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ABSTRACT

The five papers in this document first apply the criteria of adequacy, equity, efficiency, and liberty to financing school choice programs and then consider programmatic issues related to choice. Following an introduction by Suzanne Langston Juday entitled "Evaluating Education Finance Policy Decisions," section 1 consists of an overview by Patricia F. First on the policy questions surrounding school choice financing. Six choice plans are defined, and issues surrounding each program, such as the costs of transportation involved in magnet schools, are raised. Section 2 provides information about the provision for and funding of choice programs in the seven states of the North Central Region. Finally, three expert commentaries about financing school choice are presented in section 3. The commentaries are: "Fiscal Issues in Educational Choice," by Michael F. Addonizio; "A Commentary on Choice," by C. Philip Kearney; and "Financing School Choice," by Van D. Muller. Three tables and a chart are given. (15 references) (EJS)

School Finance Series

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Financing School Choice

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Includes Executive Summary

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Executive Summary

Introduction

Evaluating Education Finance Policy Decisions

Suzanne Langston Juday

State participation in financing public education began with the recognition that in virtually all states, state government has constitutional responsibilities regarding education. One outcome of this recognition was that a funding system should exist that provides students throughout a state the opportunity to receive some clearly defined educational services. Out of this philosophy came the "equalization formula" that reflected a set of values against which educational program availability and funding could be measured. These values are adequacy, equity, efficiency, and liberty.

Somehow, between the beginning of school finance as a concept and the present time, financing education came to be viewed as an issue separate from the provision of education services. The values and resulting criteria listed above were used to evaluate only the finance systems. Additionally, finance systems were frequently viewed very narrowly to include only the general state aid system and included funding for special programs only if they were part of "the formula" and only on a part of the equity issue. The focus of the evaluation was usually equity as defined by ability-to-pay measures. Thus, the adequacy of service delivery and fairness between funding for special education services and services for gifted and talented programs, for example, were not usually considered. Finally, the relationships between services and funding were not usually treated seriously and in-depth.

This set of papers apply these criteria more broadly in two ways. First, the criteria will be applied to financing choice programs and services. Secondly, these criteria will consider some of the programmatic issues related to choice and not just the finance component. Before applying these criteria, the reader may find the following brief review helpful.

Adequacy

Adequacy is an appealing word that may communicate something intuitively, but its application frequently leads to serious substantive debate. Alternative terms are sufficient, appropriate, etc. The essence of the word may be summarized by the question, "How much is enough?" Applying this idea to educational programs and services themselves requires that policymakers be clear about the size of the populations to be served, for one facet of adequate programming is serving all of the identified population. A second facet has to do with the level of programming. It is possible, for example, to serve all multiply handicapped students by placing them in classes of 50 students with one teacher. Virtually no one, however, would argue that this level of service meets the needs of a multiply handicapped student. The difficult task is identifying what level of services does meet students' needs, i.e., what level of quality is sufficient. Ultimately, the values of each state and community expressed through the political system at the state and local levels will define the qualitative level of adequacy. The fiscal task related to adequacy is simple once the program and service needs are clearly specified. Placing a price tag on staff, equipment, and supplies is a straightforward exercise in cost analysis.

Equity

Equity is quite simply, fairness. It is not necessarily equality. For example, requiring a rich person and a poor person (if all other things are the same) to pay the same dollar amount in taxes to support schools is not taxpayer equity, for the poor person would be paying a greater proportion of his/her income for this service. Providing an equal amount of funding for a 3rd grader with no special educational needs and a 3rd grader with one or more special educational needs would not be fair because either the dollars spent on the student with special needs would not be sufficient to meet these needs or the dollars spent on the student without special needs would be in excess of what was needed and perhaps could be better used in other ways.

Fairness suggests that those who are most able should pay more proportionately than those who are less able. Thus, responsibility for funding services becomes an issue. The state (all other things being equal) having the wealth of the state to draw upon is more able to pay for education than most individual local communities; wealthier communities are more able to pay for education programs than poor communities. State equalization formulas have been designed to provide fairness in funding recognizing differences in the ability to pay of "rich" or "poor" districts.

Efficiency

Efficiency is used here to mean cost effectiveness. It embodies both expenditure issues and educational effectiveness issues. It does not necessarily mean the least cost. The fact that similar school districts may have significant teacher salary differences does not necessarily imply inefficiency. In most instances, labor market theory will tell us that districts that are similar in all ways but teacher compensation are likely employing teachers of different "quality" with the "best" teachers employed by the higher paying districts. This does not mean that some excellent teachers cannot be found in low paying school districts, but that is usually because the teacher cannot or will not relocate and is not a violation of the basic labor market principles. Spending less and educating students poorly is not efficiency. Efficiency in this context is spending no more than necessary to educate students to a certain level. Efficiency measures allow us to compare across time and geography. Efficiency also encompasses the concepts of simplicity and stability. In summary, the ability to measure the cost of a program and the effectiveness of the program are basic to the notion of efficiency.

Liberty

Liberty is the ability to choose. It encompasses flexibility and creativity. Historically, debates on liberty have been focused on "local control," with local school districts generally maintaining that they have none. Certainly, it could be argued that districts with insufficient resources to provide effective programs have no control, while those districts with an abundance of resources have many areas of control. In recent years, however, liberty has also become an issue for students and parents. When and how should parents and students have some choice in the education process? What are the implications for equity, in particular, of a system that focuses more on liberty than in the past? Can a system allow equitable choices for students, parents, and the community as consumers of education?

The Problem

Historically, the relationship, and most often, the conflict between equity and adequacy have been highlighted in the context of limited resources. That is, if the combination of state and local taxes are insufficient to serve all students adequately, there must be some trade-off in quality of services or quantity of students served. The practical result has been a system that is frequently inadequate and inequitable in the aggregate, and as a result of the inequity, very inadequate in both dollars and services for some local school districts.

The terms adequacy (the notion of sufficiency in funding) and efficiency (the notion of best use of resources), while interrelated, have often been confused in the political rhetoric. While it is likely true that education resources could be more efficiently allocated in many instances, that does not necessarily mean that current resources would be sufficient upon the attainment of "ultimate efficiency." At the same time, it is unlikely that sufficient resources could be provided if many of those resources were being used inefficiently. The debate over increased funding has not historically occurred in the context of "how much is enough?" to meet the expectations placed on school districts if it is assumed that they are operating efficiently. Perhaps the primary reason the debate was not framed this way was that the relationships between educational program policy and finance policy were not historically clear and well defined. In summary, funding can be equitable without being adequate, but it cannot be adequate without equity unless resources are unlimited.

