



NATIONAL RESOURCE CENTER ON

**CHARTER  
SCHOOL**

**FINANCE & GOVERNANCE**

**A GUIDE FOR STATE  
POLICYMAKERS**

# Partnerships Between Charter Schools and Other Organizations

OCTOBER 2008

## ABOUT THE NRC

The National Resource Center on Charter School Finance and Governance was established in fall 2006 with funding from the U.S. Department of Education's Office of Innovation and Improvement (Grant No. U282N060012) under the Charter Schools Program National Leadership Activities Grant Program. The National Resource Center (NRC) develops and disseminates tools, information, and technical assistance to help charter leaders at all levels—operators, authorizers and state policymakers—take steps to improve charter school finance and governance.

For more information, visit the NRC website at [www.CharterResource.org](http://www.CharterResource.org) or email the Center at [info@CharterResource.org](mailto:info@CharterResource.org).

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The NRC is a collaborative effort among:

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## PREFACE

This report on partnerships between charter schools and other organizations is one in a series of state policy guides on charter school finance and governance created by the National Resource Center on Charter School Finance and Governance (NRC). The policy guides were created as a result of research conducted by the NRC between January and August of 2007. The charter school laws in 40 states and the District of Columbia were reviewed to gain a better understanding of the policy context affecting charter school finance and governance. In addition, approximately 80 interviews were conducted with administrators from charter school offices in state departments of education and with leaders of state charter school associations, resource centers, or technical assistance centers.

The policy guides are intended to help state policymakers understand the charter school finance and governance legislative and policy landscape nationwide, the range of approaches available to states, and the challenges and opportunities that states are pursuing to strengthen charter school finance and governance. Each guide begins by identifying the challenges posed by the particular finance or governance area. Policy options showcase the range of strategies currently undertaken in different states to address these challenges, highlighting specific examples in the legislation as well as experiences in the field. The NRC does not advocate one policy option over another; the guides provide the pros and cons of each option so states can decide for themselves what course to take. Finally, additional resources are identified in each finance and governance area so policymakers can learn more about topics of importance to their state.

The contents of this state policy guide do not necessarily represent the policy of the Department of Education and you should not assume endorsement by the Federal government.





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# Partnerships Between Charter Schools and Other Organizations

## SUMMARY

This state policy guide looks at partnerships between charter schools and community, faith-based, and for-profit organizations as one way for these schools to access essential goods and services. Each type of partnership poses specific challenges and opportunities, and, based on a review of charter school legislation and interviews with state charter school administrators, the guide explores ways in which state laws and policies address partnership development.

Community involvement is included as one intention of the charter school law in 13 states. Fifteen states require evidence of community involvement or support in the charter school application, and 5 states encourage community involvement on the charter school board. State laws and policies are more restrictive around partnerships between charter schools and faith-based organizations: 15 states prohibit faith-based organizations from applying to open a charter school, 26 states include broad restrictions against the involvement of faith-based organizations with charter schools, and 3 states allow partnerships with faith-based organizations solely for facility use. For-profit involvement is restricted in some cases and allowed in others: Laws in 16 states prohibit for-profit organizations from applying to open a charter school; in two states, charter schools must report any involvement with for-profit entities. Thirteen states allow partnerships with for-profit organizations for facilities, 17 states allow partnerships for services, and three states allow for-profit organizations to apply to open a charter school.

The guide outlines the pros and cons of each policy option with illustrative examples from existing state law and practice. It raises issues that state policymakers may want to consider related to charter school partnerships and aims to help them identify approaches to partnerships that best meet the needs of charter schools in their states.

**A partnership is defined as organizations working together to solve issues of mutual concern based on the benefits of collective action, addressing needs and problems that are beyond the capacity of either organization to resolve alone.**

## INTRODUCTION

Unlike traditional public schools, which depend on district central offices for resources such as funding, personnel, facilities, administrative support, and curriculum and instruction, charter schools must identify their own sources for these essential goods and services. The need to amass resources on their own poses a significant challenge for charter schools, especially newly established, stand-alone charter schools. For the more than 15 years that charter schools have existed, charter operators consistently report operational difficulties exacerbated by insufficient financial resources, limited expertise, and inadequate facilities. Studies have shown that most charter school failures occur for nonacademic reasons; governance and finance continue to be the two primary roadblocks to creating and sustaining successful charter schools.<sup>1</sup> Since charter schools cannot look “up” to districts for assistance and support, they often have to look “out” to other organizations for the financial, human, political, and organizational resources they need to survive and thrive (see Resources Partnerships Provide).

These operational challenges create incentives for charter schools to form partnerships with outside organizations. Typically described as a “win-win” situation, a partnership is defined as organizations working together to solve issues of mutual concern based on the benefits of collective action, addressing needs and

problems that are beyond the capacity of either organization to resolve alone.

Exemptions from many district and state regulations enable charter schools to seek partnerships more readily than traditional public schools, and laws in many states encourage such outside involvement. Well-constructed partnerships can provide needed resources, such as facilities, funding, administrative support, and curriculum and instruction, as well as less tangible benefits, such as increased visibility, governance expertise, and help in getting charter school applications approved. In some cases, members of partner organizations participate on charter school boards. In other cases, the organizations provide or supplement the curriculum that forms the focus of the school. In still other cases, partnerships with social services providers offer wrap-around resources that help meet the needs of the school’s students and their families.

At the same time, partnerships with charter schools can help the partner organizations achieve their own goals. Often, partner organizations are able to expand the services they provide by partnering with a charter school. For example, museums generally have education outreach functions, in addition to their core mission, and partnering with a charter school provides a means to integrate the museum’s programs into a school’s curriculum rather than being limited to the peripheral curricular supplements provided to traditional public schools in

### Resources Partnerships Provide

Partnerships can provide a host of financial, human, political, and organizational resources:

- Financial resources include grants, loans, gifts, in-kind resources, and fundraising expertise.
- Human resources include board expertise, back-office support, and tutors and mentors for the school’s students.
- Political resources include credibility to secure a loan, name recognition to attract students, and legitimacy to aid in charter school application approval.
- Organizational resources include facilities, curriculum, materials, and supplies.

For more information on the resources that partnerships can provide charter schools, see Priscilla Wohlstetter et al., “Improving Service Delivery in Education: The Role of Cross-Sectoral Alliances,” *Social Science Quarterly* 85 (2004): 1078–96.

<sup>1</sup> See Todd Ziebarth et al., “The Charter Schools Landscape in 2005,” in *Hopes, Fears, and Reality*, ed. Robin J. Lake and Paul T. Hill (Seattle: University of Washington, 2005): 1–20.

