

# IN FACT OR FALLACY?

An In-Depth Critique of the  
CREDO 2023 National Report



**NETWORK** *for*  
**PUBLIC EDUCATION**

## Table of Contents

Preface	01
What is CREDO?	02
Who Funds CREDO?	02
Scholarly Critiques of CREDO Methodology	03
Trivial and Small Achievement Differences	04
Low Match Rates, Limitations, and Bias	06
Inaccurate Identification of Schools	09
CREDO Excludes Several Large For-profit “CMOs”	10
Conclusion	14

## Special Thanks to the Following:

Report Author **Carol Burris**.

**Thomas Ultican** provided extensive background history on CREDO.

NPE Director of Communications **Joanna Oszeyczik** designed the report.

NPE’s Grassroots Network Coordinator **Marla Kilfoyle** assisted with the research.

We would also like to thank: **Diane Ravitch**, President of the Network for Public Education, and **Josh Cowen**, scholar, who provided feedback to the report.

This report would not have been possible without the effort and commitment of the Board of Directors of the Network for Public Education (NPE).

Finally, thank you to all of our generous donors who make our work supporting public education possible. No outside organization contributed to, reviewed, or influenced our findings.



**NETWORK for PUBLIC EDUCATION**

*The Network for Public Education is a national advocacy group whose mission is to preserve, promote, improve, and strengthen public schools for current and future generations of students.*

# Preface

The Center for Research on Education Outcomes (CREDO) recently released its third national study on charter schools entitled [As a Matter of Fact: The National Charter School Study III](#).<sup>1</sup> Despite numerous problems with the study, Margaret “Macke” Raymond, founder and director of CREDO and first author, told Ed Week’s Libby [Stanford](#) that the results were “remarkable.” Stanford wrote that “charters have drastically improved, producing better reading and math scores than traditional public schools.”<sup>2</sup> The Wall Street Journal editorial board proclaimed that CREDO’s new evidence showed charter schools are now “[blowing away their traditional school competition](#).”<sup>3</sup> Headline after headline, predominantly in pro-charter media, uncritically repeated Raymond’s sweeping claims of charter success.

***But despite the headlines, the only thing “blown away” is the truth.*** Like all CREDO studies, the third national report used a massive dataset. Because statistical significance is determined largely by two things — sample size and intervention effect size — a large data set all but assures statistical significance even when actual substantive effect sizes are tiny. And that’s exactly what happened with CREDO: it finds minuscule differences between traditional public and charter school students that it can call “significant” because of the massive sample size. However — 0.011 and 0.028 standard deviations higher in mathematics and reading — are far from “remarkable.”

And CREDO knows it. CREDO characterized nearly identical differences in their 2009 national study [Multiple Choice: Charter Performance in Sixteen States](#) as inconsequential.<sup>4</sup> CREDO’s first report authors called a .01 standard deviation “*meaningless*” and possibly derived from “*measurement error*.” A 0.03 standard deviation difference was described as “*small*.” What differed from then to the present? In 2009, results favored public schools.

This report will make the case that CREDO, housed at the conservative think tank, the Hoover Institution at Stanford University, is not only engaging in misleading reporting of its own findings but continues to use a flawed methodology, as scholars have repeatedly shown when reviewing prior CREDO reports. The report also provides evidence that calls into question the integrity of a major section of the national study — comparisons among schools run by charter management organizations (CMOs), independent charter schools, and public schools.

CREDO’s CMO analysis inexplicably excludes some of the largest charter management organizations in the nation, most of which are poorly performing and run by for-profit management corporations. By doing so, CREDO excludes or misclassifies a substantial number of charter school students’ scores in the report’s Volume 2: Charter Management Organizations 2023.

## What is the Center for Research on Education Outcomes (CREDO)?

CREDO [began as a project](#) of the University of Rochester in 1998, funded by two anonymous grants totaling \$1.25 million. Founded by Eric Hanushek, then University of Rochester Professor of Economics and Political Science, and his wife Margaret “Macke” Raymond, then president of the consulting firm Raymond Associates, CREDO moved to the Hoover Institution at Stanford in 2000. Raymond, who has a doctoral degree in political science, is the Director of CREDO and co-author of its reports. She is a [senior fellow](#) at the Hoover Institution.

The Hoover Institution is an independent unit of Stanford University overseen by its own board and financed by self-generated income and donations. It is a conservative think tank that has a focus on “[expanding school choice](#).” For example, its featured research includes *Charter Schools and Their Enemies*.