Part of the Solution: State of the Art Values Clarification

The application of a concrete definition of efficiency may allow adequacy and equity to be reconciled, rather than in continual conflict. Until and unless education systems, including but not limited to their finance components, are found to be increasingly efficient, i.e., educating students to a specified standard at the least cost, communities and legislators and governors are legitimately unlikely to be willing to increase funding that may be necessary to provide programs and services to meet the needs of all children. To be equitable and adequate with limited resources, programming and funding must be efficient.

These conflicts of values have existed for over half a century. However, the "state of the art" existing today may bode well for the future of finance policy and may allow a reintegration of education programming and finance policy. The "state of the art" includes improved technology, improved evaluation capabilities, and improved identification and measurement of effective educational techniques. Prior to the advent of computers, finance systems had to be kept as simple as possible. Today, the use of computers by most of the policy community allows expansion and increased precision in the use and understanding of data elements in finance formulas. Additionally, in recent years more and more of the characteristics of schools that are working well have been identified. While educators in the past have been bound by the notion that education was a black box and there was no clear relationship between "what went in and what came out," increasingly better information to help define what resources are necessary to meet identified education objectives, the tools to measure the effectiveness of the application of the resources and the technology to manage this information are now available. Finally, evaluation techniques are more refined than in the past and allow, as part of education information systems, the determination of the degree to which specific educational strategies are meeting the objectives of those who determine the objectives and thus allow better assessment of both adequacy and efficiency.

Partnerships

In addition to the basic philosophical and technical aspects of school finance, it should be emphasized that education and its funding are major political issues at the local, state, and federal level and thus are not addressed in a pristine, rational vacuum. As a result, each and every element of what could be a fairly straightforward pursuit of goals is debated. Two major reasons explain the debate: (a) differing values, e.g., the belief by some that equity is more important than efficiency, and (b) alternative measures of the factors that make the values concrete result in different distributions of state funds.

The history of the pursuit of these goals is similar from state to state with only the names of the players changing. Adversaries, each promoting a different mix of value priorities and some organizational self- preservation, have secured their positions in these debates. What should be clear by now is the fact that these divisions hinder rather than enhance the attainment of these goals as the environment in which the goals are pursued becomes more challenging and almost hostile due to the rapidly changing demographic, social, and economic dynamics. It may be that the attainment of the goals is dependent on moving from the adversary (us versus them) model to the partnership model within education and across human services agencies and levels of government and even across public and private sector boundaries. If it is true that the problems are not contained by these boundaries, why should solutions be expected to be so contained?

The presentation that follows is based on the assumption that finance is a component of the education system, not a system unto itself. It assumes that fundamental education policy decisions, e.g. which programs and services have been proved effective, are being addressed. At issue here is how the criteria traditionally applied to "finance systems" are addressed in developing plans to finance choice programs. The criteria include adequacy, equity, efficiency (simplicity and stability), and liberty (flexibility and creativity).

Section I - Overview

The Policy Questions Surrounding the Financing of Choice

Patricia F. First

In an overview (Section I) of policy questions pertaining to financing programs of choice, Patricia First begins by outlining the six basic types of choice programs found in the current literature according to the 1989 report from the Education Commission of the States, *A State Policy Makers Guide to Public School Choice*. They are: interdistrict choice, postsecondary options, second-chance, controlled-choice, intradistrict choice based on teacher-initiated schools, and magnet schools.

First defines each of the six plans according to the Education Commission of the States (1989)[1] and notes the use of specific language (equity, adequacy, and liberty) in these descriptions that correspond with the evaluating criteria set forth in the frontpiece of this study. The author states that when reviewing the policy questions connected with the many choice options, "it soon becomes apparent that there is both a demand side and a supply side to the issue. According to Elmore (1988), the demand side asks the question of whether the consumers of education should be given the central role in choosing their education. The supply side of the issue poses the question of whether the suppliers in education should be given the autonomy to respond to the consumers in a flexible way. How one answers these questions mightily affects the financing of public education."

First also references Elmore's statement "that policies affecting choice must be evaluated from both the supply and demand sides" and points out Elmore's method of breaking down potential policies regarding choice into four categories: finance, attendance, staffing, and content. She points out that by "organizing these four categories in various ways, alternatives can be constructed to the current prevalent system of local bureaucratic centralization." Additionally, she presents Elmore's matrix that graphically illustrates "the ways in which the elements of school organization can be rearranged to alter the relationship between clients and providers" using four finance system options (local centralization, school-site decentralization, co-operative contracting, regulated market) in relation to the four policy categories. First offers some explanations of the impact these systems would have on school district organization as we now know it.[2]

In her analysis of financing the six individual choice plans, First raises issues and concerns surrounding each program such as:

1. Interdistrict choice: transfer of either state or local monies from the district of residence to the new district; transportation costs; costs of distribution of information; equity in financing when a school is not chosen and low enrollment results

2. Postsecondary options: funding of both high school and post-secondary institutions; distribution of information; additional funding for increased planning and record keeping at both institutions

3. Second Chance: funding to age 21; "hard" state funding for alternative schools; funding for information, outreach, training and staff development

4. Intradistrict choice—Controlled choice: reallocation of funding between schools; extra costs of transportation, parent information, planning, technical assistance, and staff development

5. Intradistrict choice—Teacher-initiated schools: start-up costs; self-designed staff development

6. Intradistrict choice—Magnet schools: costs of transportation, improved facilities, material for special programs, additional staff and staff development; equity among schools

In summarizing, First warns that confusion of the goals associated with the fundamental values of liberty, adequacy, efficiency, and equity can lead to potential problems in financing choice programs. What choice can do, she believes, is provide state education the opportunity to "refocus on the relationships between services and funding" and suggests that perhaps "the massive restructuring that is needed if a state tr 'y turns to choice presents means to rejoin these issues."

Section II - State Information on Choice Programs

In Section II, a study of choice programs in the seven-state North Central Region (Illinois, Indiana, Iowa, Michigan, Minnesota, Ohio, Wisconsin) revealed that for school year 1988-89 **Illinois, Indiana, Michigan,** and **Wisconsin*** had no interdistrict choice programs in effect or proposed. **Iowa** was in the implementation stage of a interdistrict choice program. **Minnesota** has several plans currently operating including high school graduation incentives for students who want to study in alternative settings, a post-secondary enrollment program for 11th and 12th graders seeking college course work, and the open enrollment program that allows any elementary or secondary student to attend any school in any district of their choice. In addition, a variety of information dissemination methods are used to inform students and their parents of available options. **Ohio** is in the pre-implementation phase of its interdistrict choice program scheduled to begin during the '92-93 school year. Noted in this section is the scarcity of available data on current or proposed programs, confirming a problem raised by First in the overview.

