

Opinion

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School audit reveals less than you think

BY JOHN R. LAPLANTE

Gov. Kathleen Sebelius and others welcomed the release last month of the Standard & Poor's report on 16 school districts. These schools have been dubbed "resource-effective" models for the rest of the state. But is the report as significant as some people say for pointing us toward excellent schools?

While the report depends on some sophisticated techniques, it cannot tell us how much money we should spend on education. That's because it evaluates an education market that lacks competition.

Each of the state's 300 local districts has the legal right to collect and spend all the money allocated for each student from within its boundaries. That's not a competitive environment.

In a competitive world, the companies we depend on to supply goods and services are forced, by competitive pressures, to innovate and excel. They must win us over by providing value for the dollar and superior performance.

It's not as if schools face no motivation to excel. The work ethic of teachers, pronouncements from politicians and public criticism can all encourage excellence. Still, these factors are not as powerful in fostering excellence as competition.

Wherever competition is the rule, institutions that do not perform well lose customers. They might even go out of business if they don't improve soon enough. In the world of public K-12 education, institutions that do not perform well get more money.

American colleges and universities already operate in a fairly competitive environment. That's because much of their funding comes through students who can take taxpayer-underwritten grants and loans across the state or country. The public funds students, not just institutions. It is no wonder then that the elite students of other countries come to study in the United States: Competition breeds excellence that is actually world-class.

Likewise, private K-12 schools, without a guaranteed stream of tax revenue, must compete for students. In the few circumstances where taxpayer funds are distributed through families first

and schools second, competition exists, and everyone benefits. Harvard University economist Carolyn Hoxby, for example, found that where public dollars follow the child, such as in Milwaukee, the performance of both private and public schools increases.

The 16 Kansas school districts identified by Standard & Poor's may be better than their peers at getting value for the dollar. But as Sebelius said, "Even these districts can do more. Everybody can do better with what they have."

The best way to do better with what we have, in virtually every sector of life, is not simply identifying the "best of class." It's to use competition. A vigorous charter school law, tuition tax credits, vouchers and other measures will ensure that schools excel through the means that other organizations excel -- competition.

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