## Common Charter School Partners

Sector	Types of Organizations
<b>Nonprofit</b>	<ul style="list-style-type: none"> <li>■ Community-based organizations (recreational centers, neighborhood outreach agencies)</li> <li>■ Cultural institutions (museums, local performance groups)</li> <li>■ Educational institutions (private colleges, universities)</li> <li>■ Faith-based organizations (churches)</li> <li>■ Nonprofit charter management organizations (CMOs)</li> <li>■ Race and/or ethnicity-based organizations</li> <li>■ Social services providers (child and family welfare agencies)</li> <li>■ Private foundations</li> </ul>
<b>For-profit</b>	<ul style="list-style-type: none"> <li>■ Education management organizations (EMOs)</li> <li>■ Local businesses</li> </ul>
<b>Public</b>	<ul style="list-style-type: none"> <li>■ Cultural institutions (art museums, science museums)</li> <li>■ Educational institutions (school districts, community colleges, universities)</li> <li>■ Public health providers (hospitals)</li> <li>■ Government (city offices, mayor's offices)</li> <li>■ Police departments</li> </ul>

Source: Center on Educational Governance, *Charter School Laws and Partnerships: Expanding Opportunities and Resources* (Denver.: Education Commission of the States, 2004).

a once-a-year field trip. As one interviewee described, “One charter school we have is located on the site of the Rochester Museum of Science. So the school has access to all of the programs, services, and staff at the museum, which has really been an absolutely wonderful kind of partnership.... And a museum representative [sits] on the school’s board of trustees.”

Charter schools have formed partnerships with a range of nonprofit, for-profit, and public organizations (see Common Charter School Partners).

With the potential benefits of partnerships in mind, charter school laws in many states facilitate, or sometimes require, partnerships with outside organizations. Community involvement is often encouraged before a charter school even opens, with some states requiring evidence of community support in the application stage. In contrast, many charter school laws prohibit or limit certain types of organizations from serving as partners, most notably faith-based organizations and for-profit organizations. The Bush administration has been fairly proactive in bringing resources from faith-based organizations into the public sector, signifying greater acceptance of involvement from these organizations.

At the same time, for-profit organizations, while often prohibited from establishing charter schools, often work with charter schools in some capacity. Education Management Organizations (EMOs), for example, provide services ranging from curriculum and instructional packages to whole school management.

This guide explores the ways that states have addressed partnerships between charter schools and other organizations. It looks specifically at state laws and policies that facilitate and/or restrict partnerships with community organizations, faith-based organizations, and for-profit organizations. Data come from a review of the charter school laws in each state and the District of Columbia—a total of 41 as of January 2007—as well as interviews conducted in each state with charter schools to identify the common challenges and opportunities shared by the charter community nationwide. Nearly 80 interviews were conducted with administrators from state department of education charter school offices and with leaders of state charter school associations, resource centers, or technical assistance centers. The guide is intended to assist state policymakers in identifying approaches to partnerships that best meet their state’s goals and their schools’ needs.

## PARTNERSHIPS WITH COMMUNITY ORGANIZATIONS

Charter schools often seek partnerships with community organizations such as YMCAs. States have pursued several policy options to facilitate this type of partnership.

### The Challenge: Accessing Resources from Community Organizations

Community involvement in public education can provide numerous resources, from retirees willing to tutor and mentor students to social services providers offering integrated service delivery to at-risk youth to board membership and advocacy (see Community Involvement in the Harding Charter Preparatory High School). However, despite the known benefits of community involvement, only a little more than half of state charter school laws ( $n=23$ ) currently include provisions that explicitly encourage or require community involvement (see Table 1). This ranges from Hawaii's requirement that a school's governing board include a member of the community to Delaware's requirement that "certified teachers, parents

and members of the community in which the school is to be located must be involved in the development of the proposed charter school" (Section 512(1)).

Some charter schools in states without laws requiring them to do so take the initiative to partner with community organizations. In other cases, community organizations have been proactive in establishing charter schools as an outgrowth of their organization, thus creating a natural partnership. Nonetheless, many individual charter schools do not have the tools or capacity to seek partnerships on their own.

### What States Can Do

There are three common policy options states are using to encourage community involvement with charter schools, discussed in the following sections:

- Include community involvement as one intention of the charter school law;
- Require community involvement or support in the charter school application; and
- Encourage community involvement on the charter school board.

### Community Involvement in the Harding Charter Preparatory High School

An interviewee described the strong community involvement in the Harding Charter Preparatory High School, which grew out of the school's standing in the community prior to it becoming a charter school:

*"In years past, before court-ordered busing hit Oklahoma City in 1970, [Harding] was a [grades] 7 through 12 school... [It] had the reputation as being the best high school, private or public, in Oklahoma City. And, admittedly, it had a majority white population. And it was not in the inner city at that time. It was right in the middle of a historic part of Oklahoma City. With court-ordered busing, white flight was rapid [and] very pronounced.... And the area underwent decay, and the high school was shut down and became a middle school.... The school was missing AYP requirements [and] had a lot of behavior problems.... [S]o the district closed it down and moved the kids to other locations. The alumni from the high school years were ... very distressed over what was happening in what they called 'our school.'*

*When the college-prep charter high school opened, a very strongly organized alumni association came in to support the school because [the members] said, 'You guys think you're new and fancy, but you're doing exactly what we did, back in the beginning, in the 30s, and on up through the 70s.' And so we have two members of [the alumni association] board on [the charter school's] board. They have been very helpful, both with business connections in Oklahoma City and governance of the school. [The alumni have a] big vested interest in the success of the school. The rest of [our] board is made up of parents of students in the school.... It works just great."*



### Policy Option: Include Community Involvement as One Intention of the Charter School Law

State charter school laws generally include a rationale for adoption of the law. This language constitutes a specific message from legislators and guides implementation of the law. The rationale section of charter school laws commonly includes mention of providing parents with additional school choice or providing laboratories of innovation to test new curricular methods and ideas. In 13 states, community involvement also is included as one intention of the law. For example:

- In **New York**, the charter school law states: “The purpose of this article is to authorize a system of charter schools to provide opportunities for teachers, parents, and community members to establish and maintain schools that operate independently from the existing school district structure” (Section 2850).
- In **Indiana**, the law specifies: “A charter school may be established under this article to provide innovative and autonomous programs that do the following: ... (5) Provide parents, students, community members, and local entities with an expanded opportunity for involvement in the public school system” (Section 20-24-2-1).
- The **Oregon** law includes a provision stating that the establishment of charter schools is intended to provide “a legitimate avenue for parents, educators and community members to take responsible risks to create new, innovative and more flexible ways of educating children within the public school system.... The goals of public charter schools shall be to: ... (4) Build stronger working relationships among educators, parents and other community members” (Section 338.015).

### Policy Option: Require Community Involvement or Support in the Charter School Application

Currently, charter school laws in 15 states require evidence of community involvement or support in the charter school application, with some laws stressing that

this support must be available on an ongoing basis, not just during the school’s establishment. For example:

- The **Arkansas** law specifies: “The State Board of Education shall review the petition for charter school status and may approve any petition that: ... (3) Includes a proposal to directly and substantially involve the parents of students to be enrolled in the charter school, as well as the certified employees and the broader community, in the process of carrying out the terms of the charter” (Section 6-23-202).
- The **District of Columbia** and **Pennsylvania** laws require, respectively: “a description of how parents, teachers, and other members of the community have been involved in the design and will continue to be involved in the implementation of the proposed school” (Section 38-1802.02(14)) and “demonstrated, sustainable support for the charter school plan by teachers, parents, other community members and students” (Section 17-1717-A(2)(i)).
- The **Kansas** law states: “The charter [school application] must contain the following key elements: ... (2) a description of the level of interest and support on the part of school district employees, parents, and the community” (Section 72-1906(c)).

