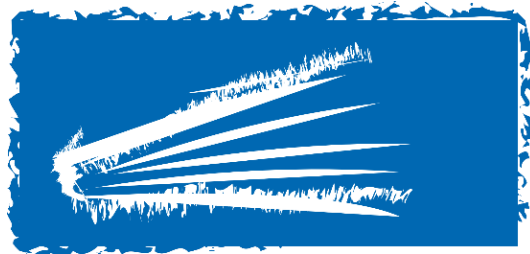


A GUIDE & WORKBOOK:

Conducting a Market Need & Demand Study for a New Chartered Public School or an Additional School Site



MN Association of
Charter Schools

We want to thank everyone involved in the development and enactment of the legislation over the last five years which established the need for a Market Need and Demand Study for new chartered public schools and schools seeking to establish an additional school site. Minnesota’s chartered public-school community will be strengthened by schools that are feasible and sustainable.

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MARKET NEED & DEMAND STUDY: BACKGROUND & UNDERSTANDING

The creation of a chartered public school is a social entrepreneurial activity designed to transform the educational opportunities available to young people – especially those who are traditionally underserved, neglected, or disadvantaged. The bottom line is that new chartered public schools or additional school sites should create new, different, innovative, and sustainable schools.

The historical success and failure of new chartered schools has provided evidence that there are factors that can and need to be considered to have a higher probability of success in creating different, innovative, and sustainable schools. One of those factors is to determine the feasibility of the proposed school or additional school site.

Researching the market need and demand for a new school or an additional school site is a critical step in determining feasibility. Often, school developers are so passionate and emotionally committed to an idea that they skip the critical step of rationally determining the feasibility, market, and sustainability of the school or an additional school site.

In 2023, Minnesota’s Charter School Law was amended to require school developers to conduct a Market Need and Demand Study as a requirement for applying for a new charter or seeking to add an additional school site.

MN Statutes 124E. 02 (h) defines the components of a Market Need and Demand Study. It states:

“Market need and demand study” means a study that includes the following for the proposed locations of the school or additional school site:

1. Current and projected demographic information;
2. Student enrollment patterns;
3. Information on existing schools and types of educational programs currently available;
4. Characteristics of proposed students and families;
5. Availability of properly zoned and classified facilities;
6. Quantification of existing demand for the school or site.

Market Need – is the **unmet need** (necessity, desire, or goals) of the targeted student population.

Market Demand – is the specific quantification of the parents/students who are **willing** to choose the school in the proposed location of the school.

HOW TO USE THIS GUIDE & WORKBOOK

This Guide and Workbook is designed to be a resource for school developers and operational schools seeking to add an additional school site in conducting a Market Need & Demand Study.

There are six components which define a Market Need and Demand Study, and all must be addressed by school developers seeking a charter, as well as school leadership applying for an additional school site. Additionally, this guide will help new school developers translate the questions into an actionable case statement for the proposed new school or additional school site.

The Guide outlines the suggested questions and examples of the types of information that respond to the questions, as well as considerations for analyzing the information and developing a case statement. A list of some potential resources for data collection is found in the Appendix.

With the enactment of the Market Need and Demand Study requirement, all authorizers in Minnesota have an approved authorizing plan that includes the requirement for a market and demand study. School developers and school leadership seeking an additional school site are encouraged to review the specific requirements of the authorizer.

The collection of information and data is a crucial aspect of the Market Need and Demand Study process and serves as the basis for developing a Case statement. However, before undertaking the collection of information there are three questions that should be answered by the school development team or school leadership of a current school:

QUESTION 1 – What is the proposed focus or theory for the school?

QUESTION 2 – Why does the school development team believe there is a need for the school or additional school site?

QUESTION 3 – Why does the school development team believe there would be sufficient demand for the school, or additional school site?

STEP 1: GATHERING THE INFORMATION & DATA

CURRENT & PROJECTED DEMOGRAPHIC INFORMATION

This element gives the context of the geographic area in which the proposed new school or additional school site would be located. This could be a neighborhood, a town or city, etc. Demographic information is data about groups of people and places according to certain attributes such as age and place of residence. It can include socioeconomic factors, such as occupation, family status, income, or ethnic diversity.

