

School Finance that Puts Children First

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INTRODUCTION

“Systems are not sacred; children are.”

– Ted Forstmann, CEO Children's Scholarship Fund, “School Choice by Popular Demand,” *Wall Street Journal* (April 21, 1999).

“They [children], not the schools they attend are our destiny.”

– Hugh Price, president of the Urban League, in an August 3, 1997, speech.

The 'public' school system has a long history. Since only education scholars and well-traveled citizens know other education systems, most citizens equate schooling with tax-funded 'public' schools staffed by government employees. Because they assume that existing schools will always contain the vast majority of children, they equate the fate of traditional schooling processes with the well being of children. They think in terms of funding systems, rather than funding children. Quentin Quade stated the problem eloquently: “When only one *means* (emphasis in the original) is provided to achieve a good *end*, [perpetuation of] the means comes to be treated as an end-in-itself. Criticism of it is portrayed as an attack on the end itself.”¹ But ‘public education’ is a commitment, not a particular governing and funding process. The current process has kept us from fulfilling that commitment. It has created a “nation at risk.”

The most recent data from the National Assessment of Educational Progress (NAEP) shows that Texas has 23-31 percent of students at or above proficient.²

4th grade Math:	27%
8th grade Math:	24%
4th grade Science:	24%
8th grade Science:	23%
4th grade Reading:	29%
8th grade Reading:	28%
8th grade Writing:	31%

For math and science, the published data included the percent of students below ‘basic.’ The math numbers are 23 percent (4th grade) and 32 percent (8th grade) percent below basic. In science, 35 percent (4th grade) and 47 percent (8th grade) are below basic. That the results are even worse for most of the other states demonstrates

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why the United States remains a “nation at risk.” Texas deserves better; the \$7000+ per child³ taxpayers spend on K-12 education is enough to send every child in Texas to all but the most elite private schools.

If we adopt a children-first system, the lingering problems that led to the 1983 Nation at Risk declaration (and to its periodic affirmation since then⁴) would largely disappear in Texas. A children-first school finance policy that supports the choices of Texas parents can create the school diversification, competition, and finance equity the current system lacks. The expensive system-first reform frenzy that followed the Nation at Risk declaration and continues to this day, and a similar frenzy after the Soviet Union’s 1957 Sputnik launch, yielded only one noteworthy benefit. It demonstrated the ineffectiveness of every conceivable method of coaxing acceptable results out of a school finance system best described as a public school finance monopoly; the decisions are political, the schools owned by the government get the tax dollars earmarked for K-12, and parents have to pay twice to opt for an alternative. More and more, reform efforts are seen as failing to get off of a dead horse,⁵ and more of the same harder.⁶

Before I describe and argue for the child-first school finance system that I believe is Texas’ best choice, I want to point out that I understand at least some of the political difficulties of such a major policy shift, not the least of which is the system inertia and the general public’s ends-means confusion described above. It will take a critical mass of risk-taking elected officials that aspire to rise from representative to leader. The essential elements I will describe shortly may have to be phased in over a considerable period of time. That’s not the same thing as incrementalism, wherein successive pieces of legislation gradually create the desired school finance system. Because government programs become entrenched and resistant to change, especially to a loosening of restrictions, the initial legislation needs to establish what the key elements of the finance system will be once they fully phase in.

A real experiment may be the only politically feasible way to win enough votes to make the needed statewide children-first finance system politically feasible. A real experiment is one that creates the full-blown system in just part of the state, perhaps the part most desperate for reform and with a long history of frustration with approaches that attempted to work through the existing system. A true children-first system includes all families and doesn’t favor particular schools. Therefore, an approach that singles out low income families (like the Milwaukee and Cleveland programs), or victims of low-performing schools (like the Florida program), and the very limited “pilot voucher” programs proposed in previous Texas legislatures are NOT real experiments. They contain too many debilitating restrictions to demonstrate the effects of a true children-first system. The Edgewood (one of the fifteen districts in Bexar County) program is more inclusive, but its small geographic scale, the low income eligibility criterion, and the possibility that it may expire in five years, means that its effects may also fall short of a full-blown, permanent children-first system.

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Restriction-laden programs can generate misleading data that could have devastating political consequences. Furthermore, such restrictive, escape hatch versions of school choice are distractions. They cannot act as models for a statewide school finance system. Milwaukee, Cleveland, and Florida-style programs not only fail to address the funding equity issue, they are inequitable. Private school users – usually low income families desperate to flee dysfunctional public schools – only get about half the per child funding of public school users.