These laws are put into practice, in many cases, by groups hoping to establish a charter school approaching a community organization to help with the application process. For example, as one interviewee explained, “What happens in many, many cases is you’ll have a group of parents and community folks who want to start a charter school, but they don’t have standing as an eligible entity under the law. So what they’ll do is they’ll approach a nonprofit organization whose mission is consistent with the type of school they want to establish, and that nonprofit organization will agree to sponsor the application.

“There’s a school that has partnerships with basically everyone in the community: local theaters, local doctors’ offices, local nonprofits where the students do internships.”

## Benefits of Community Involvement

Interviewees reported various benefits of community involvement:

*“Existing service providers that are locally connected to the community have an easier time having some credibility with that local community. And, therefore, if they partner with a charter school, [the school] has an easier time gaining credibility with the authorizers.”*

*“A lot of the charter schools in the state have partnerships with local groups... Some of them get buildings from local organizations; they’re located in a church, in an art building, or in some type of community building and they partner with that organization. [For example], one [charter school] is located in a YMCA, and [it has] a partnership with the YMCA.”*

*“Several foundations have put thousands of dollars together to create a coalition of technical assistance for charter schools.”*

*“One benefit is that the nonprofit or the community-based organization owns space that you can lease. Another huge benefit is that they have expertise in getting grants or can help run the charter school’s back office or provide tutors.”*

*“Many [charter schools] have ... an institutional partner. It may be something fairly formalized, such as a relationship with the Boys & Girls Club to provide after-school activities.”*

*“We have a couple of charter schools that really have invested in partnerships with their community. [One] partners with community organizations to rebuild homes and buildings in the urban area that need rebuilding.”*

*“The International School was established by the International Institute of Rhode Island, which is a nonprofit that provides multiple services to [the state’s] immigrant groups... As an extension of [the organization’s] programs to provide educational opportunities to the children of the adults receiving services, the institute applied for and received a charter to run International Charter School.”*

Some nonprofit organizations get directly involved in a school. Some just serve as that sponsoring entity, with representation on the board of the school but minimal involvement in the actual operation of the school.”

Another interviewee observed that charter schools in their state often approach community partners once the school is operational, saying, “Many of our charter schools are very entrepreneurial in entering into partnership agreements with a lot of community service organizations as a way of bringing people from the community into the school.” Another interviewee reported, “There’s a school that has partnerships with basically everyone in the community: local theaters, local doctors’ offices, local nonprofits where the students do internships.”

Community involvement goes a step further in cases in which nonprofit community organizations

establish charter schools. For example, one interviewee noted, “There is encouragement [in the state] for charter schools to have relationships with community organizations, and several of our schools have started out of an existing nonprofit that wanted to expand to actually provide a school.”

In another case, an interviewee reported that “some of the longtime service providers for some of the minority populations in [the state] that have been doing more of the before-school and after-school wrap-around [care] and providing services to the families of these students ... are becoming established enough, in terms of their nonprofit governance structure and their ability to ... run a business, that they’re starting to ... realize that their next area of development is a school. They’ve already got good partnerships with local districts ... and the benefits are that some of the

populations that are being served are traditionally the students who aren't scoring as well in terms of the standards and the assessments" (see Benefits of Community Involvement).

### **Policy Option: Encourage Community Involvement on the Charter School Board**

Five states encourage community involvement through sitting on the charter school board. For example:

- In **Virginia**, the charter school law specifies: "A public charter school shall be administered and managed by a management committee, composed of parents of students enrolled in the school, teachers and administrators working in the school, and representatives of any community sponsors" (Section 22.1-212.6(B)).
- In the **District of Columbia**, the law requires charter school boards to "have an odd number of members that does not exceed 7 out of which a majority shall be residents of the District of Columbia" (Section 38-1702.06).
- In **South Carolina**, the charter school application must include "the nature and extent of parental, professional educator, and community involvement in the governance and operation of the charter school" (59-40-60 (F)(7)).

In some cases, this type of community involvement occurs without the law prescribing it. For example, one interviewee described a school in Georgia with a governing board composed of a variety of stakeholder groups, including "a couple of parents, an accountant, a lawyer, a real estate person, a local business executive, and local activists. But what makes [the school] unique is that [it has] partnered with the Cousins Foundation. Tom Cousins is one of the biggest real estate developers here in town, he has a foundation set up for charitable purposes, and he built a building for the school back in '98 as part of a large neighborhood revitalization project that included building the charter school, putting in a YMCA, building mixed-income housing that was to replace public housing that had been there for 30 years, and building a grocery store across the street from the charter school to serve a neighborhood that hadn't had a grocery store within 25 miles for the past 15 years.

And so there's an awful lot of national attention paid to Drew Charter School as a model of how a charter school can be a small piece of a larger neighborhood revitalization."

In another case, an interviewee noted, "We have some very involved community members. In one case, the board chair of the Italian Cultural Center in Kansas City sits on the board of a local charter school ... and they draw from the people that he knows in that cultural community to get involved at the school." Another interviewee mentioned a charter school for the arts in the state that "has a partnership with the Toledo Symphony and the Toledo Museum of Art. Their 19-member board has community members, business-people, and leaders from dance and the arts. It's just a great community partnership."

### **Weighing the Options**

Charter schools that partner with community organizations receive a range of resources, as do the organizations that partner with the schools. However, there are time, human resource, and financial costs to creating and sustaining meaningful partnerships. The idea of requiring charter schools to partner with an outside organization can seem antithetical to the very notion of autonomy that drives the creation of charter schools, even if the addition of a well-respected community partner with a history of high-quality service provision eases a school's struggle to survive. States address the issue of community involvement differently; several considerations can guide decision-making in this area:

- The intention of a law does little to guarantee that policy will translate into practice. Charter schools have often been held up as "lighthouses of innovation" for the public education system, but little evidence exists to suggest that ideas tested in charter schools have spread to traditional public schools. Similarly, simply including community involvement as an intention of the law may not create sufficient incentive for charter schools to seek community partners.
- Requiring community involvement or support in the charter application can provide some assurance to an authorizer that the school has broad appeal.

As the most common type of authorizer, school districts may be wary of approving a charter school without evidence that the school has the political support to survive. Moreover, community partners can help convince an authorizer that the school can bring in the financial and other resources it needs to survive.

- Encouraging community involvement on the charter school board helps ensure broad participation in school decision-making. Yet attaining this level of commitment from community members may be unrealistic for some schools.