* Wisconsin has a plan that calls for choice among public and non-public schools for low-income students within the City of Milwaukee.

Section III - Expert Commentaries

Michael F. Addonizio

Section III begins with commentary by Michael F. Addonizio, "Fiscal Issues in Educational Choice," in which he calls for a choice system that will allow all schools an equal opportunity to compete in a "new academic marketplace" that will emerge. Choice can enhance educational quality and opportunity for some children, but must be combined with parental and community involvement and sufficient resources to allow competition if it is to prove successful.

Addonizio presents models of public choice alternatives ranging the gamut of educational innovation from "minischool" within a particular school site to interdistrict open enrollment. He also addresses, in detail, some basic fiscal issues connected with many of the approaches that are currently being proposed such as: Should revenue follow the student? How will categorical dollars be distributed? Will discretionary funds be made available to poor schools to enable the efficient among them to compete for students? (and) Will individual schools be permitted to exceed the base spending level?

Addonizio concludes that the list of questions concerning financing of choice plans will grow as the list of options expands. He predicts the movement toward choice programs will be slow despite the amount of attention this issue presently commands and sees the maintenance of "tax equity while broadening local and individual (educational) options" as our primary challenge at present.

C. Philip Kearney

In his commentary, C. Philip Kearney outlines three points to keep in mind while evaluating choice programs.

1. Both the business community, which sees choice as a way of increasing efficiency through competition, and citizens, who believe that parents should have some power, rights, and liberty in making decisions regarding their children's education, are bringing pressure to bear for increased choice in our educational system.

2. There is a danger in focusing too keenly on what is currently the "most visible and highly touted side of the choice question, namely, what it is that state governments are doing—or not doing, and principally what it is that they are doing with regard to interdistrict choice."

3. It is too often forgotten—or conveniently overlooked—that there are at present a wide range of choices already available in public schools across the nation, i.e., choice of tracks, courses, activities in secondary schools; and in larger districts—magnet schools, special purpose schools, and the like.

Kearney calls for "systematic analyses of experiences to date with interdistrict choice" since there is little research available on the results of the programs already in place. He sees no definitive evidence from information now available from the three states in the North Central Region that interdistrict choice programs in place or under development have been successful in meeting the conditions of success set down by knowledgeable analysts in the areas of financial equity, information dissemination, and equity for students differing in family income, race, and ethnicity.

In conclusion, Kearney believes that "the jury is still out on all three counts—equity in financing mechanisms, adequacy of information, and fairness in treatment." He sees a need for thorough and systematic data collection so that analysts can present valid opinions on state level approaches to financing interdistrict programs of choice and calls for states in the region to explore and experiment, perhaps collaboratively, with various models for fair and sufficient funding of choice programs.

Van D. Mueller

The third commentary by Van D. Mueller proposes "the use of choice as a framework for improvement of school finance equity" and looks at this issue as "an 'opportunity' for the states to provide 'equity funding.'" He focuses on the areas of (1) choice in relation to current problem areas in general education funding, (2) funding for new areas when implementing choice programs, and (3) re-defining local control and school district structure.

Mueller points to the present issues of unevenness of taxation, distribution of resources, and access to educational services; the inadequacy and unfairness of capital outlay and debt service funding systems; and the funding of pupil transportation. He believes that these disparities "create a very uneven playing field in which to enact or implement choice programs—particularly those like open enrollment which permit parents to choose schools outside their district of residence."

New programs such as expanded parent education, development and dissemination of information on available choice options, and/or regional and state-level information exchanges are just a sample of the cost-incurring programs that are emerging, according to Mueller. In addition, there is the expense of improved high quality programs that may include "lowering class size, inventing new program emphases...and generally seeking improvements in...program quality and student opportunity."

The commitment of NCREL States to "highly decentralized organizational structure," according to Mueller, makes the challenges of creating fair, equitable, and adequate school finance systems more difficult. He notes: "While it is often argued that choice and competition are means of avoiding the issue of resources, it seems clear that policymakers have failed to address an out-dated school organization structure and school funding system. The presence of the current unevenness and inequities in access to school services are not the creation of new choice programs."

Mueller concludes "that one (maybe the most significant) " outcome of choice will be an improved educational finance system but believes that in order for choice programs to be successful, the finance system must provide fair, equitable, and adequate educational opportunities to all students. He comments that in addition to providing the opportunity for fair and equitable funding systems, choice can enhance communications with parents and communities and increase parent education services, and "enable the development of a new definition of local control...that rejects parochialism and provides a commitment to high quality education to all children and youth regardless of location of residence." This will result in the need for additional expenditure but will also provide opportunities to "create a more just school financing system."

Notes

[1]Education Commission of the States (1989). A State Policy Maker's Guide to Public School Choice. Denver: Author.

[2]Elmore, R.F. (1988). "Choice in Public Education." In Boyd, W.L. and Kerchner, C.T. (eds.), *The Politics of Excellence and Choice in Education*, pp. 79-99. New York: Falmer.

The Policy Questions Surrounding the Financing of Choice

Patricia F. First

The debates about choice and the policy questions surrounding its funding operate on many levels. At the extreme of practicality, some say choice (however they are defining it) will not cost more money; others say it cannot be accomplished without large infusions of new money. At the extreme of extravagance, the argument rages over choice (however they are defining it) as the panacea for all the ills of public education to choice as the demon of destruction for public education. Everywhere in between, above and below, other arguments are carried on at various levels of abstraction.

Thus, an overview of the policy questions surrounding the financing of choice also seems like a muddled mixture of the practical and the philosophical. The data being considered by the states involved in this regional study tends toward the practical, and so this overview will attempt to place some structure of meaning around the practical questions.

Though there is no denying that a discussion of the fundamental institutional structure of funding public education through choice is a topic on the mind of every educational politician these days, the uses of the term vary and much confusion reigns as to what the concept really means. At the 1989 President's Education Summit with the Governors, the participants in the Working Session on Choice and Restructuring looked to choice to both improve student performance and empower parents and teachers. Choice was also seen as the answer to restructuring the schools to reflect the current needs of our society and to move the school system away from a 19th Century agrarian model. In this finance study, we are not looking at choice as the ultimate answer in education reform, although we may wish to define choice broadly and include all its various manifestations in our work.

