Tackling the Charter School Facility Challenge: A Playbook for Ed Champions

An interview with Reid Phillips and Sudhanshu Malani

Across the country, charter schools are running into a familiar yet intensifying barrier: facilities. While academic performance, leadership pipelines, and community engagement remain essential priorities, school buildings—the physical environments where learning happens—have emerged as the most formidable constraint on charter sector growth.

For Ed Champions, this shift marks a turning point. Historically, quarterback organizations prioritized launching new schools, replicating proven models, and building talent pipelines, while often sidestepping the messy and complex work of facilities. But the recent experiences in states like North Carolina and Colorado make clear: without intentional strategies to solve the facility puzzle, the broader goals of quality growth and sustainability remain out of reach

Reid Phillips of Great Schools NC and Sudhanshu Malani of Colorado Schools Fund share their thoughts on ways to outline the challenge, highlight lessons learned, and propose strategies for tackling facilities in ways that advance equity, sustainability, and long-term impact.

The New Reality: Facilities as a Top Barrier

<u>Data from the field</u>

- *North Carolina:* In fall 2024, only 2 of 12 schools approved and “ready to open” successfully launched. For 10 groups, facilities were the decisive barrier, leading to deferred openings—sometimes by multiple years
- *Colorado:* Once home to 6–7 new charter school openings annually, the state saw net-zero growth in 2024. A lack of district-provided buildings and escalating private facility costs have stalled expansion
- *Nationally:* The Charter School Growth Fund documented a 75% increase in annual debt service costs for comparable projects between 2019 and 2023, driven by real estate inflation and rising interest rates

These numbers are not just financial abstractions; they translate into fewer new school options for families, delayed opportunities for educators, and missed chances to serve students waiting on charter school lists.

Why now?

Several converging dynamics explain why facilities have risen to the top of Ed Champions' agendas:

1. *Declining access to district facilities* – In Denver, for example, CMOs like DSST and Rocky Mountain Prep had historically benefited from affordable district buildings. That option has now closed, forcing schools into expensive private markets.
2. *Cost inflation and affordability crisis* – Per-pupil revenue growth lags far behind facility cost increases, creating structural mismatches.
3. *Predatory financing and risky deals* – Many schools entered bond arrangements with short terms and balloon payments, only to discover refinancing is untenable in today's interest rate environment.
4. *Expansion of for-profit developers* – As mission-unaligned developers move aggressively into growth states, school leaders face offers that may solve short-term space needs but undermine long-term sustainability

Rethinking the Role of Ed Champions

<u>Dedicated staffing for facilities</u>

For the first time, Ed Champions in North Carolina and Colorado have added staff explicitly focused on facilities and finance. This represents a fundamental shift. Previously, even quarterback organizations avoided direct engagement on facilities, viewing them as distractions from core growth strategies.

Why does in-house expertise matter?

- *Proactive grantmaking:* Facilities and finance lenses are now integrated into grant evaluation, ensuring that groups receive not only startup capital but also tailored technical assistance around sustainability.
- *Early engagement:* By advising schools at the pre-charter or early grant stage, Ed Champions can prevent leaders from locking into unaffordable leases or risky financing.

- *Building trust:* After years of misaligned advice from external partners, many school leaders hesitate to rely on outside developers or lenders. Having a trusted advocate “on their side of the table” can restore confidence

Beyond individual deals: Building ecosystems

Ed Champions are uniquely positioned to zoom out from single transactions to ecosystem-wide strategy. This includes:

- Developing networks of facility people and coordinating activities.
- Mapping the technical assistance landscape and understanding schools’ needs.
- Identifying and cultivating mission-aligned development partners.
- Designing financing mechanisms that balance near-term affordability with long-term sustainability.
- Sequencing policy priorities in politically realistic ways.

Framework for Facilities Strategy: Five Buckets

In comparing the North Carolina and Colorado experiences, a consensus framework emerged: facilities challenges and solutions can be organized into five interdependent “buckets.”

1. <u>Technical Assistance to Prepare School Readiness</u>

Schools often struggle even to know what questions to ask when engaging with developers or lenders. A coordinated technical assistance infrastructure can:

- Provide early-stage advisory support.
- Translate financial jargon into actionable insights for school leaders.
- Align facility decisions with enrollment projections and financial capacity.

2. <u>Real Estate Development Partners</u>

The market features a mix of for-profit developers, nonprofit builders, and turnkey operators. Ed Champions can:

- Vet potential partners for alignment with mission and affordability.
- Encourage collaboration among multiple developers to create a “marketplace” rather than a single dominant provider.

- Explore unconventional partnerships, such as housing developers who integrate schools into new communities.