State Options	Pros	Cons
<b>Include community involvement as one intention of the charter school law</b>	<ul style="list-style-type: none"> <li>■ Gets charter founders thinking about ways to involve community members from the time the idea of establishing a school is hatched.</li> </ul>	<ul style="list-style-type: none"> <li>■ Fails to ensure that charter schools will seek partnerships with community organizations, and thus access much-needed resources.</li> </ul>
<b>Require community involvement or support in the charter school application</b>	<ul style="list-style-type: none"> <li>■ Provides some assurance to the authorizer that the school has broad appeal.</li> <li>■ Community organizations often have expertise they can share in terms of setting up structures and processes for running a nonprofit organization.</li> </ul>	<ul style="list-style-type: none"> <li>■ Some founders may not have the local connections required to show such support.</li> <li>■ Does not guarantee that support will be sustained once the school is operational.</li> </ul>
<b>Encourage community involvement on the charter school board</b>	<ul style="list-style-type: none"> <li>■ Encourages a greater variety of stakeholders to help prevent narrow interests from making policy decisions.</li> </ul>	<ul style="list-style-type: none"> <li>■ Some schools may find it difficult to find community members who are willing to commit the time needed to serve on the board.</li> </ul>

**Table 1: How State Laws Address Community Involvement**

	Include community involvement as one intention of the charter school law	Require community involvement or support in the charter school application	Encourage community involvement on the charter school board	No relevant provisions
Alaska				■
Arizona				■
Arkansas	■	■		
California	■			
Colorado	■	■		
Connecticut				■
Delaware		■		
District of Columbia		■		
Florida				■
Georgia				■
Hawaii			■	
Idaho	■			
Illinois	■			
Indiana	■			
Iowa				■
Kansas		■		
Louisiana				■
Maryland				■
Massachusetts		■ <sup>+</sup>		
Michigan				■
Minnesota				■
Mississippi		■		
Missouri		■		
Nevada				■
New Hampshire				■
New Jersey		■		
New Mexico	■	■	■	
New York	■	■		
North Carolina	■			
Ohio				■
Oklahoma				■
Oregon	■	■		
Pennsylvania		■		
Rhode Island	■		■	
South Carolina	■		■	
Tennessee				■
Texas				■
Utah				■
Virginia		■ <sup>*</sup>	■ <sup>*</sup>	
Wisconsin				■
Wyoming	■	■		

\* Virginia's law specifies that support during the application phase and involvement on the board is only required if the school is sponsored by a nonprofit organization.

+ Massachusetts' law does not require community involvement in charter school applications, but it gives approval "priority to schools that have demonstrated broad community support" (Section 89(i)).

## PARTNERSHIPS WITH FAITH-BASED ORGANIZATIONS

In contrast to requiring charter schools to partner with community organizations, or facilitating such partnerships, many state laws restrict or prohibit partnering with faith-based organizations. Notwithstanding the difficulties, however, some states still see the benefits of such partnerships (see Benefits and Challenges of Partnerships with Faith-Based Organizations). States have pursued several policy options to regulate the involvement of these organizations.

### The Challenge: Finding the Appropriate Role for Faith-Based Organizations

Separation of church and state is a fundamental principle of public policy in this nation. Without eroding that

principle, partnering with a religious institution to secure facility space is a common way charter schools alleviate the high costs of renting, renovating, or purchasing their own facilities. Faith-based organizations generally use their buildings on weekends and evenings, creating a perfect match for charter schools that need facility space during weekdays. In states with laws restricting charter school involvement of any kind with faith-based organizations, charter schools often are forced to spend a high proportion of their operating budgets on facilities or to “make do” in inadequate facilities.

States have responded differently to charter schools’ need to amass resources, while maintaining the separation of church and state. Although 11 out of 41 state charter school laws are silent on the issue, others provide broad restrictions on the involvement of faith-based organizations without specifying whether certain types of partnerships are permitted. A few laws are very

### Benefits and Challenges of Partnerships with Faith-Based Organizations

Interviewees noted a range of benefits and challenges of partnerships with faith-based organizations:

- **Benefit:** “[In one case], the church itself wanted to open [a charter school] and the school district went to the [the church] and said, ‘You know, let’s work on this together. This can be a win-win situation. We can provide the transportation, the food, and the teachers. We need to do more for our at-risk students ... but we don’t have the extra facility, you have the facility.’ So they came together and submitted an application for a conversion charter. The church is providing the facility and all the utilities; the public school district is providing the teachers, the food service, student transportation, and all of that.”
- **Challenge:** “We have seen schools that have closed because the church that was providing the facility was too much ‘in bed with the board.’ And in one case a couple years ago, the authorizer pulled the plug and said, ‘No, this church is charging you exorbitant rent and the board is not being responsible and is allowing that to happen.”
- **Benefit:** “If you contract with a Catholic diocese for business functions, and that’s a nonsectarian function of that diocese, that’s fine. I mean, that doesn’t bother me, because whoever provides the best service should get the job, so long as it doesn’t broach any constitutional issues or anything like that.”
- **Challenge:** “There’s a need to ensure that there isn’t an overwhelming presence of the church, or of another organization that’s partnering with the school, on the board. So [board members] have to make sure they’re recruiting from various places and they’re not just focusing on trying to advance the mission of the church.”
- **Benefit:** “Private colleges and universities in [the state] can sponsor charter schools. I don’t think it’s really been an issue to this point, and I don’t see it becoming a huge issue. I mean, for example, I have no problem with a Baptist University sponsoring a charter school.”
- **Challenge:** “Charter schools are not restricted from utilizing [a faith-based organization’s] resources or facilities, but I find that the church’s expectations are that [it is] going to develop the resources and facilities for [its] own benefit—for the benefit of a particular group of students—rather than for the benefit of the entire local school system.”

explicit about the roles that faith-based organizations can and cannot play (see Table 2).

## What States Can Do

There are three common policy options states are using to regulate the involvement of faith-based organizations with charter schools, discussed in the following sections:

- Prohibit faith-based organizations from establishing charter schools;
- Prohibit charter school involvement with faith-based organizations; and
- Allow partnerships with faith-based organizations for facilities.

### Policy Option: Prohibit Faith-Based Organizations from Establishing Charter Schools

Fifteen states prohibit faith-based organizations from applying to open a charter school. In many cases, this restriction specifically applies to private schools run by faith-based organizations, prohibiting them from converting to charter status. In some cases, the law leaves open the possibility of a charter school partnering with a faith-based organization for services, facilities, or human resources, while many of the states that include these restrictions have additional prohibitions on faith-based involvement with charter schools. For example:

- In **Idaho**, the law states: “No charter shall be approved under this chapter: (a) Which provides for the conversion of any existing private or parochial school to a public charter school” (Section 33-5203(4)) and also specifies “a public charter school shall be nonsectarian in its programs, affiliations, admission policies, employment practices, and all other operations; shall not charge tuition, levy taxes or issue bonds; and shall not discriminate against any student on any basis prohibited by the federal or state constitutions or any federal, state or local law” (Section 33-5206(1)).
- The **New Jersey** charter school legislation, in contrast, contains only one provision related to the involvement of faith-based organizations: “A private or parochial school shall not be eligible for charter school status” (Section 18A:36A-4).