Different kinds of choice plans are described throughout the literature. All of the plans fall into one or more of the six different basic types that are described below (ECS, 1989). The language of equity, adequacy, and liberty can be seen throughout these descriptions.

Overview of Choice Options

The structures of <u>interdistrict</u> choice and <u>postsecondary options</u> plans emphasize the right of families to choose among existing public schools. It is assumed that school improvement will follow from the competition choice creates among schools. To insure that all families have equal access to these choices, the plans require special guidelines regarding transportation, admissions, and parent information.

Second-chance plans extend interdistrict choice and postsecondary options to at-risk youth as well as offer them alternatives to traditional schools, thus increasing their range of educational options. In doing so, the plans provide improved learning opportunities for participating students with equity and school-improvement issues a secondary concern.

Controlled-choice plans, which require all families to choose the school their child attends, emphasize overt commitment to equity. To insure that all families have access to schools of acceptable quality, plans must incorporate special provisions for implementing school-based improvement. Because of the priority given to racial balance, parental freedom to choose a school is limited by the requirements of that goal.

An **intradistrict choice** plan based on teacher-initiated schools views parental freedom as a necessary adjunct of school improvement but features school restructuring as its centerpiece. In such plans, special efforts would be required to insure that diverse schools are accessible to and equitably serve all families within a school district.

Magnet schools set school improvement and family choice within a framework that allows some district families to choose from a handful of schools with special resources. Because not all students in a district can attend a magnet school, inequities can be overcome only when all schools in the district are "magnetized."

A Framework for Discussion

When one looks at the fundamental questions in any of these educational choice plans, it soon becomes apparent that there is both a demand side and a supply side to the issue. According to Elmore (1988), the demand side asks the question of whether the consumers of education should be given the central role in choosing their education. The supply side of the issue poses the question of whether the suppliers in education should be given the autonomy to respond to the consumers in a flexible way. How one answers these questions mightily affects the financing of public education.

When choice in education is discussed these days, as it was at the 1989 Education Summit attended by the Governors and the President, the emphasis is on the demand side—the right of the parents to choose the appropriate education for their child. But Elmore emphasizes that policies affecting choice must be evaluated from both the supply and demand sides. He also emphasizes that policies affecting choice must take into account the democratic ideals of public education as well as the individual preferences of both suppliers and consumers. Elmore breaks potential policies regarding choice into four discrete categories: finance, attendance, staffing, and content. By organizing these four categories in various ways, alternatives can be constructed to the current prevalent system of local bureaucratic centralization. In this regional study, we have the luxury of contemplating the finance category, but we must be cognizant of the interaction of the other three categories.

Elmore then concentrates on the ways in which the elements of school organization can be rearranged to alter the relationship between clients and providers. His Table 1 illustrates some choice options. Note how different three of the four finance options are from the systems we now know. Most discussions of finance and choice assume that the money either goes to the district, i.e., through centralized administrative systems or that the money would go directly to parents in the form of vouchers or tuition tax credits. But notice that in Elmore's table we are offered two alternatives that can influence the relationship between consumers and providers, and this table is no way meant to be exhaustive. In lump sum allocations to schools, each school is

Table 1. **Illustrative Choice Options**

(Source: Elmore, 1988)

SCHOOL ORGANIZATION

Element	**Local Centralization**	**School-site Decentralization**	**Co-operative Contracting**	**Regulated Market**
Finance	Payments to districts; centralized budgeting	Lump-sum payment to schools; decentralized budgeting	Contracting with consumer or producer co-operatives	Payments to clients
Attendance/ Staffing	Central assignment with centrally administered exceptions	Centrally administered matching	School-level selection; minimum regulation	School-level selection; minimum regulation
Content	Central rulemaking; decentralized implementation	School-level planning; decentralized rulemaking and implementation	Examination-driven	Consumer-driven

treated as its own revenue center. Accompanying powers could more or less distance the concept from centralized financing.

Financing through contracting is unique in that the contractor is not necessarily a subordinate unit of the contracting agency. For example, contracting arrangements could be made with various consumer cooperatives or provider cooperatives. These options do raise the question of what a school district could mean. Elmore suggests some remaining roles for school districts and school boards, such as defining an acceptable definition of school within the district, but it seems that the natural extension of choice this broadly defined is the elimination of school districts and school boards as we know them. They would simply become structural dinosaurs if allowed to remain. In their absence are financial savings possible, and/or are redistributions possible with more tax money going directly to the teaching and learning process?

An important point to be gleaned from the Elmore piece is that the locus of control of education can be shifted many ways—to the provider as well as to the consumer. Lump-sum allocations and contracting represent the use of finance to shift the locus of allocation decisions from central administrators to providers. Vouchers and tax credits represent a shift to consumers. The financing of consumer co-operatives is a hybrid, a mechanism for funding consumers in an organized capacity (Elmore, 1988).

We can use Elmore's table to broaden our thinking as we consider some of the specific financial policy questions that arise with each of the six kinds of choice. In considering choice, we are led into a discussion of the fundamental institutional structure of funding public education. Nothing much, then, can be left unquestioned or untouched.

Finance Related Policy Questions

Interdistrict Choice

In considering interdistrict choice, questions related to the supply side come to mind first, such as: Will the state transfer general education revenue and capital expenditure revenue from the resident district to the new district? Should there be any extra funds to the receiving district? Does this depend upon whether or not the formulas are already equalized? Whose responsibility is transportation? (The Governors at the Summit kept coming back to this problem in the discussions of choice. Though it is only one of the finance issues involved in choice, it is a very visible one, and one that everyone can see and understand. Therefore, it will probably continue to get more than its share of any political discussions about choice.) Also to be considered is the more long-range problem of planning and financing school construction. At the President's Summit, the Governors were also concerned with federal funding, for instance, whether or not Chapter I funds would follow the student.

The distribution of information is potentially a major cost. If this responsibility is left to local districts, an equity question may arise if poor families do not receive sufficient information for making decisions. The need for parental information and how parents make choices (the demand side) is discussed in an article by Maddaus (1990). There is also an equity problem for schools losing students due to choice options. A long slide into oblivion means years of poor education for the children who remain if the school's financing continues to be based on enrollment levels. Such problems might, however, serve the interests of the state in another way by moving small, underfunded districts toward consolidation.

Postsecondary Options

Finance concerns in postsecondary options also fall on the supply side and include: Should both the high school and the postsecondary institution be funded? Should state funding be divided between the two? Though perhaps equitable, would dual funding discourage the competition that is at the philosophical heart of choice?