The real experiment route to a statewide children-first school finance system should only be seen as a last resort. Before accepting some significant risks and a major delay so that a small-scale system can demonstrate anew what competitive markets throughout our economy and throughout the world have repeatedly demonstrated, we should make every effort to marshal such data into the evidence needed to quickly begin phasing in a children-first system statewide. The wait for the data, analysis, and discussion would create another generation of severely under-educated children. In addition, a proposed experiment is easily sabotaged or misrepresented, either with poison pills among the key elements, or bias in the analysis of the data. And the uncertainty and reduced scale surrounding something called an experiment causes the experiment to understate the effects of a full-blown, permanent program.

CHILDREN-FIRST DEFINED

Putting children first means that parents directly control the funding, public and private, of each school. Elected officials control the level of per pupil public funding for particular categories of children, but parents decide which schools receive those funds when they choose a school for their children and parents decide whether they want to spend some private funds to purchase more schooling than the public funds will pay for (the U.S. Supreme Court called such supplementary private spending a “co-payment”⁷).

To maximize the competitive pressures to minimize costs, maximize quality, provide the most valued services, and pursue innovation, interested parties’ ability to establish new schools must be limited only by the school’s ability to pay its bills (recruit students), compliance with laws that apply to all entities that serve the public, and compliance with compulsory attendance school guidelines.

Price change is a critical market mechanism. Forcing schools to accept vouchers as full payment is a de facto price control. Price controls always have disastrous effects. Therefore, school operators must be free to offer schooling that costs more than the per pupil public funding level. Eliminating parents’ freedom to spend more on K-12 education than taxpayers are willing to spend on each child, as Milwaukee, Cleveland, and Florida have done, destroys a critical market mechanism without any compensating benefits to anyone. Limiting what parents can spend on schooling between 8 AM and 3 PM on weekdays during the school year does not prevent wealthier families from spending more on their child’s education than other families can. For example, they can purchase after-school help, or enroll their children in

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educational summer camps. And it is unwise to discourage private education spending by anyone. More education by some does not make anyone else worse off. If anything, it makes others better off.

However, to maximize educational opportunity and comply with the constitutional requirement of universal access to public free schooling, the per pupil public funding level must be high enough so that competitive forces will cause many schools to accept the public funding level as full payment. Since the 2001-2002 statewide average expenditure per child of \$6,913 is well above what most private schools charge, competition would likely cause a large number of schools to accept as full payment the approximately \$6,000 per child that would be left over after funding debt service and administration of the children-first system.

THE CRITICAL POLICIES, AND KEY OPTIONS

I want to preface the discussion of critical policies with my political assumptions. Because of the political obstacles to any major policy change, key issues like competition, public spending level,⁸ government control of school policies, and compulsory schooling have to be addressed one at a time. For example, efforts to achieve competition and, say, change education spending in the same legislative package have a much lower probability of success than would an effort to achieve competition with public spending held constant at the current level. Competition will make other changes possible, and reveal whether they are desirable.

Here are the minimum policy requirements of a true children-first school finance system with the status quo as the starting point:

1. Parents' school choices alone decide each school's share of state and local government funding.
2. The public funding that follows a child is the same no matter who owns the school they attend. This is the key non-discrimination and funding equity feature. The same amount of public money supports comparable children whether they attend public, private nonprofit, or private for-profit schools.
3. No barriers or penalties are aimed at limiting how much of their own money families spend on schooling. That means parents must be free to supplement voucher funds with their own money (make a supplementary co-payment); to use the public funding allocated to each child to help buy more schooling than the public funds alone allow. Parents' ability to co-pay permits the critical price change component of market forces. Uncertainty about the outcome of political struggles over age-based, and place-based differences in funding per child, and the level of instructional vs. administrative spending is another strong reason to permit parents to co-pay tuition (NOT require schools to accept public funding as full payment). Permission to co-pay can keep political mischief and genuine error from doing too much damage.