- **Maryland**’s law states, “An application to establish a public charter school may be submitted to a county board by: (iii) A nonsectarian nonprofit entity; (iv) A nonsectarian institution of higher education in the State. . . . A public chartering authority may not grant a charter under this title to: (i) A private school; (ii) A parochial school; or (iii) A home school” (Section 9-104).

### Policy Option: Prohibit Charter School Involvement with Faith-Based Organizations

Currently, 26 states include broad restrictions in their state charter school laws against the involvement of faith-based organizations. The language tends to take one of two forms. Either the provision says, “A charter school shall be nonsectarian” (e.g., New Mexico and Oregon) or the law specifies that a charter school “must be nonsectarian in its educational program, admissions policies, employment policies, and operations” (e.g., Florida and Virginia). See Language in State Charter School Laws to Limit Faith-Based Involvement for more on this.

Although these provisions restricting the involvement of faith-based organizations serve to maintain the separation of church and state, the vague language creates room for some ambiguity about what is and is not allowed. For example, if a charter school is prohibited from being sectarian, the law may leave open the possibility of partnering with a faith-based organization for facility space, one-on-one tutors, or back-office tasks. Similarly, prohibiting the involvement of faith-based organization in educational programs, admissions policies, employment policies, and operations may not necessarily prevent involvement in other areas, such as fundraising or publicity.

The nonspecific nature of these provisions leaves it up to authorizing agencies, or the state department of education, to interpret the intent of the law. For example, in the District of Columbia, seven formerly private Catholic schools converted to charter status in 2007, despite a provision requiring charter schools to be “nonsectarian in educational program, admissions policies, employment policies, and operations.” (Section 38-1702.05). The schools will remain housed in parish buildings and will “not include religious education but will

emphasize 13 values” consistent with Catholic teachings, according to an article in *The Washington Times*.<sup>2</sup>

Five of the 26 states with these provisions make their restrictions on partnerships with faith-based organizations more explicit, specifying that charter schools are not allowed to have any affiliation with these organizations. For example:

- **Louisiana’s** law states: “A charter school shall not: (1) Be supported by or affiliated with any religion or religious organization or institution” (Section 17:3991).
- The **Massachusetts** law specifies: “If the charter school intends to procure substantially all educational services under contract with another person, the terms of such a contract must be approved by the board either as part of the original charter or by way of an amendment thereto; provided, further that the board shall not approve any such contract terms, the purpose or effect of which is to avoid the

prohibition of this section against charter school status for private and parochial schools” (Section 89(j)(5)).

These prohibitions would seem to preclude partnerships. However, in North Carolina’s law, which states that “a charter school shall not be affiliated with a nonpublic sectarian school or a religious institution” (Section 115C-238.29F(b)), allowance is made for a charter school to lease a facility from a faith-based organization (see below).

### **Policy Option: Allow Partnerships with Faith-Based Organizations for Facilities**

Another option that three states, **Delaware, Minnesota, and North Carolina**, use is to be explicit in allowing partnerships with faith-based organizations specifically for facilities and, in Delaware’s cases, services. For example:

### **Language in State Charter School Laws to Limit Faith-Based Involvement**

**Connecticut:** “The Commissioner of Education may at any time place a charter school on probation if (1) the school has failed to ... (D) maintain its nonsectarian status” (Section 10-66bb(h)).

**Michigan:** “A public school academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with ... a church or other religious organization” (Section 380.502(1)).

**Oregon:** “Upon receipt from a citizen of Oregon of a complaint that on its face is colorable that a school district or public charter school sponsors, financially supports or is actively involved with religious activity, the Superintendent of Public Instruction or the superintendent’s designated representative shall undertake promptly a preliminary investigation of the facts alleged in the complaint” (Section 327.109(1)).

**Pennsylvania:** “A charter school shall not provide any religious instruction, nor shall it display religious objects and symbols on the premises of the charter school” (Section 17-1715-A(5)).

**Tennessee:** “‘Sponsor’ means any individual, group, or other organization filing an application in support of the establishment of a public charter school, provided, however, that a sponsor cannot be a for-profit entity, a private school, a religious or church school, or promote the agenda of any religious denomination or religiously affiliated entity” (Section 49-13-104(7)).

<sup>2</sup> Arlo Wagner, “7 Catholic Schools Become Charter,” *The Washington Times*, November 6, 2007.



- In **Delaware**, the law states: “A charter school may ... contract with a sectarian or religious college or university incorporated in the State and operating a program or programs for teacher education within the State empowered to enter into contracts for such property and services, so long as the property contracted for is used in a nonreligious and nonsectarian manner and the services contracted for are provided in a nonreligious and nonsectarian manner and are of a nonreligious and nonsectarian type” (Section 504A(6)).
- In **Minnesota**, the law states: “If the school is unable to lease appropriate space from public or private nonsectarian organizations, the school may lease space from a sectarian organization if the leased space is constructed as a school facility and the Department of Education, in consultation with the Department of Administration, approves the lease” (Section 124D.10(17)).
- In **North Carolina**, the law states: “If a charter school leases space from a sectarian organization, the charter school classes and students shall be physically separated from any parochial students, and there shall be no religious artifacts, symbols, iconography, or materials on display in the charter school’s entrance, classrooms, or hallways. Furthermore, if a charter school leases space from a sectarian organization, the charter school shall not use the name of that organization in the name of the charter school” (Section 115C-238.29E(e)).

## Weighing the Options

Faith-based organizations are often able to offer charter schools essential resources, particularly facility space that typically is underused during school hours and generally conforms to code without need of significant renovation. Some states have carefully crafted provisions to allow for limited partnerships between charter schools and faith-based organizations, while maintaining the separation of church and state. Several considerations can guide state decisionmaking on such partnerships and the involvement of faith-based organizations.

- Although 15 states prohibit faith-based organizations from applying to start charter schools, this provision does not prevent partnerships between faith-based organizations and charter schools. In many cases, a faith-based organization can provide essential goods and services, such as facility space or tutors and mentors for the school’s students, while adhering to the principle of separation of church and state.
- Prohibiting partnerships with faith-based organizations, while maintaining the separation of church and state, reduces the resources that might otherwise be available to charter schools, which often struggle to survive on their own.
- Allowing partnerships specifically for facilities places a clear limit on faith-based organizations’ involvement. Yet, without oversight by authorizers or the state, this involvement may drift into other areas, including governance, curriculum, and school mission. Also, without a sufficient public information campaign, a charter school that is housed in the facility of a faith-based organization may deter some students not associated with that religion from enrolling even if the partnership does not cross into other areas of the school’s operation.

