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OVERVIEW OF STATE FACILITY POLICIES AND OTHER FACILITY STRATEGIES

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Charter schools struggle to find facility solutions. They do not enjoy the combination of dedicated funding and access to public space needed to ensure adequate and affordable facilities for their students that traditional schools and districts have. Lack of access to facilities restricts the growth of charter schools, which limits the growth of charter schools' ability to meet demand and pulls resources away from academic programming and student services. It often relegates charter school students to subpar facilities.

As a result, the charter school community has created a collection of innovative policy and real estate development approaches for acquiring and financing facilities. Despite these attempts to create solutions, charter schools still operate with inadequate access to funding, financing, and support.

This brief from the Charter School Facility Center highlights some of the most promising practices identified around the country and provides local leaders with a framework for analyzing and prioritizing their local ecosystem of charter school facility policy, finance, and real estate solutions to improve charter school facility options.

Solutions to facility challenges are often thought of as policy solutions that include state charter laws, city and school district policies, and federal programs and regulations. When these policy solutions are absent or insufficient, there may be a need for nongovernmental real estate development solutions. These can include expanded access to investment opportunities, real estate development services, and training and support to help solve charter school facility challenges.

CONSIDERATIONS

In any given geography, some strategies are more essential than others. In high rent areas, it may be more important to access unused facilities. In less expensive real estate markets, it may be easier to build new buildings and access funding or better financing. In high growth cities, surplus buildings may not be available.

Both policy and market-based solutions are important for a healthy facility ecosystem. Community leaders and charter school advocates should consider both types of solutions when evaluating strategies to improve the charter school facility landscape.

The following table lists 25 policies and practices drawn from state and local settings across the country and is designed to inform future efforts to improve the charter school facility landscape. This list is an ongoing collection of promising practices as new ideas are constantly being implemented.

POLICY AND REAL ESTATE DEVELOPMENT STRATEGIES FOR CHARTER SCHOOLS

ELEMENT	STATE POLICIES & NONGOVERNMENTAL REAL ESTATE DEVELOPMENT STRATEGIES
1. Access to Public Funding	<p>1) State funding for per-pupil facilities that reflects average annual capital costs.</p> <p>2) Access to state and local public school funding sources, such as district mill levies and grants.</p>
2. Access to Public Space	<p>3) Laws, policies, and regulations that require school districts to share or lease vacant and underutilized property to local charter schools, including regulations to define the word vacant and set terms and conditions for leasing.</p> <p>4) Ground rules for the disposition of public assets when and where charter schools are prospective users, including the right of first refusal to purchase facilities that are sold by school districts.</p> <p>5) Regulations to set aside property through landbanks or developer impact fees for essential government services such as education.</p> <p>6) Local public school facilities boards or trusts to manage all public school-related real estate within a given area. These boards operate independently, but in collaboration with, local school districts, charter schools, and other relevant public agencies and have a mandate to maximize the use and value of facilities on behalf of all public schools (district and charter).</p>
3. Access to Public Financing Tools	<p>7) State revolving loan fund programs for charter schools.</p> <p>8) State credit enhancement programs, including moral obligation laws for charter school facility financing.</p> <p>9) Federal credit enhancement programs that apply to the widest range of lending arrangements, such as commercial loans and tax-exempt bonds (e.g., Small Business Association, U.S. Department of Education, U.S. Department of Agriculture, etc.).</p> <p>10) Tax-advantageous financing mechanisms, such as Opportunity Zones, tax increment financing, and tax credits with charter school access in mind.</p>
4. Facility Development	<p>11) Laws, policies, and regulations that ensure charter school facility projects have zoning and entitlement requirements analogous to those of district schools.</p> <p>12) Laws exempting charter schools from property- and facilities-related taxes, such as for the purchase of building materials, impact fees, and the payment of property taxes.</p>
5. Master Planning	<p>13) Policies and laws that require school districts to forecast, regularly update, and publish facility and capital improvement needs of schools, including charter schools, and strategies to provide adequate solutions for all schools.</p> <p>14) Policies and laws that ensure public access to comprehensive data on public school facilities funding and financing to promote transparency and equity.</p> <p>15) Policies and laws that require school districts to include charter school representatives and charter school needs in the planning process to seek voter approval for additional revenues for capital improvement initiatives.</p>
6. Technical Assistance	<p>16) Federal and state funding, perhaps through state revolving loan funds, available for technical assistance and predevelopment costs to charter schools for planning and implementing facility projects.</p>

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ELEMENT

STATE POLICIES & NONGOVERNMENTAL REAL ESTATE DEVELOPMENT STRATEGIES

- 7. Private Support**
- 17) Social-impact investment funds to provide private sources of capital for charter school projects.
 - 18) Nonprofit landbanks or land trusts for developing and leasing facilities to charter schools for short-term incubation or permanent ownership.
 - 19) Technical assistance centers to provide real estate development support, vetting of real estate consultants, and online resources.
 - 20) A community of practice among charter school facility professionals to share best practices, especially for schools with similar needs (e.g., rural schools, tribal schools, schools with students with special needs or unique academic programming).
 - 21) Participation with school districts, city governments, and local education organizations to fund comprehensive school facility planning studies to assess projected facility needs, demographic trends, and the physical condition of public school facilities (including both district and charter schools).
 - 22) Tools to assist in the master planning process (e.g., site identification tools, mapping tools, databases of facility costs and conditions, etc.).
 - 23) Partnerships with school district facility departments to provide services to charter schools.
 - 24) Cooperative agreements among charter schools to collectively bid for property management services to improve quality and reduce costs of services.
 - 25) A national leadership training program for existing and future charter school facility professionals.