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4. Texas should initiate a fully phased in children-first system at the current system's funding level: currently about \$7,000 per student per year.
5. State and federal K-12 education funding should continue to support special needs children on a case-by-case basis.
6. The government must define 'school,' either as it does now to enforce compulsory education, or by recognizing accrediting associations. The definition should include a small minimum enrollment level. A minimum enrollment level will deter fraud and extremist schools, and stop families from earning income by educating their own children. The latter may seem unnecessary, even inappropriately intrusive and counter-productive. But with public funding over \$7,000 per child (depending upon how you define total funding and what share supports administration), families could support themselves by home-schooling a large family. That possibility could simultaneously cause a population explosion,⁹ and shrinkage in the labor force participation rate and the tax base.
7. Direct regulation must not preclude specialization and diversification of a school's choices. The same thing is true of indirect regulation through uniform high stakes testing. Footloose parents are the best monitors of varied schooling options. Political control of schooling fosters uniformity, stagnation, and conflict. If the political process were an effective accountability tool, the unacceptable outcomes of our K-12 system would not be persistent, hot political issues. A presidential commission said that we'd regard our K-12 education system as an act of war if a foreign government had imposed it on us. Issues like personnel qualifications, textbooks, curricula, food service, and transportation services are competition areas. Market forces deter and correct mistakes more effectively than costly, stifling government regulations can prevent them. Choice and tolerance, not regulation, are the answer to disagreement over what schools should teach. Regulations are counterproductive for the same reason as the demand for them – the ever-changing controversy over what the rules should require. Another reason is that they would hinder the relentless pursuit of improvement that characterizes competitive markets.
8. The state must have a way to verify the enrollment of each school.

Key policy options:

1. *The public funding mechanism.* School enrollment is the only piece of information the state needs to send the right amount to schools. Direct payment based on an enrollment report is the simplest administratively, but it may be unconstitutional for the state to pay church-run schools directly even if parents independently determine the recipient of each payment. In addition,

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direct payments to producers suffer regulation much more than payments to consumers. Indirect payment methods like vouchers and refunds to parents may have a better chance of resisting regulation.

2. *Age differences in the public funding per child.* Ending government discrimination against private school users does not preclude age-based differences in public funding per child. Indeed, such differences may be a good idea. Since current private school tuition levels indicate that schooling older children costs more, age-based differences may be necessary to comply with the state constitution mandate for “public free schools” for all schoolchildren. Without a higher level of public funding for older children, there may not be enough schools willing to accept the public funding level as full payment. The dollar amount appropriate for each age is not obvious, so this may complicate the legislature’s funding decisions. Simplicity is a significant political virtue, but it may not be an option.
3. *Privately funded co-payments.* If “public free education” does not mean that each family has to have access to a school that will accept the public funding as full payment, or if a constitutional amendment eliminates the requirement, the legislature should consider requiring parents to directly share in the expense of educating their children with a co-payment. People choose more carefully when they have to spend some of their own money. Coulson (1999) found that the financial involvement of parents was a common denominator of effective school systems throughout recorded history. To require parents to make a co-payment, public funding could provide \$X per child or Y% of tuition and fees per child, whichever is *less*. Another benefit of a co-payment requirement is that it defuses arguments that public schools will have less money per student once all K-12 children share the existing K-12 dollars. However, a co-payment requirement also has potential disadvantages. It would face political opposition from parents who do not currently want to move their child to a private school. And a co-payment requirement means that the state would have to monitor each school's tuition and fees.
4. *Regional or statewide funding equity?* To achieve either one through a children-first finance system, Texas could follow Michigan and abandon property taxation, or modify the current ‘Robin Hood’ approach into a uniform statewide or regional property tax levy. Either way, I recommend a regional funding approach. Salaries and living costs are not geographically uniform, so statewide uniformity in per child funding may not be equitable. Also, with a uniform countywide or multi-county school property tax levy, citizens feel more invested in their schools than if all the money comes from Austin. That fosters increased involvement in school policymaking and greater support for school funding. A regional approach also would not require a formal mechanism for assessing differences in living costs across Texas.