1 – What are the characteristics of the community or neighborhood of the proposed location of the school? (e.g. – percentage of home ownership vs rental units; age of housing stock; public infrastructure – parks, libraries, hospitals, ethnic diversity, etc.)

2 – Describe the local context of the issues in the proposed community or neighborhood that may be factors in a family’s or student’s decision to attend the proposed school. The factors may be appealing to a family or cause them to hesitate. (e.g. – job opportunities, availability of transportation, availability of affordable housing; crime rates; tax base and rates; poverty rate etc.)

3 – Describe the population trends (historic and projected) that are affecting the community or neighborhood of the proposed location(s) of the school. (e.g. – population growth or decline between the last two or three census years; percentage of population over sixty-five; birth and death rates, etc.)

STUDENT ENROLLMENT PATTERNS

The most significant factor in determining a school’s income is enrollment. Understanding the existing population of school aged and younger populations, as well as patterns and trends in student enrollments, will be a determining factor in whether a new school or additional school site is viable.

1 – What is the current student aged population of the communities or neighborhoods from which the school proposes to attract students?

2 – What has been the trend in the student-aged population over the last 5 - 10 years in the communities or neighborhoods from which the school expects to attract students? (e.g. – annual school aged population (numbers & percentage change) since the last two census years; etc.)

3 – What is the overall projected trend in the student aged population for the next 5 - 10 years in the communities or neighborhoods from which the school expects to attract students? (e.g. – population projections from census tracts or state demographer; pre-school enrollments: etc.)

INFORMATION ON EXISTING SCHOOLS & TYPES OF EDUCATION PROGRAMS CURRENTLY AVAILABLE

In building a strong case for a new school or an additional school site, it is important to understand what options are already available to families in the proposed geographic areas of the proposed school or additional school site. This information is helpful to justify the need for a new public-school choice in the area.

1 – What traditional public-schools exist in the communities or neighborhoods from which the school expects to attract students? *(Information should include total enrollment, grades, grade configurations, waiting lists, and any programs that are designed to attract students, etc.)*

2 – What chartered public-schools exist in the communities or neighborhoods which the school expects to attract students? *(Information should include total enrollment, grades, grade configurations, waiting lists, and any program focus (e.g. – language immersion, IB, project-based, STEM, environment, performing arts that are designed to attract students, etc.))*

3 – What nonpublic schools exist in the communities or neighborhoods from which the school expects to attract students? *(Information should include total enrollment, grades, grade configurations, waiting lists, and any programs that are designed to attract students, etc.)*

AVAILABILITY OF PROPERLY ZONED & CLASSIFIED FACILITIES

One of the hurdles commonly faced by new school developers looking for a facility and existing schools looking for a new or additional school site is the availability of a facility that meets programmatic needs, as well as being affordable.

1 – Describe the areas of the community or neighborhood of the proposed location(s) of the school which are properly zoned for a school. *(Consider the proximity to residential neighborhoods, business areas, industrial areas, etc.)*

2 – Identify specific facilities within proposed geographic areas which are properly zoned, might be available, and could meet the instructional program design and needs while providing students with a safe, healthy, and positive learning environment? *(Location/address, square footage, recent per square leasing costs, etc.)*

3 – What is the approximate current rate per square foot cost of potential facilities in comparison to similar spaces in the community or neighborhood of the proposed school or additional school site?

CHARACTERISTICS OF PROPOSED STUDENTS & FAMILIES

Charter schools with successful beginnings monitor and adjust their program to meet the changing needs of the students who enroll in the school. Taking steps to know and understand the potential learning needs about the proposed student population can better prepare school developers to serve the anticipated student population.

