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From Page:
4
4/16/2004
92159



GUEST COMMENTARY

5 180 60 270 Giving school choice a chance

Since the end of the last regular session of the Texas Legislature, the Special Committee on Public School Finance has been addressing the possible overhaul of Texas public school finance and searching for a successor to the flawed "Robin Hood" system crafted by a series of special legislative sessions in the mid-1990's.

*Guest
Commentary*

**JIM
WINDHAM**

Governor Rick Perry has been consistent in his message that we do not need "a bigger pie" and that simply a swap of one tax for another means of financing education is unacceptable. Why? Because it does not address some significant long-term questions about comprehensive education reform, which should be an integral part of any finance solution.

The Texas Education Reform Caucus, in its testimony before the Special Committee, said it best: "Texas has a great opportunity to take a giant step forward in K-12 school reform. The Texas Legislature should tie to a new school finance system that meets the needs of equity and adequacy bold, comprehensive reform legislation to take Texas to the

*Please see **Windham**, page 6A*





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 From Page:
 8
 4/16/2004
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Continued from Page 4A

next level of accountability. The Legislature must make it possible for school districts to drive accountability into the classroom and every corner of district operations.” I couldn’t agree more.

I submit the most effective way to do this is by ridding the education system of the perverse incentives that are by nature so deeply imbedded. In spite of all the good work in recent years establishing standards and accountability, the education delivery system remains primarily “input” and compliance-driven rather than “output” and performance-driven.

What will be required to induce such a massive cultural shift in public education? The introduction of competitive dynamics to the incentive structure through the adoption of comprehensive school choice, at least in our larger urban districts. This is the ultimate accountability system, and it would have the additional benefit of completely transforming school finance.

What are the primary objections? Most prominently, the opposition to

choice has done a good job of shaping the debate to focus on “draining” funds from the public schools.

My response is, first, it is difficult to make the case that public education is underfunded. Total annual public education operating expenditures in Texas approach \$7,000 per student, and total spending increased 43 percent over the five years ending in 2002 – more than twice the sum of enrollment growth and inflation over the same period. For example, the average annual cost per student in the Houston Independent School District is approximately twice the amount of the average annual tuition of all private and parochial schools in the Houston area ^ and this is typical of the other urban districts in the state.

So the funding already exists to finance competitive options to the current delivery system.

More importantly, in a truly competitive system the ultimate accountability is the power of the customer, parents and their children, to “vote with their feet.” Funding will follow the child. Remember that school choice already exists for those who are able to afford a private school or a

home in an affluent neighborhood with a high quality public school. The substantial majority of those left behind without such choices are relatively poor, inner city, and often minority children. We owe them the same opportunity.

In a choice environment, these dynamics will produce a supply of quality education alternatives to meet the demand. So well entrenched is the one-size-fits-all delivery system, with its top-down mandates and accountability, that we fear the dynamics of a deregulated market for education.

Will there be private school failures? Sure, but there are numerous failures in the current system that cannot begin to be rectified by continuing the existing perverse incentives favoring compliance over performance.

School choice in Texas can supplement the state’s top-down accountability system with a bottom-up accountability system.

Jim Windham, editor and publisher of the Texas Pilgrim, is a Texas Public Policy Foundation fellow.