Although CREDO’s reports and online presence currently show no connections with the Hoover Institution, the report’s authors’ [biographies](#) and [resumes](#) link the organizations. [CREDO’s 2001 Annual Report](#) (which can be found through the internet archive) described the move from the East to the West Coast as a means to give the center more prestige, stating that “the increase in institutional credibility that affiliation with Stanford and with the Hoover Institution provides has made outreach and network building easier.”<sup>5</sup> We sent an inquiry to CREDO and Stanford regarding the present relationship among Hoover, CREDO, and Stanford but have thus far received no response.

CREDO reports do not appear in academic journals where they would be subject to rigorous peer reviews. CREDO studies do not provide a literature review, nor do its reports typically provide a clear summary of limitations, as scholarly journals require. Scholars do not have access to data beyond what CREDO chooses to share.

## Who Funds CREDO?

CREDO only makes its donors public if the donor requests recognition. The latest report identifies two nonprofits as underwriters of the study — the City Fund and the Walton Family Foundation. The City Fund, started and [funded by pro-charter billionaires](#) John Arnold and Reed Hastings with additional funding from the Gates Foundation, exists to turn public school districts into “portfolio” districts of charter schools and charter-like public schools with a goal of 30 percent - 50 percent of all city schools becoming charter schools.<sup>6</sup> [Arnold Ventures](#) has given \$37.5 million to the City Fund and \$21 million to [Charter School Growth Fund](#) to expand charter schools.

The Walton Family Foundation has publicly [disclosed \\$1.35 million](#) in donations direct-

ly to CREDO during the past five years. However, the Walton Foundation and CREDO collaboration appears longer than what is presented on the Foundation’s website. Hoover Institution [biographies of Raymond](#) between 2015 and March of 2017 describe CREDO as being in partnership with the *Walton Family Foundation and Pearson Learning Systems* (the corporation that owns the online charter management organization Connections Academy) to study charter schools. The Walton Family Foundation has donated hundreds of millions of dollars directly to charter schools, charter chains, the Charter School Growth Fund, and state and national charter advocacy organizations.

“ Although CREDO’s reports and online presence currently show no connections with the Hoover Institution, the report’s authors’ biographies and resumes link the organizations. ”

*The Bill and Melinda Gates Foundation* donated \$2.7 million to CREDO to evaluate charter schools in Washington State. Like the Walton Foundation, the Gates Foundation has donated hundreds of millions of dollars directly to charter schools, charter chains, the [Charter School Growth Fund](#), and charter advocacy organizations.

Based on the funders whose identities have been disclosed, the CREDO report is akin to a study of the safety of tobacco funded by the tobacco industry.

## Scholarly Critiques of CREDO Methodology

Since the first CREDO national report, scholars have questioned CREDO charter school studies’ validity, impact, and generalizability. Such scholars include Gary Miron of Western Michigan University, Tom Loveless of the Brookings Institution, Andrea Gabor of Baruch College, City University of New York, and Andrew Maul of the University of California, Santa Barbara.

Concerns raised by these reviews include the following:

- Trivial and small achievement differences exaggerated by the CREDO-created construct, Days of Learning.
- Low match rates, limitations, and bias in CREDO’s “Virtual Twin” methodology.
- Inaccurate and capricious classification of charter management organizations.

What follows is a summary of each of the above concerns, with an explanation regarding how these concerns are relevant to the 2023 report.

## Trivial and Small Achievement Differences Exaggerated by the CREDO-created Construct, Days of Learning

CREDO reports its topline results in Days of Learning, a construct it developed based on the [2012 assumption](#) of Eric Hanushek, Paul Peterson, and Ludger Woessman that “[o]n most measures of student performance, student growth is typically about one full standard deviation on standardized tests between 4th and 8th grade, or about 25 percent of a standard deviation from one grade to the next.”<sup>7</sup>

[According to CREDO](#), 5.78 days of learning translates to a 0.01 standard deviation difference. That means the 6.0 “days of learning” average increase in math achievement between charter school students and their virtual twins translates to a 0.011 increase in standard deviation units, which is the accepted way of presenting such differences in scholarly literature. Sixteen CREDO days of learning in reading account for only 0.028 standard deviations (SDs).<sup>8</sup>