Information is again an issue. If information provision is not state mandated and state funded, all students do not have an equal opportunity to participate. Is there to be subsidization for college tuition? Again, an equity as well as a finance issue is raised.

There is also the question of whether additional funding should be available to either the sending or receiving institution or both to cover the increased planning and record keeping costs.

Second-Chance Program

Second-chance programs can face the same financial problems as inter-district choice plans where finance inequities already exist or where the state share of per-pupil expenditures is low. If second-chance programs are to mean alternative schools, "hard" state funding must support these kinds of schools that have traditionally existed on "soft" money. Information, outreach, and communication all become even more crucial in second-chance programs as does multicultural sensitivity. Some hidden costs here could be training and staff development.

Other finance questions arise regarding second chance programs: Should public funding be extended to age 21? Longer? Considered here could be vouchers for life-long learning to be cashed in at any age. Should alternative programs receive supplemental funding because the challenges are greater? Does the state need to be sure that a certain number and/or variety of alternative programs are created and maintained?

Intradistrict Choice: Controlled Choice

Though intradistrict choice does not involve the movement of funding between districts or systems, it may lead to the reallocation of funding between schools. Extra costs will include transportation, parent information, planning, technical assistance, and staff development. Philosophically, controlled choice assures that all schools are magnet schools, so "special funding" for magnets is not an issue. However, providing enough money to make all schools the quality of magnet schools is a very big issue that has been raised by the administrators in New York's Community District 4. There, most of its highly publicized successful alternative schools have benefitted from extra funding including millions of dollars from the federal Magnet Schools Assistance Grants Program and its predecessor—the Emergency School Aid Act. The extra funding enabled administrators to hire more teachers, reduce class sizes, and helped provide materials and equipment to develop the thematic programs offered in many of the district's schools. District 4 administrators have stated the opinion that choice doesn't mean anything without small schools and that choice cannot improve schools without major infusions of new money (Education Week, 1989).

This view that choice cannot succeed without large amounts of new money is disputed by others. (See, for example, Walberg, 1988)

Intradistrict Choice: Teacher-Initiated Schools

This plan has as its long-range goal the magnetization of all schools, and thus its financial questions parallel those in controlled choice. The difference here is in the cooperative management of the school by a group of teachers with shared vision. Thus, continued self-designed staff development might be a substantial additional cost. Start-up costs could also be particularly high. The demand side questions and considerations of satisfying a clientele are similar to those in magnetized situations.

Intradistrict Choice: Magnet Schools

From years of desegregation efforts, we have much material on magnet schools. They do often cost more. The additional costs come from transportation, improved facilities, higher material costs for special programs, additional staff, and staff development. Equity issues are so tightly interwoven with finance questions here that it is difficult to list finance issues alone. The basic finance question is whether magnets will receive ongoing funding above that of the regular school programs or whether magnet funds should be distributed across all schools in a district in an effort to magnetize all schools. The consumer questions, the issues of satisfying the needs of specialized clientele, raise the demand side of magnet school policy consideration.

Conclusions

In all of the six options described and discussed above, choice, as an instrumental value serving the sovereignty of citizens in a democracy, surfaces as the fundamental value. Marshall, Mitchell, and Wirt (1990) call the choice value the most fundamental of all American political views. In this study we have called it liberty. The other fundamental values that interact with choice in the financing of American schools are quality (or adequacy), efficiency, and equity (Marshall, Mitchell and Wirt, 1989). Confusion of these values and the goals associated with them is a potential problem. For instance, choice can be doomed to failure if success is equated with efficiency instead of providing choice (Hickrod, 1989).

Turning to choice can be an opportunity for states to refocus on the relationships between services and funding. As pointed out in the opening piece of this study, the financing of education has come to be viewed as an issue apart from the provision of education services. The massive restructuring that is needed if a state truly turns to choice presents a means to rejoin these issues.

Under the name *liberty*, meaning flexibility and creativity, choice has been a traditional criterion for the evaluation of state school finance systems. The difference now is that choice (or liberty) is now spoken of as choice for parents and students rather than as local control for communities and school boards. That the concept has long been with us is important as we examine the policy questions surrounding the financing of choice.

More and more varied choice plans are being suggested in the various states and within large urban systems. Clearly, the financial questions surrounding choice plans merit continued study, discussion, and policymaking, because as Elmore (1988) reminds us, under the supply and demand questions surrounding choice is questioning about the overall democratic ideal of public education.

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School Choice in the NCREL Region

The preceding section identified some of the fiscal issues associated with the implementation of educational choice programs. This section provides information about the provision and funding of these programs in the seven states in the North Central Region, three of which have statewide interdistrict choice programs in statute.

The purpose of this information is to provide a summary of the basic elements of these interdistrict choice programs. Additionally, the data illustrate some points made in the commentaries that follow.

The reader may note that many elements of the data that were sought are not currently available. This highlights some of the data collection issues identified by Patricia First in the preceding overview of school choice.

Illinois: No interdistrict choice program in effect or proposed.

Indiana: No interdistrict choice program in effect or proposed.

Iowa: Iowa is in the early implementation stage of its interdistrict choice program. Applications are being taken for participation, but data are very limited concerning the impact of the program.

Michigan: No interdistrict choice program in effect or proposed.

Minnesota: Minnesota has several types of choice programs underway. They include high school graduation incentives for high school students who want to study in alternative settings for learning, the postsecondary enrollment program for 11th and 12th grade students who want to begin taking courses in college, and the open enrollment program that allows all Minnesota elementary and secondary students to attend the school of their choice in the district of their choice.

A wide variety of information dissemination approaches are being utilized to educate parents regarding the options. These approaches include a statewide phone hot line, information placed in AFDC checks, ads on food bags, information exhibited at the state fair, public service announcements, press releases, brochures, and individually developed district approaches.

More detailed information is being developed as part of an evaluation by the U.S. Department of Education.

Ohio: Ohio is in the early pre-implementation stages of its interdistrict and intradistrict choice programs. Data are very limited concerning the impact of the program. Intradistrict and interdistrict open enrollment will be implemented during the 1992-93 school year.

Wisconsin: No interdistrict choice program in effect or proposed, however, beginning in 1990-91 under specified conditions, certain students from low income families in Milwaukee will be able to attend schools of their choice including non-sectarian private schools located in the city.

