

School System Reform – Important Unanswered Questions

- 1.) What process – information and incentives – should decide the menu of schooling options?

Theoretical/simulation/empirical comparison of various central plan proposals and decentralized planning. What evidence gives us confidence that the proposed process will create and maintain the schooling options that best engages our diverse student population in the learning of greatest value to them, and to society?

- 2.) Is schooling/learning an industry that can thrive with the political process deciding what schooling – each actual and potential instructional approach - should cost?

If yes: Why is schooling different; capable of being a thriving industry without continuous price change to reflect changes in scarcity? The worldwide experience for centuries in every industry in which the government stifled price change (decided what something should cost) is very bad; matching the current symptoms evident in primary and secondary schooling, worldwide.

If no: What are the means available to achieve price decontrol administratively, or through markets, and is price decontrol urgent, or better left until other changes are made?

- 3.) Document shortage-induced degradation of instructional quality, or lack thereof. Reduced product quality is a well-documented effect of persistent shortages (wait lists).

Will shortages of popular schooling options degrade their quality, and thus make those alternatives – for example, charter schools – appear to be less attractive reform catalysts than they would appear to be in the absence of price control?

- 4.) Benefit-Cost Assessment: Forced closure of popular, but low-performing schools of choice like charter schools or private schools that cash vouchers. ‘Popular’ means that the school’s clients think the alternatives are worse.

What information is the appropriate basis for a forced ‘closure’ decision?

What are the trade-offs in creating that option for the authorities, and for the authorities when they exercise it?

- 5.) When it comes to aligning the case for radical reform strategies with on-the-ground political realities, what are the factors that we need to attend to, and how? Political marginal analysis.

- 6.) Discern impact of research findings. Compare stylized facts to justified beliefs.

Are we undermining the future political feasibility of truly market-based reforms (where there is real-time price change, potential for profit, and low entry barriers) by hyping weak experiments in market accountability (e.g. charter schools, Milwaukee voucher outcomes)?

If yes: What can we do to test truly market-based school reform?

And: What can be done to prevent incremental change approaches from poisoning the well for more transformative approaches.

What can we learn from comparing different types of schools (for example, traditional public vs. chartered public vs. private) in low performing systems (‘systems’ means 100% of the schools in an area)? What can such comparisons not show us that would be important to know?

- 7.) Simulation/theoretical analysis: If the schooling options were to differ much more than they do now – much more specialized – what would be the key determinants of parental choice of a school? Would peer effect expectations (choosing a school because of the composition of its student body) dominate, or would efforts to match student attributes to specialized offerings dominate?

Devise a school rankings / assessments basis for a multi-dimensional world; many rankings and/or just base rankings on the objectives schools have in common?

Testing in a multi-dimensional world; uses; interpretations by authorities; by parents.

- 8.) What are the key differences between increasingly data-driven direct accountability to public officials and data-driven direct accountability to school choosers?

Direct accountability to public officials means formal, objective (specified criteria through specified formulas) assessment-driven decisionmaking.

Direct accountability to parents means informal subjective assessment of all factors relevant to each parent, which will differ among parents, as well as the level of informedness.

- 9.) Compare school systems to define key elements of effective school system policies, in detail.

- Potential price change mechanisms; market-driven and administratively orchestrated.
- Subsidies for whom; uniform or not
- Openness vs. regulation and differential subsidy
- Nature and extent of political control

- 10.) Identify different policy vehicles to implement key elements.

- Different subsidy mechanisms: direct payment, voucher, tax credit, no subsidy
- Scope of agency oversight
- Transition issues

- 11.) Threshold Issues: Find Critical Minimums and Maximums for Key Elements

- 12.) Compare restriction-laden parental choice programs and much more open programs.

- Given the paucity of empirical evidence from relatively large, unrestricted school choice programs, develop simulation models that describe the likely effects of large, unrestricted programs.
- Make a global search for appropriate data.
- By adding restrictions to the model we'd facilitate direct comparison of the effects of large, unrestricted programs to programs now in place.
- Teacher labor markets?
- Textbook content?

- 13.) School choice and school size; can choice significantly reduce the importance of comprehensiveness, and thus yield the smaller schools called for by some findings?

- 14.) Research on what decision makers could do, rather than what they have done or thought to try. Theoretical models to stimulate debate, develop research hypotheses, and focus research.

- 15.) Establish that some open, price system-driven sectors of the economy are relevant to the K-12 reform debate, and then exploit that relevance.

- 16.) More thorough investigations of past experiences with primary and secondary education informed by price systems and open to new schools.
- 17.) More thorough investigations of recent/ongoing experiences of other countries
- 18.) Re-examine existing programs to identify findings that are relevant to levels of ‘openness’ conducive to system transformation, and which findings are not relevant beyond ‘escape hatch’ reforms.
- 19.) Policy adoption/implementation/**transition** issues can always stand more attention. How long should the transition to equilibrium last? Which key research findings are just temporary effects?
- 20.) Identify and explore unexploited incremental change opportunities; good and bad slippery slopes
Policy stability is also an under-researched school system reform issue.
 - What is the track record of incremental removal of restrictions in K-12 education?
 - Will particular reform policies create positive or negative policy feedback effects?
 - Where will they lead?
 - Fruitful Modifications of Current Programs? E.g. Charter price decontrol?
- 21.) Different accountability processes; promised vs. actual accountability
- 22.) Identify locations (states, countries, metro areas) most likely to adopt transformative policies that include a price system and openness to new providers of schooling.
- 23.) Assess relationship between subsidy and regulation. Is there the strong direct relationship many scholars expect, or does it depend on how subsidies are paid out, and to whom the direct payment, if any, goes to?

Milton Friedman said NEVER subsidize producers, directly.
- 24.) Study ‘bizarre’ choices. When families forsake a public school funded at over \$10,000 per pupil, and a slot at a traditional private school funded by a voucher, for a slot in a tiny, new ‘school’ set up in a strip mall they may be saying something very important about what high performing school systems need to contain. More specialization? Improved openness to new ideas? Private schooling without religion? We need to find out.
- 25.) Identify, assess, and propose “Measures of School System Performance”: 100% of the schools (public and private sectors, combined).
- 26.) Assess economic development effects of differences in school systems including, especially, differences in school choice policies. School system concerns have often been blamed for middle- and upper-class flight from the central city. Which school system attributes that are available to study mitigate those effects, and to what extent?
- 27.) Assess data generated by James Tooley studies of schooling markets in developing countries, including many with attenuated, market-based dynamic price systems.
- 28.) Chartered public schools vs. traditional public schools; wrong question; answers could confuse policymaking. Right question: is the whole system better with the addition of a particular charter law; provide answers; compare charter laws in the process?
- 29.) Identify a politically feasible, transformation-insightful school choice experiment.

- 30.) Study Chile's 'shared financing' policy for its universal voucher system. In 1994, subject to some restrictions on family payments, Chile allowed families to supplement voucher funds with their own money ('shared financing'). This study of shared financing (price decontrol) needs to carefully document and take full account of Education Ministry restrictions on the Chilean public and private school choices. Ditto for Sweden.
- 31.) Many state universities have totally or largely shed state funding. Explore the transition process and what initiated it, and what continues to drive the process. Explore the policy effects, and the efficiency (changes in prices, financial aid, program quality, curriculum changes) and equity (student debt, enrollment, diversity) issues that have arisen.
- 32.) Explore the use of 'prediction markets' to explore key elements of high performing school systems and determine how to use them to assess the possible appropriate policies.