3. Financing

Charters need access to capital that is affordable, flexible, and sustainable. Solutions may include:

- Short-term bridge loans for incubation or early expansion.
- Long-term debt structures aligned with realistic enrollment growth.
- Revolving loan funds, tailored differently for early-stage single sites versus established CMOs.
- Leveraging public-private partnerships, federal programs, and state-level funds.

4. Policy and Politics

One lesson from successful states is that policy victories must be carefully sequenced. Attempting too many facility-related reforms at once can dilute advocacy and fail politically.

Ed Champions should:

- Map the current policy landscape into “must have,” “good to have,” and “nice to have.”
- Align with local associations and coalitions to prevent fragmented lobbying efforts.
- Recognize that political feasibility often trumps theoretical policy design. For instance, in North Carolina, legislators unexpectedly floated a $50 million revolving loan fund. Even if imperfectly sequenced, such opportunities may be hard to ignore.

5. Community of Practice

Each of these buckets assumes the Ed Champion is bringing people together. This effort to build networks doesn’t happen on its own – it requires intentional thought and action. A network building exercise can include:

- Engaging with all charter schools to understand their needs and learn about their facilities.
- Learning who are all the development and financing partners.
- Bringing partners together to develop new ideas and agendas.

Building a Knowledge Infrastructure

Market maps

To help unravel the mystery of facilities, Ed Champions should develop transparent, shareable "market maps" of facilities ecosystems. While some states have commissioned private studies, these reports aren't readily available, leading to duplication and inefficiency.

A shared framework could include:

- Current status of technical assistance, development partners, financing, and policy.
- Desired future state for each bucket.
- Gaps and sequencing strategies.

People

Talent scarcity is real. If ten more cities wanted to hire dedicated facilities staff tomorrow, the pool of talent may not exist. One solution: foster a *community of practice* among existing facilities leads. Similar to the Alliance for Public Charter School Attorneys, this forum could enable candid exchange of challenges and solutions while remaining focused on strategy rather than individual transactions.

The North Carolina Case

North Carolina provides a live example of both the urgency and the opportunity.

- *The challenge:* With only two of twelve approved schools opening in 2024 due to facilities barriers, stakeholders agree that buildings are the number one bottleneck.
- *The complication:* The state has both an association and a coalition with overlapping missions. Without coordination, facilities advocacy risks becoming fragmented and ineffective.

- *The opportunity:* Facilities may serve as a bridge issue, bringing disparate groups together around a shared agenda.

Potential next steps include:

- Commissioning an environmental scan to establish baseline data on facility costs, access, and gaps.
- Reviewing comparative policy analyses.
- Leveraging relationships with trusted intermediaries to guide stakeholders toward consensus and sequencing.

If successful, North Carolina could open their playbook to help other Ed Champions convene fractured ecosystems and translate facilities crises into coordinated strategies.

Recommendations for Ed Champions

Based on the discussion and emerging lessons, here are practical recommendations for Ed Champions approaching the facility challenge:

1. *Staff strategically* – Consider hiring or dedicating staff with cross-cutting expertise in finance, policy, and development to provide trusted, in-house leadership.
2. *Engage early with schools* – Build facilities assessments into grantmaking and incubation processes to prevent costly missteps.
3. *Develop market maps* – Create ecosystem analyses identifying current capacities, gaps, and sequencing priorities across the five buckets.
4. *Build trust* – Position Ed Champions as neutral advocates who protect schools from predatory arrangements.
5. *Coordinate advocacy* – Align associations, coalitions, and political actors to avoid fragmented or contradictory strategies.
6. *Leverage political opportunities* – Be pragmatic in pursuing policies that may not be perfect but create momentum and build coalitions.
7. *Invest in shared learning* – Join or establish communities of practice to spread lessons across cities and states, avoiding reinvention.

Conclusion

The charter school facility challenge is not new—but its scale, complexity, and urgency have grown dramatically. For Ed Champions, embracing this challenge is no longer optional. It is central to the mission of unlocking high-quality school growth.

By staffing for expertise, engaging schools early, mapping ecosystems, coordinating advocacy, and building knowledge-sharing infrastructure, Ed Champions can transform facilities from the sector's greatest barrier into a foundation for sustainable growth.

The path will vary by state—Idaho's low per-pupil funding context differs from North Carolina's political dynamics or Colorado's post-district facility environment. But the framework remains consistent: (1) networking and coordination, (2) technical assistance, (3) development partnerships, (4) financing, and (5) policy sequencing.

If Ed Champions can lead with clarity, pragmatism, and collaboration, they can help ensure that the next generation of charter schools doesn't just dream of opening doors, but walks students through them.