To ascertain whether or not differences in the range of 0.11 to 0.028 SDs are “remarkable,” I quote CREDO itself as it described its comparative findings between charter and public school students in 2009 on page 22 of [the report](#). Note that the relative differences were similar, although reversed.<sup>9</sup>

*In reading, charter students, on average, realize a growth in learning that is .01 standard deviations less than their TPS counterparts. This small difference — less than 1 percent of a standard deviation — is significant statistically but is meaningless from a practical standpoint. Differences of the magnitude described here could arise simply from the measurement error in the state achievement tests that make up the growth score, so considerable caution is needed in the use of these results.*

*In math, the analysis shows that students in charter schools gain significantly less than their virtual twin. Charter students on average have learning gains that are .03 standard deviations smaller than their TPS peers. Unlike reading, the observed difference in average math gains is both significant and large enough to be meaningful. In both cases, however, the absolute size of the effect is small.*

In 2013, then director of the Brown Center on Education Policy at the Brookings Institution, Tom Loveless, used real-world examples to show the minimal impact of findings between .01 and .03 standard deviations in the [second CREDO national study](#).<sup>10</sup> In [Charter School Study: Much Ado About Tiny Differences](#), he made the point that regardless of whether charter schools or public schools are up or down, the differences between the sectors were so small that “the two sectors perform about the same.”<sup>11</sup>

He refers to the 1969 guidelines provided by Jacob Cohen, a psychologist, and statistician best known for his work on effect sizes. Cohen categorized effect sizes as small if they meet the thresholds of 0.2, medium at 0.5, and large if it reaches 0.8 standard deviations.

To give real-world context, Loveless provided the following example:

*You attend a public talk given by a close friend, a guy who is about 5' 10" tall. He stands behind a podium on 7 sheets of paper. That's a bit larger than a 0.01 SD addition to his height. Would you go up to him afterwards and say, "Wow, you look taller today." I doubt it. What if he stood on 20 sheets of paper (about 0.03 SDs)? Nope. You wouldn't notice a difference.*

Andrew Maul and Abby McClelland, then of the University of Colorado at Boulder, [reviewed the same study](#) for the National Education Policy Center (NEPC). Among their findings, they noted, "With a very large sample size, nearly any effect will be statistically significant, but in practical terms, these effects are so small as to be regarded, without hyperbole, as trivial."

In response to a critique of yet another CREDO study on Charter Management Organizations that had noted how small differences were, [CREDO countered the point](#) regarding trivial effect sizes with the following: "...the IES [Institute of Educational Sciences] report points to an example effect size of 0.15 on reading achievement scores as "an effect quite likely to be judged to have practical significance in an elementary school context."

Even using CREDO's rejoinder as a benchmark, none of the CREDO national studies' average effect size difference between the two sectors approached 0.15.

In the new third report, CREDO states, "Across the three CREDO national charter school studies, annual charter student learning in reading has risen by 22 days; math learning has increased by 23 days." These report-over-report increases (where the baseline results showed charters at a deficit) are also small, representing 0.038 and 0.04 of a standard deviation, well below the 0.15 effect size CREDO cites as having "practical significance."

It should also be noted that CREDO changed its methodology regarding virtual twin selection between National Study II and National Study III. Given the small effect size changes, it is unknown to what extent that change affected outcomes for the third study.

## Low Match Rates, Limitations, and Bias in CREDO's "Virtual Twin" Methodology

To draw its conclusions, CREDO matches charter students with "virtual twins" from public schools. These students have similar demographics and initial test scores. "Twins" are created from a selective group of schools that CREDO calls feeder schools.

According to page 35 of the report, in 2017-2018, there were 69,706 open public schools in their included "states," which include New York City and the District of Columbia, and of those, half (34,792) were "feeder schools." That same year, NCES Common Core of Data reported 91,326 non-charter public schools, 86,315 of which were in states that had charter schools.

Therefore, only about 38 percent of public and 94.5 percent of charter schools were included in the study, at least during the 2017 school year.

What, then, is a feeder school? The report states that a feeder school is the public school the students would have attended if they were not in the charter schools. But that is an inaccurate description. In the methodology report, CREDO explains how they identify feeder schools. *"We identify all students at a given charter school who were enrolled in a TPS during the previous year. We identify these TPS as 'feeder schools' for each charter school. Each charter school has a unique feeder school list for each year of data."*

“ The virtual twin matching methodology gives rise to a second issue: the exclusion of about one in five charter schools due to a lack of a match in feeder public schools for charter school students.