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5. *Administration spending.* I don't mean spending to support district office administrators. Public school principals will have to decide how much of the money they receive through parental choice they want to spend on a central office staff. Private school franchises will face the same issues. I mean spending to administer the parental choice-based program, with the remaining lion's share sent to schools according to parents' choices. With child-based funding, the administrative requirements include enrollment verification, fund disbursement, and monitoring and enforcement requirements of regulations, and potential fraud.
6. *The state as an information provider and data generator.* The state must define its role. School diversification will reduce the significance of standardized testing and increase the demand for different types of tests. The state may want to continue defining and assessing basic skills, but as schools shed the comprehensive uniformity that now dominates public schools and acquire unique attributes, such data won't matter as much as they do now. Much testing may become private as the various types of specialized schools struggle to achieve highly valued, demanding certifications from professional associations and other types of accrediting entities that will probably arise for common specialization areas. The government could then collect, tabulate, and distribute the private test data.
7. *Disposition of existing public school facilities.* The cheap and quick way for entrepreneurs to enter the market is through surplus school buildings and converted space; for example, closed stores. Except in the few areas with a declining population, surplus public school buildings will be scarce if/until some current public school users opt for private alternatives. Competition will eventually cause entrepreneurs to abandon makeshift facilities. They will construct new schools unless they can switch to suitable surplus public school capacity. Surplus capacity will be present unless private sector growth only siphons off population growth. To avoid possibly being stuck with empty buildings, public officials should make surplus capacity available where and when needed. And since transfers will probably reduce enrollments, but not empty any public school campuses, public officials should prepare to share campuses. With the right policies in place, a mix of public and private schools can share existing campuses, and save taxpayers and school users lots of money.

AN IMPLEMENTATION EXAMPLE

If Harris County (Houston ISD) implements the policy essentials for the 2004-05 school year, here's how the key numbers come out. I'll assume that Harris County spends five percent more in 2004-2005 than in 2001-2002. I'll assume that Harris County will allocate those funds to 235,000 students, 11.5 percent more than the 210,670 enrolled in Houston ISD in 2001-2002. The 11.5 percent allows for some growth and for the inclusion of children that currently attend private schools. Then for

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2004-05, the Harris County authorities will have approximately \$1.5 billion to fund payments to schools, debt service, the administrative costs of the payment process, and to monitor rule compliance.

I'll assume that debt service consumes \$110 million in 2004-2005; slightly more than the \$106.6 million spent in 2001-2002. I'll allocate \$5 million for the modest administrative requirements of child-based funding. For a margin of safety in case federal funds are not enough of a supplement for special needs families, I'll set aside another \$20 million for special needs add-ons to the public funding level that support the other children. In the first years of child-based funding, the authorities should allocate money for severance and retraining support. Help for educators seeking new careers or adjusting to changing K-12 opportunities¹⁰ would yield significant economic and political benefits. Therefore, I'll assume the authorities allocate \$25 million per year for that. With \$1.5 billion to spend in 2004-05, that will leave \$1.34 billion (\$1,500 - \$110 - \$5 - \$20 - \$25) to fund the payments to schools; an *average* of \$5,700 per K-12 child (\$1.34 billion ÷ 235,000 children). However, the money per child will probably vary by grade level, with more than \$5,700 for older children and special needs children, and less for younger children. As outstanding bonds are paid off and the new system takes hold, payments for outstanding district debt (\$110 million per year) and for adjustment assistance for educators (\$25 million per year) would gradually end. The additional \$135 million would increase the average per child payment to schools to \$6,277.

DISCUSSION

Suppose Harris County had ten percent of its students in private schools in 2001-2002. Then, child-based funding - ending the government's discrimination against private school users - will cause a ten percent drop in the public school system's public funding per pupil. Despite that, \$5,700 would be the average amount of 2004-2005 public funding per child; probably more than what most Harris County schools have to spend now; enough to enroll a child in all but the most elite Harris County private schools.

Competition and child-based funding will eliminate some costs (see below) and also make private schools more efficient, but market forces may take awhile to take hold and drive costs down. A gradual phase-in will help insure that enough schools accept the public funding level as full payment. Charities willing to finance selected applications for help with co-payments can help reduce the risk that insufficient 'free' schools will cause a newly adopted child-based finance system to be declared unconstitutional. Charity funding for some parental co-payments can also give the brightest low-income children access to the premium private schools that charge more than the public funding level. Philanthropists and small donors already spend millions per year to give a lucky fraction of low-income applicants access to private schools. In a child-based school finance system, those private funds could fund co-payments for low-income families. Having to fund only co-payments would allow those private funds to help far more children than they do now.

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Child-based funding would directly eliminate some costly tasks, and it would undermine the rationale for others. School budgets would depend on parents' choices, not the decisions of the district central office. That would significantly weaken the rationale for an expensive District Superintendent and the raft of associates, directors, program coordinators, and assistants. There would be no need for district officials to develop budgets or maintain, adjust, or enforce school attendance areas. Public schools can maintain their district identity if they want, but schools would perform many formerly district-provided services themselves. Personnel functions are a good example. School principals want to hire their own staff; they don't want district administrators to do it for them.¹¹ Because district schools would not benefit equally from district-provided support services, the schools would increasingly resist funding them. In addition, the changes that would come with the pressure to specialize require a wider range of service providers than most districts have, or can afford to employ full-time.