State Options	Pros	Cons
<b>Prohibit faith-based organizations from establishing charter schools</b>	<ul style="list-style-type: none"> <li>■ Maintains the nonsectarian nature of the school.</li> <li>■ Does not preclude partnerships for facilities, tutors, or other resources.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduces the supply of potential operators with education background and expertise.</li> </ul>
<b>Prohibit involvement with faith-based organizations</b>	<ul style="list-style-type: none"> <li>■ Maintains the nonsectarian nature of the school.</li> <li>■ Reduces public distrust of charter schools.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reduces resources otherwise available to help charter schools survive.</li> </ul>
<b>Allow partnerships with faith-based organizations for facilities</b>	<ul style="list-style-type: none"> <li>■ Helps resource-strapped charter schools devote their full operating budget to curriculum and instruction.</li> <li>■ Takes advantage of the fact that faith-based organizations tend to have facilities that are underutilized during school hours.</li> </ul>	<ul style="list-style-type: none"> <li>■ Blurs the separation of church and state.</li> <li>■ May discourage some students from enrolling in the charter school.</li> <li>■ May encourage a faith-based organization to believe it is entitled to have a say in policy, curricular, or governance matters.</li> </ul>

**Table 2: How State Laws Address Partnerships with Faith-Based Organizations**

	Prohibit faith-based organizations from establishing charter schools	Prohibit involvement with faith-based organizations	Allow partnerships with faith-based organizations for facilities	No relevant provisions
Alaska		■		
Arizona				■
Arkansas		■		
California		■		
Colorado		■		
Connecticut		■		
Delaware	■		■	
District of Columbia	■	■		
Florida	■	■		
Georgia	■			
Hawaii				■
Idaho	■	■		
Illinois	■	■		
Indiana		■		
Iowa		■		
Kansas				■
Louisiana		■		
Maryland	■			
Massachusetts	■	■		
Michigan	■	■		
Minnesota	■	■	■	
Mississippi				■
Missouri		■		
Nevada		■		
New Hampshire		■		
New Jersey	■			
New Mexico		■		
New York				■
North Carolina		■	■	
Ohio				■
Oklahoma	■	■		
Oregon		■		
Pennsylvania	■	■		
Rhode Island				■
South Carolina				■
Tennessee	■	■		
Texas				■
Utah	■	■		
Virginia		■		
Wisconsin				■
Wyoming				■

## PARTNERSHIPS WITH FOR-PROFIT ORGANIZATIONS

States vary in the extent to which they allow for-profit involvement in charter schools. Some states restrict for-profit organizations from opening or running charter schools, while others give for-profit organizations broad access to charter schools. Still other states are silent on the issue (see Table 3). In a few states, including Connecticut, Delaware, Florida, Massachusetts, and New Hampshire, the charter school law encourages the creation of charter schools linked to places of work (see *Workplace Charters as a Way to Attract Resources and Families*).

## The Challenge: Guiding For-Profit Involvement with Charter Schools

For-profit businesses provide a host of essential services to traditional public schools, including textbooks, test preparation services, food services, and janitorial services. Charter schools need these same resources to effectively serve their students, and they often look to for-profit partners—different from vendors or contractors—that have a genuine interest in seeing the school succeed. Partners often provide these needed goods and services at a lower cost than district contractors, or sometimes they provide them for free (see *Resources Offered by For-Profit Partners*).

### Workplace Charters as a Way to Attract Resources and Families

Instead of the open-enrollment policies found in other charter schools, in workplace charter schools enrollment preference is generally given to the children of employees. The Florida charter school law, which requires workplace charters to adhere to desegregation requirements, specifies:

“(a) In order to increase business partnerships in education, to reduce school and classroom overcrowding throughout the state, and to offset the high costs for educational facilities construction, the Legislature intends to encourage the formation of business partnership schools or satellite learning centers and municipal-operated schools through charter school status.

(b) A charter school-in-the-workplace may be established when a business partner provides the school facility to be used; enrolls students based upon a random lottery that involves all of the children of employees of that business or corporation who are seeking enrollment, as provided for in subsection (10); and enrolls students according to the racial/ethnic balance provisions described in subparagraph (7)(a)8” (Section 1002.33).

The idea is not a new one, but rather an extension of the on-site child care or preschool program offered in some workplaces. However, charter schools attached to workplaces have the dual benefit of having the students in the same location as their parents and of providing a ready-made force of volunteers.

- One workplace charter school in Florida, The Villages Charter Elementary School, opened in 2000 and serves students in kindergarten through grade 12 on three campuses. It serves children of employees at the Villages Retirement Community and children of employees of surrounding businesses.
- The JFK Medical Center Charter School opened in 2002. It serves students in kindergarten through grade 5 whose parents work at the JFK Medical Center in Florida.

However, some see the charter school arena as open to misuse by for-profit organizations. They worry these businesses will cut costs to ensure profits, putting students' best interests after "the bottom line" and taking advantage of charter operators who lack the business savvy to make informed decisions about service provision.

## What States Can Do

There are five common policy options states are using to guide the involvement of for-profit organizations with charter schools, discussed in the following sections:

- Prohibit for-profit organizations from applying to open a charter school;
- Require charter schools to report involvement with for-profit entities;
- Allow partnerships with for-profit organizations for facilities;
- Allow partnerships with for-profit organizations for services; and
- Allow for-profit organizations to establish charter schools.

### Policy Option: Prohibit For-Profit Organizations from Applying to Open a Charter School

Currently, 16 state laws prohibit for-profit organizations from applying to open a charter school. This ensures that although for-profit organizations may provide services, the charter holder is not a for-profit organization. The charter school laws prohibiting for-profit organizations from establishing charter schools often list these organizations among other groups that are ineligible to apply. For example, the **District of Columbia** law states: "'Applicant' means a person, group, or organization, including a private, public, or quasi-public entity that is nonprofit, nonreligious, nonsectarian, and nonhome-based" (Section 38-1701.01). The **New Mexico** law states: "Municipalities, counties, private post-secondary educational institutions and for-profit business entities are not eligible to apply for or receive a charter" (Section 22-8B-6).

### Policy Option: Require Charter Schools to Report Involvement with For-Profit Entities

In **Indiana** and **New York**, state law requires charter schools to report their involvement with for-profit entities, giving charter schools the flexibility to partner with for-profit organizations and authorizers the ability to monitor such involvement.

- In **Indiana**, the law requires charter schools to submit an annual report listing "the number and types of partnerships with the community, business, or higher education" (Section 20-20-8-3).
- In **New York**, the law states: "For charter schools established in conjunction with a for-profit business or corporate entity, the charter shall specify the extent of the entity's participation in the management and operation of the school" (Section 2851).

### Policy Option: Allow Partnerships with For-Profit Organizations for Facilities

As with allowing partnerships with faith-based organizations for facilities, allowing partnerships with for-profit organizations for facilities is one way to meet charter schools' need for affordable, suitable classroom space. Such partnerships are currently allowed in 13 states. For example:

- In some cases, the charter school law explicitly permits for-profit organizations to provide a facility. For example, the **Texas** law states: "In accordance with this subchapter, the State Board of Education may grant a charter ... to operate in a facility of a commercial or nonprofit entity, an eligible entity, or a school district" (Section 12.101).
- In other cases, the law states that a facility may be acquired from "public or private sources" without specifying whether the private sources are limited to nonprofit organizations or include for-profit organizations. For example, the **Pennsylvania** law specifies: "(a) A charter school ... [has] the power to: ... (3) Acquire real property from public or private sources by purchase, lease, lease with an option to purchase or gift for use as a charter school facility" (Section 17-1714-A).