Feeder schools, as defined, thus introduce bias in the sample. By CREDO's definition, feeder schools are schools where parents disrupt their child's schooling, remove them, and place them in a charter school. They are not, as the report claims, "the school the student would have attended." If a child starts in a charter school, the neighborhood public school she would have attended would not be a CREDO feeder school

unless there were at least five students<sup>13</sup> whose parents pulled them out of the public school and placed them in a charter school.

In states with statewide virtual charter schools, every public school should be considered a feeder school. In New York City, which has a full public/charter lottery-based choice system, every school is a potential feeder school, yet only some schools are included. Andrea Gabor of Baruch College, relying on the assistance of statistician Kaiser



Fung, [explained the bias inherent](#) in CREDO's definition of feeder schools.<sup>14</sup>

In response to Gabor's critique, CREDO [admits the issue](#) in a rather roundabout way: *"Including schools in the match pool that none of the charter students has never [sic] attended would advantage the counterfactual, since the excluded schools are generally higher performing than the schools charter students leave."*

In other words, the researchers believe results would favor public schools if charter school student matches were drawn from all local public schools, as Gabor suggests. Given the extremely small effect sizes in the CREDO studies, it's easy to see how the bias from just this one methodological choice may be driving the trumpeted results. But this is far from the only problem.

In addition to their presence in a CREDO-identified feeder school, students are matched by gender, grade level, scores, race, and special education and English language learner status. Yet special education students are not a monolith. Research has consistently shown that charters take fewer special education students and enroll fewer students with more challenging disabilities than public schools.

The type of disability is not accounted for in CREDO's virtual-twin process. English language learners, who are at different stages of language acquisition, are also not a monolith. Some are beginners, while others are more advanced in language skills and receive fewer services. The level of language acquisition is also not accounted for.

A few years ago, Wagma Mommandi and Kevin Welner filled an entire book ("[School's Choice](#)") with illustrations of how charter schools shape their enrollment – often in ways the virtual-twin approach would not control.<sup>15</sup> If, for example, a charter school is steering away students with more intensive or disruptive special needs while still accepting students with minor learning disabilities, CREDO would treat that school as equivalent to the neighborhood public schools that enroll the students who have been steered away. Therefore, even after controlling for the included categories for matching, the virtual twins are only rough proxies.

### **Match Rates**

The virtual twin matching methodology gives rise to a second issue: the exclusion of about one in five charter schools due to a lack of a match in feeder public schools for charter school students.

The recent report had the lowest match rate of the three national reports — only 81.2 percent. In their 2013 review of the second CREDO national study, Maul and McClelland [explain](#) why that study's 85 percent match rate was problematic. *"There is evidence that the excluded 15 percent are, in fact, significantly different from the included students in that their average score is 0.43 standard deviations lower than the average*

of the included students; additionally, members of some demographic subgroups such as English Language Learners were much less likely to have virtual matches.”

On page 33 of the 2023 report, CREDO provides overall match rates for subgroups, with the (unexplained) exception of special education students. The chart below, taken from data in the Technical Appendix, shows that nearly 40 percent of charter school students with a disability were unmatched and, therefore, not included.

According to the report, special education students’ achievement in charter schools lagged behind those of students in the public feeder schools — 13 fewer days in reading (0.023 SD) and 14 fewer days in math (0.025 SD).

**Table 1. Special education virtual twin match rate by year**

### Match Rate by Year

STUDENTS WITH DISABILITY STATUS	YEAR	MATCH RATE
General Education Students	2014	82.7%
Students with Disabilities	2014	64.2%
General Education Students	2015	82.8%
Students with Disabilities	2015	63.5%
General Education Students	2016	83.2%
Students with Disabilities	2016	63.3%
General Education Students	2017	83.9%
Students with Disabilities	2017	62.7%

Match rates vary by state as well. CREDO touts New York State charters as having the greatest reading advantage over public schools. Because CREDO decided to exclude New York City charter schools, making them a separate “state,” New York State results include, at most, 51 charter schools that enrolled fewer than 25,000 students during the 2016-2017 school year. With so few students, having a high match rate is important. However, the Appendix shows that New York State has match rates far lower for

every student sub-group than the already low national average, as shown in Tables 2 and 3 below.