NCREL Interdistrict Choice Matrix: Fiscal Issues

	Iowa	Minnesota	Ohio
1. Level of funding to receiving district from state	None (see #3 below)	State per pupil funding level of receiving district. *	State per pupil funding level of receiving district.
2. Transportation funding paid by:	Not separately funded. Parents transport to boundary of receiving district. Receiving district then transports.	Responsibility of receiving district. Parents transport to boundary of receiving district. Aid for low income available for some of options programs.	Primarily by parents. Some state funding.
3. Level of funding paid to receiving district by sending district	Lower of per pupil funding (state & local) for sending or receiving district.	None	Local revenue per pupil of sending district.
4. Kinds of information about options provided to parents	Parents have "choice" of any public school district in the state.	Hot lines. Information in AFDC checks. Public Service Announcements.	Under development.
5. Information costs assumed by:	In process of being determined.	State, sending and receiving districts.	Sending and receiving districts.
6. Stage of implementation	Effective in 1990-91 school year	Currently in implementation stage.	Fully in effect in 1992-93 school year.
7. Financial consequences sending district	Loss of no more than sending district's per pupil costs.	Loss of state per pupil allocation. *	Loss of state and localper pupil allocation.

* ***This approximates the amount the district would have received in equalized state and local funds.***

Editors Note: Illinois, Indiana, Michigan, and Wisconsin have no interdistrict choice programs in effect or proposed.

Fiscal Issues in Educational Choice

Michael F. Addonizio

One of the most important developments in education policy in recent years is the resurgence of choice as an idea in good standing. In view of the popular rejection of vouchers and tuition tax credits during the late 1970s and early 1980s, the current emphasis on choice is also somewhat surprising. We are, however, a society that attaches great importance to individual choice, so it is perhaps more surprising that we have endured so long with a system of public education that severely limits choice, not only of school building, but of teacher, curriculum, and school schedule.

We are thus embarking on uncharted waters, but we are not without some guidance. One lesson from our experience with choice in the context of magnet schools is that democratic schooling is service by schools that are different but not of unequal quality. A system of elite magnet schools and inferior traditional schools serves neither liberty nor equality. A choice system must provide all schools with an equal opportunity to successfully compete for students in the new academic marketplace. Short of this, a choice system could further isolate poor children who are left out of the process. Choice can enhance educational opportunities for some children and improve education quality generally by fostering competition among schools. Choice alone, however, is insufficient to strengthen our public schools. Parental and community involvement, along with resources needed to make all public schools competitive in the new academic marketplace, are essential if choice is to succeed.

Models of Choice

One choice model would involve the abolition of local school districts. Public education would be supplied by individual schools, fully state funded. Elementary school principals, in consultation with parents and teachers, would decide who to hire, how much to pay them, when school will be held, and what teaching methods would be employed. Secondary schools would supplement the basic and vocational education offered at the elementary level with programs paid for with education coupons purchasable by parents at any school in any amount. In order to ensure equal educational opportunity, a household's coupon price would be inversely related to family income and family size.

Specific proposals for choice, however, are neither this simple nor this radical a departure from a current practice of local public education monopolies. Public choice alternatives range from interdistrict open enrollment, the most inclusive and innovative of our current models and which require the interdistrict flow of funds, to "minischools," which would provide education alternatives within a particular school site but require no transfer of funds across district lines or school sites. Alternative choice models falling between these extremes include post secondary options, which would allow students (typically juniors and seniors) to take courses at neighboring postsecondary institutions instead of attending high school; mini-vouchers redeemable for specific services, other than basic or vocational education, outside the district;

"second chance" schools for students who have dropped out or are likely to do so; magnet schools; private contractors (for particular, specialized courses such as foreign language instruction, fine arts, etc.) and within-district open enrollment.

Fiscal Issues

The greatest challenge in financing choice is posed by those programs that entail the movement of pupils across district boundaries, but each model has its own financial issues. Generally, choice raises the following finance-related questions:

1. *Should the revenues follow the student?* This issue is important whether the student moves across district boundaries or merely from one building to another. The answer is not obvious. The marginal cost of educating an additional student may be negligible in most cases, while the marginal cost reduction of losing a student is likewise near zero. Thus, one could argue that a system in which the money (however calculated) follows the child provides a windfall for the receiving district and a loss to the sending district, thereby exacerbating quality differences between the two schools and encouraging further transfers. Eventually, however, a sufficient accumulation of transfer students will necessitate additional resources in the receiving district if program quality is to be maintained.

These microeconomic issues have elicited mixed state responses among midwestern states. In Ohio, only state aid follows the child, while in Minnesota total base funding flows to the receiving district. Iowa has established that the lower of the sending or receiving district's base funding follows the child. This matter is made more complicated by the existence of interdistrict fiscal disparities. Assuming average cost funding is desired, a student moving from a low- to a high-spending district will bring "insufficient" total base revenue to the receiving district.

2. *How will categorical dollars be distributed?* In Iowa and Ohio both special and compensatory education aid follow the child, while in Minnesota only special education aid flows to the receiving district. Given the mandatory requirement for special education, such funds should follow the child. The distribution of compensatory funds, however, is not so clear. For example, federal Chapter I funds are distributed to local districts on the basis of the number of children in low-income households. However, children are eligible to participate in the program solely on the basis of their educational disadvantage, not family income. If a family elects to send their educationally disadvantaged child to a school in an affluent district, should the child's compensatory education allowance follow? One could argue persuasively that the allowance should remain in the district with the high concentration of low-income children.

3. *Will discretionary funds be made available to poor schools to enable the efficient among them to compete for students?* That is, will schools that are currently low-spending as compared with would-be market competitors in a choice system be provided additional resources or greater budgetary discretion in order to successfully compete for students? Put another way, will existing fiscal disparities across school buildings be

reduced. Choice is intended to make schools more efficient through competition but not at the expense of equity and adequacy. States must require that all schools provide a high-quality basic education necessary for individual fulfillment, economic independence, and participation in democratic government. Presumably then, states should guarantee all schools a basic level of per pupil funding, perhaps by means of a high-level foundation formula and additional resources for academic specialization.

4. ***Will individual schools be permitted to exceed the base spending level? If so, from where will the revenue come?*** A district-level property tax would be problematic in an interdistrict choice system, since the children in any one school may live in several property tax jurisdictions. Uniformity requirements would generally preclude the levy of differential property tax rates within a jurisdiction. Income taxes, on the other hand, are often modified according to individual circumstance (e.g., deductions or credits for dependents, property tax relief, etc.) and could be used to finance building-level programs if power-equalized by the state.