- In still other cases, a lack of specificity in the law leads to the assumption that a facility can be provided by a for-profit partner, as in **Wyoming**, whose law states: “(j) A charter school may negotiate and contract with a school district, the governing body of a state college or university, or any third party for the use of a school building and grounds” (Section 21-3-304).

### **Policy Option: Allow Partnerships with For-Profit Organizations for Services**

In addition to allowing partnerships for facilities, 17 states allow charter schools to form partnerships with for-profit organizations for the provision of goods and services. (See Perspectives on For-Profit Partnerships.) In some instances, the organization is a business that “adopts” a charter school, similar to the relationship found in

### **Resources Offered by For-Profit Partners**

Interviewees noted a range of resources offered by for-profit partners:

*“The Charter School of Wilmington is a high school, ranked the 72nd best high school in the country by Newsweek, that was started by a consortium of companies—Dupont, Hercules, Delaware Connective, Verizon, and others. They put up money in the beginning for startup, and they remain on the board, and they have provided some teachers and some science activities and things of that nature, since it’s a math/science high school.”*

*“Our law does allow for a lot of for-profit involvement. The charter cannot be awarded to a for-profit entity, but the governing board can delegate control over the school to a for-profit. There have been for-profit organizations that have donated facilities and allowed schools to rent facilities for inexpensive rental rates. I think all in all that’s been positive.”*

*“One of our newest charters that’s coming on board has a partnership with the business community. The school is addressing a community need as well as a school and student achievement need. It’s in a part of the state that has a high low income population... [The state] was devastated in the 80s by the farm crisis. The rural areas have just never fully recovered from that. So this is a partnership with the business community to promote entrepreneurship and kind of get that economy going.”*

*“A good example is ACE Charter School, which stands for Academy for Career Education. The school’s career and technical education is based on the construction industry and, in fact, [its] board reflects the who’s who of the construction and building industry in northern Nevada. These businesspeople created the school together because they were having a severe shortage of journeymen. They felt that if they had kids building houses ... alongside professionals, [the kids] would learn those skills early. And, rather than going out and floundering ... from job to job and getting lost for 10 or 15 years and then finding the construction industry ... [instead they could] study math [not] from a textbook, [but rather] as it relates to measurements and things that are required for buildings. Then they would be prepared to go into plumbing and electricity and general construction directly from high school.”*

*“We have corporations that provide resources to our charter schools, financial as well as human resources, in-kind services, [and] those types of things. We encourage the schools to be engaged in public-private partnerships, [with both corporations] and nonprofit organizations... We have the CVS Highlander Charter School, [which is now] buying and rehabbing a building to house [its] programs. And CVS is floating a bond to get the finances to cover the rehabilitation costs, and the school is also getting some conventional financing from a bank. CVS Corporation has agreed to serve as the guarantor of the loan.”*

*“There’s an engineering school in Appleton, [Wisconsin,] Tesla Engineering Charter School, and [it partners] with a lot of engineering companies there... And there’s one in Oshkosh, where it’s aviation, science, and math, and the big partner is the Experimental Aircraft Association.”*

## Perspectives on For-Profit Partnerships

Interviewees had a range of opinions about partnerships with for-profit organizations:

*“From the beginning the big concern has been—and [is] primarily perpetrated by the unions—that people who were money-mongers were going to come in and try to profit from public education. So that was the skeptical tone that ... both our state board and our legislature has had ... about having EMOs come in. It was not whether or not they could provide a good academic product, but what was their motivation.”*

*“I would like to see things that are like [what] I believe happens in Florida, where ... corporations help start charter schools and their employees can get preference in attending.”*

*“The good charter schools understand that partnerships with the private sector—with businesses, vendors, [and] service providers—are a very important part of the success equation. And it is hard for some charter schools to learn how to do that effectively. But as the charter school movement evolves, and you have a growing percentage of effective and successful charter schools, there are more examples of best practices of this. [In this state], there is a fair amount of resistance, mostly from the teachers’ unions, to the idea of for-profit operators running charter schools. And so there’s a lot of familiar language that is thrown out about ... the greedy for-profit management companies taking public school money away from children.”*

*“The business community loves charter schools because they’re entrepreneurial; they’re opening new buildings, which is good for the construction trade and creates bond issues, so the financiers like them. The banks like them because it’s new accounts. It’s the only growth industry in public education.”*

*“A number of our schools have wonderful partnerships with the corporate world. We encourage that. We continue to reach out to [members of] our corporate community to ... engage them in the charter school initiative here. So, there are no real issues, just a question of getting viable companies and viable entities and organizations to participate in the charter school program.”*

traditional public schools in which for-profit organizations provide in-kind services as part of a charitable giving campaign. In other cases, for-profit Education Management Organizations (EMOs) get involved with charter schools to offer curriculum, back-office support, or whole school management and design. EMOs have greater “market share” in some states. For example, 75 percent of **Michigan’s** 230 charter schools have some affiliation with an EMO or other for-profit service provider. Nationally, the average is only one in four.<sup>3</sup> Language on for-profit service provision varies. For example:

- In **Louisiana**, the law states: “A nonprofit organization may enter into a contract with a for-profit organization to manage the charter school and may delegate to the for-profit organization such authority over employment decisions at the charter school as the nonprofit organization deems necessary and

proper. Any delegation of this authority must be specifically delegated in a service provider agreement” (Section 17:3997).

- In **Idaho**, the law states: “No charter shall be approved under this chapter: ... (b) To a for-profit entity or any school which is operated by a for-profit entity, provided, however, nothing herein shall prevent the board of directors of a public charter school from legally contracting with for-profit entities for the provision of products or services that aid in the operation of the school” (Section 33-5203 (4)).
- In **Tennessee**, the law states: “A public charter school may conduct activities necessary and appropriate to carry out its responsibilities such as: (1) Contract for services, except for the management or operation of the charter school by a for-profit entity” (Section 49-13-124(a)).”

<sup>3</sup> See Sara Mead, *Maintenance Required: Charter Schooling in Michigan* (Washington, D.C.: Education Sector, 2006).

### Policy Option: Allow For-Profit Organizations to Establish Charter Schools

Another option that three states, **Colorado**, **Louisiana**, and **New York**, use is to allow for-profit organizations to apply to open a charter school. This allows authorizers to monitor the for-profit organizations that become involved in public education. A for-profit *founder* has to go through the application process; for-profit *partners*, if they are allowed, are subject to less direct scrutiny. How this option plays out differs across the three states.