**Table 2: New York State v. National Twin Match Rates by Race/Ethnicity**

	ASIAN	BLACK	HISPANIC	MULTI-RACIAL	NATIVE AMERICAN	WHITE
National Match Rate	64%	81.4%	83.3%	58.1%	38%	84.4%
NYS Match Rate	62.9%	73%	73.9%	19.4%	22.8%	62.4%

**Table 3: New York State v. National Twin Match Rates by ELL, Economic and Disability Status**

	ELL	NON-ELL	POVERTY	NON-POVERTY	SWD	NON SWD
National Match Rate	74.9%	81.7%	82.3%	79.7%	63.42%	83.15%
NYS Match Rate	43.9%	67.8%	68.9%	59.4%	51.3%	68.4%

Because CREDO does not give a national match rate for students with disabilities, the percentage is the average of all years. Given New York State’s low number of students, further reduced by low match rates, CREDO’s *greatest Reading advantage over public schools* boast should be interpreted cautiously. Since 2009, the scholars mentioned earlier have suggested how CREDO’s virtual twinning and match rates could be improved. To date, CREDO has dismissed that advice.

## Inaccurate Identification of Schools Run by Charter Management Organizations

In 2017, Gary Miron and Christopher Shank of West Michigan University reviewed CREDO’s report, [Charter Management Organizations, 2017](#).<sup>16</sup> That review, entitled [NEPC Review: Charter Management Organizations 2017](#), reports that CREDO had excluded 60 charter management organizations from its analysis, created its own “confusing and illogical charter organization classification system,” and misclassified organizations even by the categories it created.<sup>17</sup>

The review's authors concluded that the report had "little if any value." They suggested that CREDO was more interested in "serving the needs and agenda of funding agencies (i.e., The Walton Family Foundation and Fischer Fund) than in providing sound policy advice."

The new report, *As a Matter of Fact: The National Charter School Study III*, includes *Volume 2: Charter Management Organizations 2023*, which compares schools run by charter management organizations to independent charter schools and district public schools. For Volume 2, CREDO changed its definition of a charter management organization (CMO) for a third time,<sup>18</sup> defining it as follows:

*We define a CMO as an organization that is contracted to perform whole school services to at least three separate charter schools. A governing board holds the charter for the school(s) and contracts with the CMO to provide a range of services to the school(s), including, for example, academic programming, operations and back-office services. The governing board is ultimately responsible for fiscal health, legal compliance and academic performance of the schools it oversees.*

*Our designation of CMO applies to nonprofit or for-profit operators, which are sometimes known as Education Management Organizations (EMOs). For this study, we include both non-profit and for-profit organizations in our CMO count.*

CREDO, therefore, merges the three categories it created in 2017: CMO, VOS (vendor-operated schools), and hybrid category (a nonprofit subsidiary of a VOS). The present definition is itself reasonable.<sup>19</sup> However, CREDO did not consistently adhere to it when identifying CMOs.

## **CREDO Excludes Several Large For-profit "CMOs"**

In both its 2017 and 2023 reports, CREDO provides a list of CMOs.

The present report extends the inaccuracies found by Miron and Shank in 2017 by now excluding (without explanation or justification) some of the largest management organizations that meet their definition of a CMO.

Table 4 lists large management organizations included in CREDO's *Charter Management Organizations: 2017* but excluded in the third national study, *Volume 2*. We list only the largest excluded CMOs for which we could find evidence that the CMO provided school administration and most services. There are other, smaller operators excluded as well. Exclusions therefore, go beyond what we report.

All of the CMOs in Table 4 were also listed in the National Alliance for Public Charter Schools (NAPCS) [National Charter School Management Overview](#)<sup>20</sup> and in the National Education Policy Center’s [Profiles of for-profit and nonprofit education management organizations: fifteenth edition \(2018-19\)](#).<sup>21</sup>

The second and third columns provide the effect sizes listed in Appendix A of CREDO’s *Charter Management Organizations: 2017* for each excluded CMOs. Along with this performance data, we provide the number of schools and enrollment during the 2018-2019 school year as listed in the National Education Policy Center’s [Profiles of for-profit and nonprofit education management organizations: fifteenth edition](#). 2018-2019 is the last year included in the 2023 study.

