

## Colorado's Growth in Educational Choice: Charter School Supply and Demand

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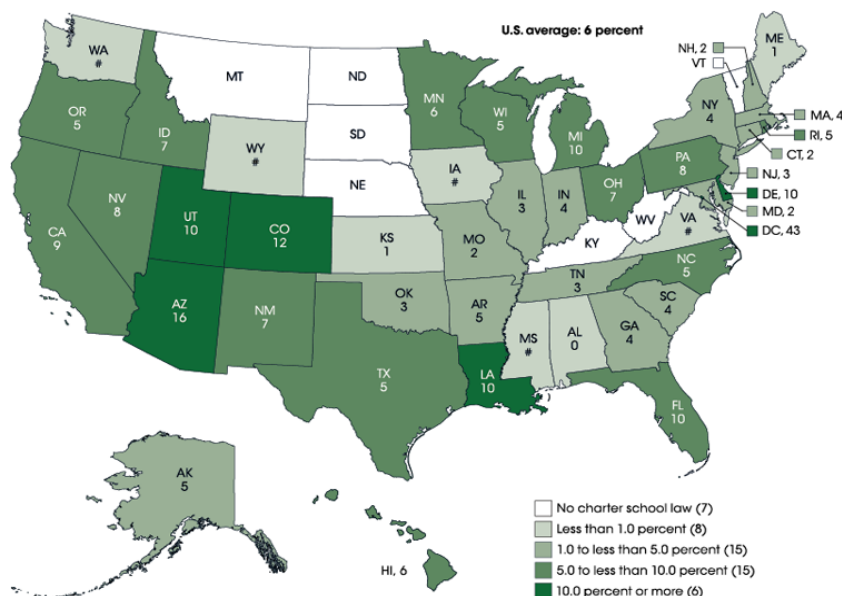
- Charter schools now educate six percent of U.S. schoolchildren nationally.
- Charter school adoption has been highly uneven across the United States and across Colorado counties.
- Colorado in 2019 has been ranked second in the nation for the strength of their laws supporting charter schools.
- Proliferation of charter schools in Colorado is one reflection of the state's broader innovative and entrepreneurial capacities.

Economic growth at the national and regional levels requires a well-educated work force. In its simplest form, education improves communication and efficiency through high literacy rates and a strong foundation in basic mathematics, but can also impart more career-specific skills. States and cities which are at the frontier of economic development rely on technological innovation and often more complex methods of production in order to both grow and remain competitive with other communities. As noted in previous REDI reports, Colorado's innovative economy relies heavily on maintaining and attracting a highly-educated workforce. As the U.S. continues to develop, communities require not only higher levels of education to generate workers who can work these technologically more challenging professions but also quality improvements in the earlier years of education to build a strong base for higher education to augment.

Charter schools were introduced as a potential solution for increasing educational efficiency, and are educating increasing numbers of students. In the U.S. a charter school is a public school which can teach a curriculum that differs from the traditional public-school system (TPS). This autonomy provides schools the ability to find new, more efficient ways of covering material and more quickly adjust material to set up children for future success in

a changing economy. The map at left shows the percentage of students in the state who attended a charter school in the 2015-16 school year.

The efficacy of charter schooling is highly contested, with some research showing some school systems providing net gains, and others finding no benefit compared to the public schools. Much of the variety in outcomes may be explained by the fact that charter schools are diverse. For example, one charter school may be founded to provide a heavy focus on increasing student math

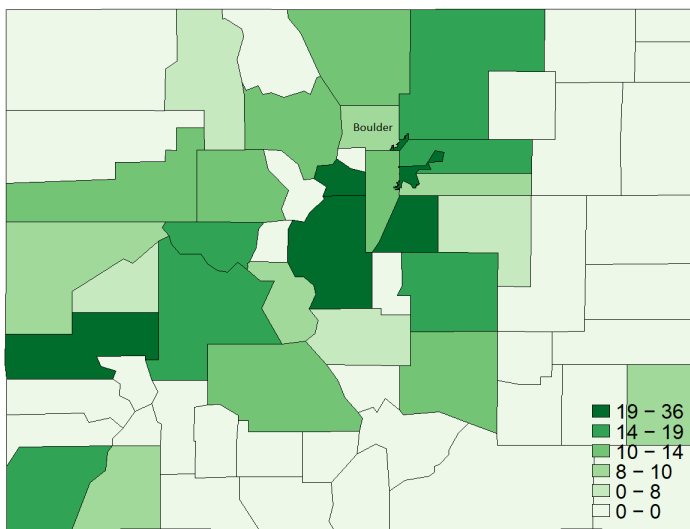


1. SOURCE: U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "Public Elementary/Secondary School Universe Survey," 2015-16. See Digest of Education Statistics 2017, table 216.90.

and science knowledge through an alternative teaching method, while other schools may be focused on increasing the breadth of the curriculum by bringing in different literature or historical perspectives.

Previous research has found the demand for charter schools is increasing in the racial, financial, and educational diversity of residents. This implies the prior to the introduction of charter schools, existing educational options do not meet community member preferences. Individuals in technical occupations may also increase demand for charter schools, with workers such as engineers preferring schools which may provide their children with differing curriculum than the TPS.

Supply factors may also affect the creation of charter schools. The laws which allow for the formation of charter schools are determined at the state level, and not all laws are created equal. For example, Nebraska does not have a charter law which prevents schools from being created. Colorado has been ranked as having the second-best set of charter laws in the nation as of 2019 (National Alliance for Public Charter Schools).



The percentage of students in Colorado who attended charter schools in the 2015-16 school year is mapped here, with Denver County leading with 36 percent of all students being enrolled in a charter school (National Center for Education Statistics). The Colorado Front Range contains the highest adoption rate of charters, and as noted in a previous REDI Report, is also the fastest growing region of Colorado, with strong demand for high-skill workers. While there are many reasons for reasons for this population growth along the Front Range, the relative abundance of well-funded, state monitored charter schools may act as an additional amenity.

However, charter schools are not without controversy at the local level. Colorado does not explicitly cap the number of new charter schools, but state law requires charter schools to apply to school districts for their charter, who then authorize the creation of the school. This can create a potential conflict of interest, as charter schools are often perceived as a threat to the traditional public-school system, potentially reducing funding for public schools by pulling away students and weakening teachers' unions, as charter schools are often not unionized. This can lead to differing adoption rates for charters across Colorado, where for example Boulder county has not chartered a new school in the past ten years, leaving the county with just eight.

Colorado has experienced a high degree of net-migration in the past decade and enjoys a growing economy with high levels of entrepreneurship. The strength of Colorado's charter laws and subsequent proliferation of charter schools provides another signal that Colorado is supportive of the entrepreneurial spirit. If Colorado charter schools continue to improve educational outcomes, then this interplay between Colorado's receptiveness to innovation and entrepreneurship may be further nurtured by these schools via better educated workers, and attracting or retaining high-skill workers who view these schools as an amenity.