollment to create a final College Success Award score for each school; 2) assigning awards to the top 20 percent of schools based on those scores; and 3) calculating the school-level scores for students from low-income families in the 11 states where low-income student group data is made available. Schools in the top 25 percent for students from low-income backgrounds statewide (whether or not the school was previously awarded) are included; schools in the bottom 50 percent for students from low-income families statewide (even if the school was previously awarded) are disqualified.

We adjusted the average College Success Award scores to boost the rankings of schools that are better serving students from low-income families. We estimated how well a school would do by exploring the relationship between average school-level scores and student income levels and awarded schools credit for doing better than predicted. After calculating the adjusted scores for each school, we awarded the top 20 percent of schools based on this final College Success Award score.

Finally, for states providing low-income student group data, we applied thresholds based on the performance of students from low-income families at each school. Using the same methods as for initial overall College Success Award scores, we calculated College Success Award scores for students from low-income backgrounds (defined as those enrolled in Free and Reduced-price Lunch programs) in the 11 states that provided student group performance data. We adjusted the award assignments in these states based on low-income performance thresholds of 50 percent for low scores and 75 percent for high

scores. For schools earning initial awards based on adjusted scores, schools retained the award if low-income student group performance is in the top half of scores for students from low-income backgrounds in that state. If the low-income group performs in the bottom half, then the award is removed. For schools not earning awards in the initial steps, if low-income students at a school perform better than 75 percent of the low-income students at other schools in the state, the school earns the final College Success Award. Award assignments are not altered by these methods for schools in states where low-income student group performance data are not available. All schools earning awards after the equity-focused methodology is applied are the final College Success Award winners.

A visual of the methodology