**Table 4: Management Organizations (More Than 10 Schools): Excluded in Volume 2**

CMO	MATH (2017 CREDO)	READING (2017 CREDO)	# OF SCHOOLS (NEPC)	# OF STUDENTS (NEPC)
Connections Academy	-.19	-.07	43	69,475
Charter Schools USA	-.02	.01	77	66,525
The Leona Group	-.06	-.05	58	17,749
Charter School Associates	-.13	-.01	22	12,102
CS Partners	-.02	.02	20	6,719
Choice School Associates	-.02	-.02	14	6,188
S.M.A.R.T. Management	-.08	.05	11	5,009
Global Education Excellence	-.02	-.01	11	4,027

We did not include large CMOs in Ohio because CREDO did not include them in 2023, although they were included in their 2017 report. CREDO’s rationale for exclusion is that CMO data were not included in their recent data-sharing agreement with Ohio. But this is a significant omission. The vast majority of charters in Ohio are run by CMOs (78 percent), with for-profits outnumbering nonprofits by 2 to 1. Ohio is the most transparent state in the nation regarding charter management corporation identification,

even posting contracts online. Therefore, even if CMO information was not shared, it would be a simple task to identify the schools associated with CMOs.

### **Charter Schools USA**

According to the NEPC [Profiles](#) report, Charter Schools USA (CSUSA) was the fifth-largest management organization in the nation, based on the number of schools. As noted, however, even though CREDO's 2017 report included CSUSA, its third annual report does not list this CMO. Instead, it erroneously lists one of the many governing bodies that holds the charter for several schools, Renaissance Charter School, Inc. It excludes all of the other governing bodies that contract with CSUSA, no matter how many



More disturbing than the inaccuracy of outcomes is how careless CREDO was in its identification process.



schools they control. All of the now nearly 100 schools listed on the [CSUSA website](#) display the CSUSA logo on their own websites. To illustrate Charter Schools USA's sweeping control over its schools, we provide the [management contract](#) between Charter Schools USA and the Lafayette Charter Foundation, which governs Acadiana Renaissance Charter Academy in Louisiana. Notice that the contract is between the school's

governing board and the CMO, which was a stipulation in CREDO's definition of a CMO. Clearly, CSUSA meets CREDO's definition of a CMO.

### **The Leona Group**

The Michigan-based Leona group operates 58 schools in Michigan, Indiana, and Ohio. It also operates charter schools in Arizona via two nonprofit CMOs, The [Kaizen Education Foundation](#), and the [American Charter School Foundation](#). All foundation-run schools have Leona branding. To understand the sweeping control of Leona over the schools, we present a contract between an Ohio school and Leona [here](#) and the services and costs provided by Leona to a small Michigan charter school, [Academy for Business and Technology, here](#) (see [Educational Service Provider: Operating Expenditures](#)). The link to this report is posted on the school's website as required by Michigan law. Again, the CMO Leona meets CREDO's definition of a CMO. Yet the Leona Group is excluded from the CMO list, as well as the two Arizona nonprofit CMOs.

### **Pearson's Connections Academy**

With nearly 70,000 students in 2017-2018, Pearson's Connections Academy is the second-largest national chain of online charter schools in the United States after K12 Stride. K12 Stride is included in the list; Connections Academy is not. Both were includ-

ed in CREDO's 2017 CMO study under the category "VOS." According to the transparency report of the Michigan Connections Academy, of the \$15,479,112 dollars [budgeted](#) by the governing board during 2020-2021, \$14,786,668 [went to Pearson](#) to run the schools as its service provider. Services included all personnel services, instructional services, and school and general administration. That is, 95 percent of the budget was funneled along to Connections.

The effect size difference for Pearson Academy in 2017 was  $-.19$  in mathematics (in CREDO-speak, 110 comparative days of lost learning). This effect size might come close to justifying the "remarkable" pronouncement — but its update was omitted in 2023.

Table 4 lists five additional excluded CMOs, each of which provided a sweep of services to charter schools, with evidence set forth in Education Service Provider reports and audits.

### **Other excluded CMOs**

The National Alliance and NEPC lists include other large management corporations that were also excluded in Volume 2; however, Table 4 only includes those for which we could find evidence of a sweep of services controlled by the CMO, ran at least ten schools, and were listed by CREDO for 2017. However, the problem extends far beyond what was listed above. *Learn4Life Concept Charter Schools*, is included on both the NEPC and NAPCS lists, although not on the 2017 or 2023 CREDO lists. During the 2018-19 school year, it operated six schools that enrolled 9,027 students, making its exclusion noteworthy. Learn4Life is a chain that enrolls students from Grades 7 to 12. [Its schools](#), during those years, operated predominantly in storefronts in California.