- The **Colorado** law states: “An ‘applicant’ may include, but shall not be limited to, an individual, a group of individuals, a nonprofit or for-profit company, an existing public school, a school district, or an institution of higher education” (Section 22-30.5-302(1)).
- The **New York** charter school law specifies: “An application to establish a charter school may be submitted by ... [a] for-profit business or corporate entity authorized to do business in New York State” (Section 2851).
- **Louisiana** allows a for-profit organization to form a nonprofit corporation in order to apply to open a charter school. The law states: “A. (1) Any of the following may form a nonprofit corporation for the purpose of proposing a charter as provided in this Subsection, provided that the group submitting the charter school proposal includes three or more persons holding valid and current Louisiana teaching certificates: ... (d) A business or corporate entity registered to do business in Louisiana pursuant to law” (Section 17:3983).

Although these three states allow for-profit organizations to open charter schools, few of these organizations have done so. Liane Brouillette found that of the first 50 charter schools granted in **Colorado**, for example, “33 of the charters were granted to parent-led groups, 11 to teacher-led groups, 3 to nonprofit organizations, 1 to a for-profit organization, 2 to universities and 1 to a city.”<sup>4</sup>

### Weighing the Options

While perhaps not as controversial as the issue of faith-based involvement in public education, which people oppose based on the principle of separation of church and state, opponents of for-profit involvement in charter schools dislike the idea of a profit being made on their child’s education. The system of free, public education available to all children is one of the defining elements of the nation’s education system. At the same time, however, for-profit partners can offer resources and expertise, often at competitive prices, to help create and sustain this new form of public education. Considerations include:

- Preventing for-profit organizations from applying to open a charter school keeps these organizations on the periphery of a school’s operations. They may be able to sell a service or product to charter schools, but such a provision prevents them from making governance and policy decisions.
- Allowing partnerships with for-profit organizations for either services or facilities enables charter schools to benefit from corporate sponsorship, similar in nature to the “adopt-a-school” programs linking businesses with traditional public schools.
- Workplace charter schools provide a setting close to the students’ parents, encouraging greater parent involvement and a sense of shared responsibility for the school’s success. These partnerships also enable the for-profit organization to offer its financial expertise to support the charter school’s operational effectiveness.
- Letting for-profit education management organizations run charter schools removes the burden from charter school founders of having to develop a curriculum. However, some believe EMOs employ a “cookie-cutter approach” to education, one that is anathema to the theory of action behind charter schools as a setting to experiment with innovation.
- States that allow for-profit organizations to open charter schools provide a way for authorizers to monitor the for-profit organizations that become involved in public education through the application process. States that allow for-profit organizations to open schools have not experienced a large number of such organizations doing so.

<sup>4</sup> Liane Brouillette, *Charter Schools: Lessons in School Reform* (Mahwah, N.J.: Lawrence Erlbaum Associates, Inc., 2002), 42.



State Options	Pros	Cons
<b>Prohibit for-profit organizations from applying to open a charter school</b>	<ul style="list-style-type: none"> <li>Keeps for-profit organizations on the periphery of policy and governance decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Does not regulate partnerships between for-profit organizations and charter schools, allowing for the possibility that schools will contract out governance and policy decisions.</li> </ul>
<b>Require charter schools to report involvement with for-profit entities</b>	<ul style="list-style-type: none"> <li>Increases transparency.</li> </ul>	<ul style="list-style-type: none"> <li>Means extra time and cost burdens on both schools and the monitoring agency.</li> </ul>
<b>Allow partnerships with for-profit organizations for facilities</b>	<ul style="list-style-type: none"> <li>Affords an opportunity for for-profit organizations to “adopt a school.”</li> <li>Increases opportunities for parent involvement through workplace charter schools (in some states).</li> </ul>	<ul style="list-style-type: none"> <li>May give the for-profit organization unintended decision-making power as the partnership for facilities spreads into other areas.</li> </ul>
<b>Allow partnerships with for-profit organizations for services</b>	<ul style="list-style-type: none"> <li>Allows for the transfer of in-kind services and expertise.</li> </ul>	<ul style="list-style-type: none"> <li>May give the for-profit organization unintended involvement in policy or governance decisions as the partnership for services spreads into other areas.</li> </ul>
<b>Allow for-profit organizations to establish charter schools</b>	<ul style="list-style-type: none"> <li>Provides greater scrutiny of applicants than when for-profit organizations enter a school as partners after the application phase.</li> </ul>	<ul style="list-style-type: none"> <li>Raises questions of whether the organization will “cut corners” to make a profit.</li> </ul>

**Table 3: How State Laws Address For-Profit Involvement**

	Prohibit for-profit organizations from applying to open a charter school	Require charter schools to report involvement with for-profit entities	Allow partnerships with for-profit organizations for facilities	Allow partnerships with for-profit organizations for services	Allow for-profit organizations to establish charter schools	No relevant provisions
Alaska						■
Arizona						■
Arkansas			■			
California				■		
Colorado			■	■	■	
Connecticut						■
Delaware				■		
District of Columbia	■		■			
Florida			■		■	
Georgia	■			■		
Hawaii						■
Idaho	■			■		
Illinois			■	■		
Indiana	■	■				
Iowa						■
Kansas						■
Louisiana	■			■		
Maryland						■
Massachusetts	■		■			
Michigan						■
Minnesota	■		■	■		
Mississippi						■
Missouri				■		
Nevada	■					
New Hampshire				■		
New Jersey	■		■			
New Mexico	■			■		
New York		■		■	■	
North Carolina						■
Ohio						■
Oklahoma						■
Oregon	■		■	■		
Pennsylvania	■		■			
Rhode Island						■
South Carolina						■
Tennessee	■			■		
Texas	■		■			
Utah	■					
Virginia			■	■		
Wisconsin				■		
Wyoming	■		■	■		

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## CONCLUSION

Partnerships with community, faith-based, and for-profit organizations can provide charter schools with a range of essential goods and services. Partners can offer financial assistance through donations, loans, or grants; human resources ranging from back-office support to tutors and mentors for the school's students; physical assets such as free, low-cost, or shared facilities, athletic grounds, and books and materials; and political support, including advocacy, support during the application phase, and increased visibility in the community.

Although partnerships offer many benefits to both the charter school and the partner organization, partnering often increases time commitments and decreases autonomy. At the same time, state laws often facilitate the formation of certain partnerships—most often, those with community organizations—while restricting others, generally with faith-based or for-profit organizations. State policymakers can use this guide to help inform policy and practice at the school or community level. They can also use it to recommend changes to current state law or to develop new legislation that best supports the ability of charter schools in their state to improve students' education outcomes.

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## ADDITIONAL RESOURCES

For more on charter school partnerships, see:

**Improving Schools Through Partnerships:**

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## ACKNOWLEDGEMENTS

This state policy guide was prepared by lead author Joanna Smith, with assistance from Priscilla Wohlstetter and Guilbert Hentschke, from the University of Southern California's Center on Educational Governance for the National Resource Center on Charter School Finance and Governance. The authors would like to extend their sincere thanks to the NRC partners and National Advisory Board members who reviewed earlier drafts of this document. The authors would also like to recognize the representatives from state departments of education and charter school associations, resource centers and technical assistance centers who were willing to share their knowledge and experiences to educate others in the field.







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