1 – Describe the student population the school seeks to attract and enroll. *(Consider a wide range of characteristics; learning style, ages, special populations such as English learners, special education services, social or emotional needs, homelessness, etc.)*

2 – Describe the elements of the school program that would appeal to the families and students that you expect to enroll in the school. *(After school programming, pre-k option, program focus like STEM, language immersion, environmental education, summer programming; classical education, performing arts, etc.)*

QUANTIFICATION OF EXISTING DEMAND FOR THE SCHOOL OR SITE

Being able to articulate the demand for a new school or site with quantifiable data is an essential component of a successful application for a charter or approval of an additional site.

1 – Document the evidence of the existing demand for the proposed school or additional location by age or grade. *(Survey data documenting sample population, results, and analysis; letters or emails forms dated from prospective families which indicate the grade(s) of their children in the year the school or site is projected to open; letters of indicating the need or demand for the school or additional site from community organizations like the chamber of commerce; etc.)*

2 – Document the process used to quantify the existing demand for the proposed school or additional school location.

3 – What is the minimum number of students your school would need to enroll to have a successful opening? *(e.g. – 15 students per grade, or total student population of 180 students, etc.)*

4 – What percentage of the available student age population in the communities or neighborhoods of the proposed location(s) would the school need to enroll to be sustainable? *(e.g. – 8% of all students of the school aged population in the communities or neighborhood, etc.)*

5 – What features or experiences will the school provide for students that are currently not available in the schools located in the proposed location?

6 – What outreach is being undertaken to address the legal requirement of disseminating information about the proposed school to targeted groups including: low-income students and families, students of color, students at risk of academic failure, as well as students with special needs, or safe learning environments?

STEP 2: ANALYZING THE INFORMATION

An analysis requires examining all the data/information to evaluate how it all works together to create an accurate description of reality. The failure to do an appropriate analysis can lead to reinforcing incorrect assumptions, preconceived notions, or miscalculations about the feasibility of the proposed new school or additional school site. An analysis requires looking at the quantity of data, the quality of the data, the reliability of the data, patterns across information, and testing and comparing the data against the assumptions going into the data/information collection process.

An analysis should answer the following questions:

- What specific unmet need(s) does the proposed school seek to meet?
- How will the proposed school meet those specific needs?
- What in the data/information provides confidence that enough students are available to open and sustain the operation of the school?
- What in the data provides confidence that enough families/students want to attend the school?
- Are there currently available facilities in the proposed neighborhood or community?
- How will the proposed school meet the state purposes for a chartered public school?
- How will the proposed school meet the federal requirements if the school seeks federal funds for start-up or additional site(s)?
- How will the proposed school disseminate information about the offerings of the proposed school to the targeted groups defined in law and by need?
- What difference will this school make for students, families, and the community?
- What difference will the proposed school make in Minnesota's public education system?
- How will the proposed school strengthen Minnesota's chartered public-school movement?
- What are the three strongest arguments against establishing the proposed school or additional school site?

STEP 3: DEVELOPING THE CASE STATEMENT

A case statement is a written summary of:

- What need does the proposed school seek to meet?
- How does the school plan to meet that need?
- What demand exists for the proposed school?
- What does the school development team need to make the school a reality?
- What difference will it make to students, their families, and the community in which the proposed school would be located?

A case statement will be helpful in making an application for a new charter or for an additional site with an authorizer. As with any good business plan, the case statement can also be helpful in recruiting families/students and building community support.

APPENDIX: POTENTIAL SOURCES OF DATA & INFORMATION

Demographic Information

- US Census (by county, city, zip code, census tract)
- Local or County Government Planning Office
- State Demographer
- Metropolitan Council (seven county area)
- Chamber of Commerce
- Real Estate Agents
- Police Department
- Workforce Centers

Enrollment Information

- Minnesota Department of Education (MDE)
- School Districts
- Private Schools

Education Program Information

- Community Leaders Interviews
- Chamber of Commerce
- United Way
- Social Service Agencies

Availability of Facilities

- Commercial Real Estate agents
- County or City Zoning Office
- Chamber of Commerce

Quantification of Demand

- Waiting lists of current charter schools
- Interviews with community leaders
- Waiting lists of specialized schools in traditional schools
- School districts adding new facilities
- Attend events where the targeted population may be represented
- Interviews with targeted parents/students
- Census data
- School retention rates