### **Serious Inaccuracies in Volume 2: Charter Management Organizations 2023**

The serious inaccuracies described above call into question the claim by CREDO that *"Charter Management Organization-affiliated schools advance reading and math by 27 and 23 days, respectively, compared to traditional public schools, while stand-alone charter schools add 10 extra days of reading progress a year. Math remains equivalent."*

That claim is meaningless if CMO-run schools are misclassified as stand-alone charter schools. Given that the large chains left off the CMO list are predominantly for-profits with a history of lower performance, it is safe to speculate that if there were an accurate classification of schools, the gaps between CMO-operated schools and stand-alone charters and district public schools would narrow.

More disturbing than the inaccuracy of outcomes is how careless CREDO was in its

identification process. CREDO claims on page 79 that national lists of CMOs do not exist, but that is not accurate. NEPC regularly issues its *Profiles* reports, meticulously reporting the names, states, number of schools, enrollment, and status (nonprofit or for-profit) of corporations that manage charter schools. The authors of the *Profiles* reports call the schools themselves to confirm that they are indeed externally managed and by whom. This was made known to CREDO in 2017 in the Miron and Shank review. While less comprehensive, NAPCS also produced a [National Charter School Management Overview](#) covering the 2016-17 school year.

In summary, given the above described exclusions, as well as the exclusion of Ohio, one of the states with the greatest number of schools controlled by CMOs, no valid conclusions can be drawn from Volume 2 regarding the performance of the CMO sector.

## Conclusion

CREDO has access to comprehensive taxpayer-funded datasets that are unavailable to researchers beyond their organization. With that privilege comes great responsibility. CREDO is responsible for both the quality of its research and how its findings are explained and presented to the public.

On both accounts, *As a Matter of Fact: The National Charter School Study III* disappoints. Although the study provides extensive summary data, much of its methodology is insufficiently explained, and critiques raised by scholars in previous reviews have remained unaddressed. The continued overstatement of practically insignificant and tiny differences, ones previously referred to as “meaningless” and “small” by CREDO, diminishes the objectivity of this report.

This is compounded by the errors in *Volume 2: Charter Management Organizations 2023*, which carelessly excludes large CMOs without explanation. The list of CMOs is the one raw dataset CREDO produces and uses that the public can see. If that dataset is so inaccurate, what errors exist that we cannot see?

Unfortunately, some journalists and editorial boards quickly celebrated or hailed CREDO’s findings, reporting without a critical eye. We urge members of the press to seriously consider the concerns we raise in this report, as well as the reviews of prior CREDO reports written by scholars with expertise in charter-school research, and the atypical regression analysis approach (virtual twins) used by CREDO.

Unless CREDO is held accountable, its reports will continue to move from “fact” to misleading fallacies. And that does a disservice to the charter and public school sectors alike.



