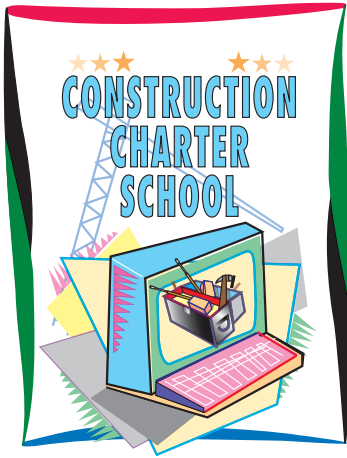


THE CHARTERING ROUTE

AS DEMAND GROWS FOR MORE CLASSROOMS,
CHARTER SCHOOLS BEGIN TO FILL THE NEED



The construction industry designs the curriculum for charter schools and in doing so, prepares students for direct employment into the workforce, a construction apprentice-training program, or a college education.

What started as a policy idea dreamed up by a university professor just over a decade ago is today, by many accounts, one of the most substantial and influential education movements in the history of the United States. As of January 2003, nearly 2,700 charter schools are operating in 36 states and the District of Columbia, serving over 684,000 students.

With all these successes, it is no wonder that traditional public school systems and local education agencies are considering the chartering route as a way to fill the need not only for educational innovation and improvement, but as a way to build school facilities. But the road to providing permanent and new facilities via charter schools has been long and rough, with only recent progress worth noting.

FUNDING FACILITIES

As “public” institutions, charter schools are given funding for operations nearly equal to that of traditional public schools, and in some cases additional capital funds for facilities. Overwhelming evidence suggests that the greatest hurdle in beginning a charter school is the facility and the lack of funding to build it. Many states, and now the federal government, are stepping up to the plate by providing resources, including direct capital funding, vacant public schools, publicly backed bonding, and facility loan “guarantees.” Builders looking for emerging

trends are wise to educate themselves about this growing opportunity.

According to a recent report by the General Accounting Office, there is a growing supply of capital available in the private sector for charter school facilities from federally funded start up grants for charter schools and as a result of the No Child Left Behind Act. Innovative states such as Florida and Colorado have taken the next steps by providing additional capital funding specifically for new charter schools or renovating existing facilities.

WORKING TOGETHER

Builders can take advantage of this growing school solution by seeking out operators with the means and experience to construct a school in the community they seek to serve. There are basically two types of charter school operators: mom and pop groups that have the zeal and vision for opening a local charter school (the average size is 200 students); or charter schools opened by education service providers (typically, 500-plus students in size). Education service providers are usually full-service education companies that typically establish and operate schools to meet parental demand and build a volume of schools in specific, targeted locations.

When determining partners, whether local operators or national providers, the focus should be on the fundamentals of the business opportunity, including the length of the charter granted by the local education agency, the size of the school,

and the underlying budget. Scrutinizing the budget ensures that the academic program is not being adversely impacted by an overly burdensome facility repayment plan. Most importantly, it is imperative that the board of directors and operators of the school be of the highest caliber, with a proven track record of performance in the community. With that in mind, a creative builder can take advantage of financing, design, and construction opportunities while contributing to a worthy cause: educating our next generation of young people.

FOR MORE INFORMATION

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