Some people fear that a children-first finance system and private sector growth will create a second strong lobby for higher school taxes. But school operators will learn that the short-term benefits of increased public funding are not worth the long-term effects. Market forces attack above normal industry-wide rates of return, so the only long-term effect of higher school taxes would be more competition. Additional competition always restores the rate of return to what is normal for businesses with comparable risks. The new schools attracted by increased funding would create excess capacity in existing schools and reduce the co-payment, if any, that schools could demand. School operators will probably conclude that such a cycle of change - higher prices, higher short-term profits, industry expansion, price decline, restoration of normal rates of return, but smaller absolute profit because the children are spread among a larger number of schools - is not worth lobbying for. That's why basic economics texts often discuss a phenomenon called "limit-pricing," which means that many firms discover that it is smart to keep prices low and sacrifice short-term profit to avoid an intensification of competition and a possible decrease in long-term profitability.

In the current system, school operators see no downside to across-the-board funding increases. A child-based finance system would weaken pressures for government funding increases. In the competitive environment that would result from a children first system, school operators cannot stifle the market outcomes (like quality improvement and excess capacity) that can justify spending restraint.

EQUALITY, TARGETING, AND LOW INCOME ELIGIBILITY

Attempts to go beyond the high level of equal public funding required by the Texas Constitution's call for public free schools (a high minimum level of education opportunity) – to equalize gains rather than maximize them – have few equity benefits, and high efficiency costs. The trade-offs are severe. A family with greater earnings is going to have advantages. Efforts to curb them will torpedo key market

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forces. Paranoia that someone well off might benefit from the money disproportionately derived from taxes on the well off is partly responsible for the decisions in Milwaukee, Cleveland, and Florida to limit participation in voucher programs and to create price controls by banning private co-payments. Means-testing access (low income eligibility) to vouchers or voucher value would also greatly elevate the administrative and political complexity of a children-first school finance system. Means testing also falsely assumes that only the schools attended by the poor are in need of great improvement.¹² The entire school system – public and private, suburban and inner city – would benefit greatly from the incentives and freedoms of a children-first finance system.

Targeting also distorts the political process. For example, programs that target the poor are inevitably poor programs.¹³ Experience shows that if we convert school finance into a welfare program, we will gradually have a much poorer school system than if the middle and upper classes have a direct stake in it.

Compromising critical market forces to deny benefits to already well-off people appears especially foolish when you learn that there are not very many truly rich people.¹⁴ There aren't many families for whom thousands of dollars per year per child is a trivial expense. The families that pay most of the taxes deserve direct benefits from school taxes at least as much as the families that pay very little into the state treasury.

SUMMARY AND CONCLUDING REMARKS

Educating children is not synonymous with directly funding school systems. Indeed, there is mounting evidence that a system in which every major decision is a political issue undermines efforts to educate children despite good intentions by nearly everyone. Parental empowerment is a good idea because education outcomes take priority over preservation of systems and institutions. Parents should allocate public and private school funding because they know their children better than anyone and the choice-making process enhances parental involvement, and because the process creates the critical market forces that generate product diversification and maximize the rate of improvement.

Our current funding and governance process is so deeply ingrained that even critics worry that parental choice will undermine political support of 'public' schools. For example, education scholar Dan Goldhaber believes that the effect of “enhanced choice” on “support for traditional public schools” is a critical issue.¹⁵ He said that the authorities should consider linking voucher value to public school spending so that people “who opt out of the public system still have some incentive to support it.” But it is the children that need our support. It may not be possible to preserve a longstanding process except at their expense. That’s the message of at least the last twenty years of frenzied reform efforts that took longstanding governance and funding processes for granted. It’s also the message of research on private and public organizations’ reaction to disruptive change. Harvard scholars Clayton Christensen

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and Michael Overdorf¹⁶ found that inadequate organizational reaction to disruptive change is the norm. For example, “not one of the mini-computing companies succeeded in the personal computer business. Out of hundreds of department stores, only one became a leader in discount retailing.”¹⁷ Asked to apply their findings to the K-12 system, Christensen and Overdorf said “processes and values in K-12 really do make change virtually impossible in the current context.” This means that our persistent attempts to wring acceptable academic results from our longstanding school funding and governance processes amounts to hope triumphing over experience. Our children deserve better than just more of the same.