## Endnotes

---

- 1 Raymond, Margaret, et al. (2023). *As a Matter of Fact: The National Charter School Study III*. Center for Research on Education Outcomes. Hoover Institution. Stanford, University, California. <https://ncss3.stanford.edu>
- 2 Stanford, Libby. (July 6, 2023). *Charter Schools Are Outperforming Traditional Public Schools: 6 Takeaways From a New Study*. Education Week. <https://www.edweek.org/policy-politics/charter-schools-are-outperforming-traditional-public-schools-6-takeaways-from-a-new-study/2023/06>.
- 3 The Editorial Board of the Wall St. Journal. (June 15, 2023). *Charter Schools: New Evidence of Student Success A nationwide Stanford study shows huge learning gains over union schools*. <https://www.wsj.com/articles/stanford-credo-charter-schools-study-student-performance-traditional-schools-education-math-reading-1d416fe5>.
- 4 Center for Research on Education Outcomes. (2009). *Multiple Choice: Charter Performance in Sixteen States*. Center for Research on Education Outcomes. Hoover Institution. Stanford, University, California. [https://credo.stanford.edu/wp-content/uploads/2021/08/multiple\\_choice\\_cred.pdf](https://credo.stanford.edu/wp-content/uploads/2021/08/multiple_choice_cred.pdf).
- 5 *CREDO Annual Report*. (2001). CREDO. Hoover Institution. Stanford University, California. Retrieved from the Web Archive. [https://web.archive.org/web/20010623044515/http://credo.stanford.edu/CREDO\\_Year2.htm](https://web.archive.org/web/20010623044515/http://credo.stanford.edu/CREDO_Year2.htm).
- 6 Barnum, Matt. (August 21, 2018). *40 Cities in 10 Years: Leaked presentation offers more details on new group's goals to spread charter (and charter-like) schools*. Chalkbeat. <https://www.chalkbeat.org/2018/8/21/21106369/40-cities-in-10-years-leaked-presentation-offers-more-details-on-new-group-s-goals-to-spread-charter>
- 7 Hanushek, Erik A., Peterson, Paul E. & Woessmann, Ludger. (2012). *Achievement Growth. International and U.S. State Trends in Growth of Student Performance*. Harvard's Program on Education Policy and Governance and Education Next. Harvard University, Massachusetts. <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%2BPeterson%2BWoessmann%202012%20PEPG.pdf>
- 8 From data and methodology of *As a Matter of Fact: The National Charter School Study III*.
- 9 From *Multiple Choice: Charter Performance in Sixteen States*. [https://credo.stanford.edu/wp-content/uploads/2021/08/multiple\\_choice\\_cred.pdf](https://credo.stanford.edu/wp-content/uploads/2021/08/multiple_choice_cred.pdf). Page 22.
- 10 Cremata, Edward et al. (2013). *National Charter School Study 2013*. Center for Research on Education Outcomes. Hoover Institution. Stanford, University, California. [https://credo.stanford.edu/wp-content/uploads/2021/08/ncss\\_2013\\_final\\_draft.pdf](https://credo.stanford.edu/wp-content/uploads/2021/08/ncss_2013_final_draft.pdf).
- 11 Loveless, Tom. (July 3, 2013). *Charter Schools Study: Much Ado About Tiny Differences*. Brookings Institution. Washington, D.C. <https://www.brookings.edu/articles/charter-school-study-much-ado-about-tiny-differences/>.

12 Maul, Andrew & McClelland, Abby. (2013). *Review of National Charter School Study 2013*. Boulder, CO: National Education Policy Center. Boulder, Colorado. <http://nepc.colorado.edu/thinktank/review-credo-2013/>.

13 See correspondence between Andrea Gabor and Margaret Raymond recounted here: <https://andreagabor.net/2015/04/28/new-credo-study-new-credibility-problems-from-new-orleans-to-boston/>

14 Gabor, Andrea. (April 28, 2015). *New CREDO Study, New Credibility Problems, From New Orleans to Boston*. [andreagabor.net](https://andreagabor.net/2015/04/28/new-credo-study-new-credibility-problems-from-new-orleans-to-boston/). <https://andreagabor.net/2015/04/28/new-credo-study-new-credibility-problems-from-new-orleans-to-boston/>.

15 Mommandi, Wagma & Welner, Kevin. (2021). *School's Choice: How Charter Schools Control Access and Shape Enrollment*. Teachers College Press: New York, New York.

16 Woodsworth, James et al. (2017). *Charter Management Organizations 2017*. Center for Research on Education Outcomes. Hoover Institution. Stanford, University, California. [https://credo.stanford.edu/wp-content/uploads/2021/08/cmo\\_final.pdf](https://credo.stanford.edu/wp-content/uploads/2021/08/cmo_final.pdf).

17 Miron, Gary. & Shank, Christopher. (2017). *NEPC Review: "Charter Management Organizations 2017"*. Boulder, CO: National Education Policy Center. <http://nepc.colorado.edu/think-tank/review-CMOs>.

18 In their review, Miron and Shank pointed out that CREDO had changed its definition of a CMO from a prior report.

19 Because CREDO includes schools that are generally designated as EMOs as CMOs, we will refer to all management organizations as CMOs in this report.

20 David, Rebecca. (2019). *National Charter School Management Overview*. *National Alliance for Public Charter Schools*. [https://www.publiccharters.org/sites/default/files/documents/2019-06/napcs\\_management\\_report\\_web\\_06172019.pdf](https://www.publiccharters.org/sites/default/files/documents/2019-06/napcs_management_report_web_06172019.pdf)

21 Miron, Gary, et al. (2021). *Profiles of For-Profit and Nonprofit Education Management Organizations: Fifteenth Edition*. Boulder, CO: National Education Policy Center. <http://nepc.colorado.edu/publication/emo-profiles-fifteenth-ed>.