Conclusion

The finance issues presented above comprise only a partial list. The list becomes longer as the choice model is broadened. For example, will building principals be allowed to assume the role of entrepreneurs, choosing whom to hire, how much to pay, what to teach, how to teach it, and when? Such a system would thrust principals into the role of suppliers in an education market, seeking to balance revenues and expenditures and maximize sales by meeting consumer demand. Actual movement toward increased consumer choice in public education, however, will undoubtedly continue at a slow pace despite the considerable attention the topic now commands. Our immediate challenge is to maintain tax equity while broadening local and individual options regarding the kind and amount of education available in the public sector.

A Commentary on Choice

C. Philip Kearney

How are programs of public school choice faring in the North Central Region? Are the constituent districts of the several midwestern states that make up the region moving aggressively, cautiously, or not at all, to adopt policies and implement programs of choice? For those states that have moved in these directions, what can we say about their experiences to date?

These questions serve as the major focus of the previous pages and readers undoubtedly are now beginning to fashion or re-fashion their own views, to draw their own conclusions, on the desirability and viability particularly of interdistrict choice programs. Yet, as we begin to answer these and similar questions, and to develop informed responses to ever increasing pressures for programs of choice in the public schools, it is well to reiterate three points.

First, pressures for increased choice arise from two different—but not mutually exclusive—camps. One camp is made up largely of representatives of the business community who see in choice an instrument for increasing the efficiency or productivity of the schools. They argue that competition induces increased efficiency. For them, programs of choice—and particularly programs of interdistrict choice—represent a remedy for what's wrong with public schooling. The other camp is made up largely of those citizens who see in choice the embodiment of the long cherished notion that parents ought to have some power, some rights, some liberty in choosing the type and quality of schooling that will be provided their youngsters. They argue that American society has surrendered too much responsibility for schooling to governmental bureaucracies and professionalized institutions.

Second, in attempting to get a clear fix on what is going on with programs of choice, there is a danger in doing what we are doing in this present review. We are focusing largely on what is currently the most visible and highly touted side of the choice question, namely, what it is that state governments are doing—or not doing, and principally what it is that they are doing with regard to interdistrict choice.

This gives rise to a third point. What's often forgotten—or perhaps conveniently overlooked—is the broad range of choices already available to students in the public schools of the North Central Region and, for that matter, all other regions of the nation. Choices, at least within school choices—and to some extent within district choices—have been provided rather extensively over the years. Most students, particularly at the secondary level, exercise some choice in the tracks or programs they follow, the courses and subjects they pursue, the activities in which they engage, and so on. We see, particularly in the larger districts, magnet schools, special purpose schools, continuation schools and the like. As Elmore (1990) has argued, it is not choice vs. no choice, but rather a question of "evening up the rules." It is a question of who has choice and how choice gets distributed. In that sense, it may be an equity issue much more than an efficiency issue.

With these three points in mind, we comment briefly on the experiences to date with state level approaches to programs of choice. In terms of adoption and implementation of interdistrict choice programs, Minnesota far and away leads the North Central Region followed by Iowa and Ohio. The four other states of the region—Illinois, Indiana, Michigan, and Wisconsin—may be contemplating some state action, but no one of them has yet adopted legislation dealing with the issue.

Much remains to be done, particularly in terms of mounting systematic analyses of experiences to date with interdistrict choice. There is yet little definitive information on the consequences of these programs. There is no demonstrable evidence that schools in Minnesota—or in the other two states—have become more efficient or more productive as a result of interdistrict choice programs. The question of whether these programs have had an influence on student learning or other desired student outcomes remains unanswered, at least at present. It is true that options now have become available to those students and parents interested in exercising interdistrict choice, but participation to date appears to be relatively small. A counter argument, of course, is that there has been greatly increased participation in the programs of choice; the vast majority of parents and students—for one reason or another—simply have chosen to continue in their present schools.

However, judging from what information is available, neither Minnesota, Iowa, or Ohio appear to have fully met the major conditions that knowledgeable analysts argue are necessary to ensure the success of interdistrict choice programs (Odden, 1990; Levin, 1989). Current financing arrangements in the three states do not appear to have satisfactorily resolved the many problems arising from existing disparities in interdistrict per pupil expenditures, the question of whether categorical and discretionary aid should or should not follow the student, nor the issue of who should assume the costs of transportation.

While Minnesota in particular seems to have mounted a substantial information program, there is still little evidence of comprehensive, individual school-based information being available to parents and students. Without such information, it is difficult to know that choices are available much less to make informed decisions about such choices.

Finally, because of the newness of the programs there is, perhaps understandably, little information on whether the programs are ensuring fair treatment of students who differ in family income levels, race, and ethnicity.

In effect, the jury is still out on all three counts—equity in financing mechanisms, adequacy of information, and fairness in treatment. It is of increasing importance that information be gathered systematically and comprehensively so that the jury, or juries, can render valid decisions on the desirability and viability of state level approaches to interdistrict programs of choice. It also would be well for the states in the region—perhaps collaboratively—to explore and experiment with alternative models for equitably and adequately financing programs of interdistrict choice. Odden (1990) has suggested one particular approach that is worth considering. Certainly there are others. Unless these developing programs meet reasonable fiscal equity standards—for both pupils and districts—they hold little promise of becoming other than what Moore et al. (1988) has called "the new improved sorting machine."

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Financing School Choice

Van D. Mueller

This paper is about the issues, opportunities, and concerns associated with school choice and the financing of schools. It is about the use of choice as a framework for improvement of school finance equity. The argument will be made here that financing choice provides an opportunity for the states to provide "equity funding." The following commentary focuses on three areas: (1) choice and continuing problem areas in general education funding; (2) new areas to fund when implementing choice programs; and (3) concerns about school district structure and the need to re-define local control.

During the period beginning in 1985 when Minnesota Governor Perpich's "Access to Excellence" initiatives were introduced, the author of this commentary was actively involved in support of choice programs. As volunteer lobbyist for the Minnesota PTA (an early choice supporter), he testified in support of the several Minnesota choice proposals as well as before the National Governor's Association Task Force on Parent Involvement and Choice. The author is also currently involved in both Minnesota and North Dakota school finance equity lawsuits as a consultant to the plaintiff districts.

Continuing School Financing Problems

North Central Regional Educational Laboratory (NCREL) states continue to wrestle with problems of financing their elementary and secondary schools. Disputes over equity funding have been in the courts recently in Michigan and Wisconsin. The school financing system in Minnesota is before the court and it is expected that a legal challenge to current funding practice will be filed soon in Illinois. In each of the legal challenges attention is called to unevenness of taxation, unevenness in distribution of resources and unevenness in access to educational services. Variations in general education funding practices create a very uneven playing field in which to enact or implement choice programs, particularly those like open enrollment that permit parents to choose schools outside their district of residence. The extent of intrastate disparities in expenditures per pupil for NCREL states is illustrated in Table 1. The ratio of the difference in spending between the averages of the 10 highest and 10 lowest spending LEAs varies from a high of 2.8 in Ohio to a low of 1.3 in Iowa. The second measure of expenditure disparity shown in Table 1 is the coefficient of variation for expenditures per pupil among the LEAs in each NCREL state. Again, the differences in expenditure between the school districts within each state is considerable.

