

## EMOs/CMOs/Management Companies

*How big is this sector of the charter school industry?*

There are over 90 for-profit education management organizations (“EMOs”) that operate over 650 charter schools and over 100 non-profit charter management organizations (“CMOs”) that operate over 600 schools in the U.S.<sup>1</sup>

*Why work with a management company?*

Management companies can provide an established academic program, start-up and real estate capital, and back-office expertise (e.g., human resources, financial management, and technology systems). They are ideal for charter school boards that would like to create a new educational option in their community, but do not want to operate the school themselves. But even in this case, we recommend the charter board hire an executive director to monitor the EMOs performance and allow the school principal to focus on student achievement.

*Who are the biggest EMOs?*

The largest for-profit EMOs include:

- EdisonLearning
- National Heritage Academies
- Mosaica Education

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*Can I hire an EMO? How would that work?*

EMOs usually are eager to expand and will be happy to talk to you about whether its program is compatible with your school. They typically charge a management fee equal to 10-20% of revenue. If you are interested in having an EMO contact you, please email your name, contact info, and the names of the EMO(s) you are interested in, to [info@charterschooltools.org](mailto:info@charterschooltools.org).

*Some important management agreement issues.*

In negotiating a management agreement with an EMO, it is important to articulate the responsibilities of the board and the EMI, set the fees appropriately, establish performance metrics, and have default rights and remedies. If your EMO is providing a facility or any kind of financial support for your real estate, we recommend you have a separate agreement outlining the terms of that arrangement. That agreement should allow you to opt out, or buy out, of the facility agreement separately from the management agreement. Our team has experience negotiating dozens of management agreements with EMOs. If you would like help with your EMO management or real estate agreement, please email your name, contact info, and a brief explanation of your situation to [info@charterschooltools.org](mailto:info@charterschooltools.org). You should always have your attorney review and approve any agreement you make with an EMO.

*Who are the biggest CMOs?*

The largest non-profit CMOs include:

- KIPP (17,000 students 62 schools in 20 states) [www.kipp.org](http://www.kipp.org)

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<sup>1</sup> Molnar, Alex, Gary Miron, and Jessica Urschel. "Profiles of For-Profit Educational Management Organizations: 2008-2009 | Education and the Public Interest Center." *EPIC/EPRU Home | Education and the Public Interest Center*. Sept. 2009. Web. 09 Nov. 2009. <<http://epicpolicy.org/files/08-09%20profiles%20report.pdf>>.

- Cosmos Foundation (7,800 students in 19 schools in TX) [www.cosmostx.org](http://www.cosmostx.org)
- Aspire Public Schools (7,000 students in 21 schools in CA) [www.aspirepublicschools.org](http://www.aspirepublicschools.org)
- Green Dot (5,600 students in 15 schools in CA) [www.greendot.org](http://www.greendot.org)
- Innovative Education Management (4,700 students in 4 schools in CA) [www.ieminc.org](http://www.ieminc.org)
- American Quality Schools (4,700 students in 10 schools in IL and IN) [www.aqs.org](http://www.aqs.org)
- America CAN (4,200 students in 10 schools in TX) [www.americacan.org](http://www.americacan.org)
- Friendship Public Charter School (4,100 students in 5 schools in DC) [www.friendshipschools.org](http://www.friendshipschools.org)
- UNO Charter School Network (4,000 students in 9 schools in IL and LA) [www.unocharterschools.org](http://www.unocharterschools.org)

*Can I hire a CMO? How would that work?*

Many of the larger CMOs are supported by philanthropic funding from the major education reform foundations. CMOs sometimes have charter board representation on the schools they operate, and some enter into management or service agreements with fees of 3-10% of school revenues. If you are seeking to affiliate with a CMO, you can try to contact them directly, but generally they seek to grow organically.