A children-first school finance system is a major policy shift, but it is not radical. It just means that Texas’ version of one of the world’s lowest performing K-12 systems would become a lot like the rest of our economy, the best in the world. It will show the way for the other 49 states.

ENDNOTES

¹ Quentin Quade, *Financing Education* (New Brunswick: Transaction Publishers, 1996).

² The “Quality Counts” special reports at www.edweek.com.

³ \$6,913 was the 2001-2002 total expenditure per pupil (Texas Education Agency) AIES report at: www.tea.state.tx.us

⁴ Most recently in the February, 2001 report of a presidential commission on national security.

⁵ My wife (then a teacher) received it in her school mailbox from her principal, and it appeared again in a July 10, 2001 Education Intelligence Agency Communiqué.

⁶ Jennings, Wayne B. 1998. Let's Ride the Wave of Change. *Enterprising Educators* 6, no. 2 (Spring): 1.

⁷ *Zelman* decision.

⁸ Much evidence indicates that zero government involvement is best. See, for example, Samuel Blumenfeld, *Is Public Education Necessary?* (Boise, Idaho: The Paradigm Company, 1981) and Andrew Coulson, *Market Education* (New Brunswick: Transaction Publishers, 1999).

⁹ Much smaller tax changes have produced significant effects: Leslie A Whittington, James Alm and H. Elizabeth Peters, “Fertility and the Personal Exemption: Implicit Pronatalist Policy in the United States,” *American Economic Review* 80, #3 (1990): pp. 545-556.

¹⁰ See Richard K. Vedder, *Can Teachers Own Their Own Schools* (Oakland, CA: The Independent Institute, 2000) for examples of such opportunities, and how they can reduce teacher resistance to K-12 overhaul.

¹¹ Describing a typical urban school principal, Rexford Brown noted that “his greatest frustration is his inability to hire and fire his own teachers. You're the boss, but you're not able to hire and fire your own employees”: Rexford G. Brown, *Schools of Thought* (San Francisco: Jossey-Bass, 1993): p. 104.

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¹² See Ted Hershberg, Ian Rosenblum, and Virginia Simon, “Adequacy, Equity, and Accountability.” *Education Week* 22, #23 (2003): pp. 48, 33; Daniel J. Singal, “The Other Crisis in American Education,” *The Atlantic Monthly* (November 1991): 59-74; “Dollars Don’t Mean Success in California District” *Education Week* (December 3, 1997) on the troubles of a California school district that spends \$12,100 per student; In San Antonio, community college-bound high school graduates must take the TASP test to determine if they can begin college courses without remediation. Thirty students from San Antonio’s wealthiest district, the suburban Alamo Heights District, took the TASP test in September, 1992. Of those 30 students, 22, 15, and 16 required math, English, and reading remedial courses, respectively. See also, Jay P. Greene, Paul Peterson, and Jiangtao Du. *The Effectiveness of School Choice: The Milwaukee Experiment*. (Program in Education Policy and Governance, Harvard University, 1997) for a description of Milwaukee’s dismal secular private schools; Kamrhan Farwell, “Money Doesn’t Always Equal High Test Scores,” *The Press Enterprise* (August 10, 1998) is about several California school districts; Exploding remedial education spending by businesses, community colleges, and universities; George Clowes, “The Dark Side of Suburban School Achievement.” *School Reform News* (January, 2000): 7.

¹³ This insightful phrase surfaces frequently. Milton Friedman said he heard it in a 1972 debate on Social Security from Wilbur Cohen, Secretary of Health, Education, and Welfare during the Johnson Administration (“Polemics and Exchanges,” *Chronicles* (December, 1998)).

¹⁴ Family income of \$75,000 is enough to put you in the top 10%. The truly wealthy are a tiny fraction of the population.

¹⁵ Dan D. Goldhaber, “School Choice: An Examination of the Empirical Evidence on Achievement, Parental Decisionmaking, and Equity,” *Educational Researcher* (December 1999): p. 16-25.

¹⁶ Christensen, Clayton M. and Michael Overdorf. “Meeting the Challenge of Disruptive Change,” *Harvard Business Review* (March-April, 2000): p 66-76.

¹⁷ Ibid.