Along with less than fair and adequate general education funding systems, choice is being considered and implemented in states where capital outlay and debt service funding systems are inadequate and unfair. The historic reliance on the property tax to finance school facilities and equipment accompanied by a minimal level or total absence of state funding results in a real dilemma if students are to be relocating from school district to school district. The unfairness of the current system is simply exacerbated.

Table 2 illustrates the continued reliance on local revenue sources (mostly the property tax) in NCREL states. Only in Minnesota and Indiana do local taxes provide less than 40 percent of school revenue. In Illinois, Michigan, and Wisconsin over half of available school revenue is generated by local taxes.

Table 1. **Data on School Expenditure Variations in NCREL States, 1986-87**

State	Average Expend per Pupil for 10 Lowest LEAs	Average Expend per Pupil for 10 Highest LEAs	Ratio of Averages for Highest to Lowest LEA Groups	Coefficient of Variation
Illinois (Unified)	$2,116	$4,266	2.0	14.8%
Indiana	2,349	4,817	2.1	18.2
Iowa	2,813	3,703	1.3	6.8
Michigan	2,484	5,817	2.3	18.8
Minnesota	2,965	5,686	1.9	14.4
Ohio	2,407	6,622	2.8	23.1
Wisconsin (Unified)	3,260	5,703	1.7	13.1

Source: Congressional Research Service, Library of Congress, "Elementary and Secondary Education Expenditure Disparties within the States," May, 1990.

Table 2. **Revenue by Source for NCREL States**

REVENUE BY SOURCE 1988 (%)

State	Federal	State	Local
Illinois	7.7	36.2	56.1
Indiana	4.0	60.0	36.0
Iowa	5.6	46.1	48.2
Michigan	3.6	35.2	61.2
Minnesota	4.3	56.9	38.9
Ohio	5.2	48.8	46.1
Wisconsin	4.6	40.2	55.2

Source: National Education Association, "What Everyone Should Know About Financing Our Schools" (1990).

State authorized choice systems are unlikely to operate with justice and fairness in situations where school financing is substantially determined by the presence or absence of local property wealth.

Finally, the funding of pupil transportation is an ongoing challenge. The level of equalization in transportation funding systems is frequently not adequate to overcome the wide variation in local district wealth with the result that some school districts are compelled to divert resources to busing students that other districts can use to purchase instructional services. Also, it is unclear in the implementing of choice whether students and parents may choose to attend schools closer to where they live and thus reduce transportation needs and costs or whether the choices to select schools in adjoining or distant school districts will create new transportation costs for both the parent and for the school districts and/or state. The conventional wisdom in debates over choice suggests that significant new transportation costs may be incurred to make certain that access to choice options is not limited by a families' ability to provide transportation. The implementation of choice plans, particularly open enrollment between school districts, may provide the impetus for examination of the efficiency of current pupil transportation systems and the fairness of their financing.

Funding Choice—New Areas

The implementation of choice programs usually includes a number of strategies, programs, and services that cause school districts and/or the state to incur costs. Several of the programs that create demands for additional resources are expanded parent education programs, the development and dissemination of information on available options, and state-level information exchanges. Each is discussed here briefly.

The development of community outreach and family education programs will require new resources in almost all school districts and states. School districts are accustomed to directing their resources almost exclusively at children and youth with little if any attention to parent education. Effective choice programs will require both new resources as well as new visions about the role of the schools in helping families make good choices for their children. Parent education costs will need to include resources not only for direct instruction but also for supportive services such as child-care and work release.

The creation, publication, and dissemination of timely user-friendly information about the options available to parents and students will create a demand for new resources. The recognition that schools and school programs will need to be marketed to many diverse audiences creates a challenge for school districts accustomed to communicating only within restricted school district boundaries and to limited clients.

Since several of the available choice programs provide access to parents and students across district boundaries, the need exists for regional and/or state level information exchanges. State education agencies or regional education units do not have the capacity to meet this information need without new resources. Again, as with the creation of new parent education programs and the publishing and dissemination of information on available program/school options, the existing service levels are inadequate and will require additional effort and resources.

Finally, the most significant demand for new funding will come from instructional program improvements. Choice is not present without a diversity of high quality program options. As school districts move to improve existing programs by lowering class size, inventing new program emphases, or designing magnet schools and generally seeking improvements in program quality and student opportunity, expenditures are likely to increase. Choice is not a low-cost school improvement.

Concerns About School District Organization and Local Control

The challenges of creating fair, equitable, and adequate school finance systems in the NCREL States have been made more difficult by their common commitment to a highly decentralized organizational structure. Much of the discussion of school choice includes some focus on competition with the resulting fears by school districts that offer minimal programs, have low property wealth, house students in less than adequate facilities, and, in general, do not feel they are competitive. While it is often argued that choice and competition are means of avoiding the issue of resources, it seems clear that policymakers have failed to address an out-dated school organization structure and school funding systems. The solution to the present unevenness and inequity in access to school services is not the creation of new choice programs. Local control of education has frequently been construed to mean control at the local school district. This definition has far less relevance with the enactment of choice programs where local control focuses on decisions by parents and students.

Some Final Thoughts

My assumption in this commentary has been that choice is not a panacea. It is the means for school improvement, not the end. I believe it is possible to conclude that one (maybe the most significant) result of the implemen-tation of choice programs will be the improvement of the general education funding system for our schools. Choice programs will not be successfully implemented when state school funding systems are not fair, equitable, and adequate. Choice systems will not be successfully implemented where full and complete information on the available programs and services and comprehensive parent education is not widely available. Choice programs will not be successfully implemented where a wide diversity of high quality instruction programs is not available.

In sum, choice programs and their implementation provide educators and policymakers with very certain opportunities to at long last (1) create fair and equitable funding systems to include school facilities and equipment fund; (2) develop linkages with parents and communities through enhanced information and parent education services; and (3) enable the development of a new definition of local control of our schools that rejects parochialism and provides a commitment to high quality education to all children and youth regardless of location of residence. While financing choice programs will without doubt bring the need for additional expenditure, their real and significant impact will come through the opportunities they provide to create a more just school financing system.