

Smoke and Mirrors Compulsory Education Requirement by Ernest A. Whiteside

MONROE, Michigan – May 26, 2006 – Current education laws require parents, guardians and other persons having control and charge of a child from the age of six years until sixteen years must send the child to a public school during the entire school year. A bill to require compulsory school attendance for children up to the age of eighteen years, instead of sixteen years as currently required, with some exceptions has been introduced in both the Michigan House of Representatives and the Michigan Senate. The bills, 2005 HB 4049 and 2005 SB 0004, are currently in the education committees of their respective bodies.

On the surface, it would appear that Michigan residents concerned for the welfare of the estimated 16,600 youth ages sixteen and seventeen who are not currently enrolled in public education have come forward and expressed their desire for legislation to extend the compulsory attendance requirement by two years.

The truth is that Michigan's local school districts are losing between \$61.1 million and \$117.8 million in state funding (\$7,100 per pupil). In addition to that, the state and the local school districts are also losing federal grant money based on per pupil enrollment.

The public school system has consolidated schools, closed schools, reduced staff and taken many reasonable steps to reduce costs. While some additional steps could be taken, the problem isn't going to be reconciled by cost reductions.

One major dilemma of modern education is that the public school system is overwhelmed with fixed costs associated with aging infrastructure, many senior and retired employees and debt service/retirement. With that in mind, the public school system is looking for additional revenue opportunities.

A second dilemma is that of reduced enrollment. The single most significant factor in reduced enrollment is shifting demographics; many school districts just don't have as many youth to teach. Another significant factor in some districts is the arrival of charter schools. These charter schools represent a limited choice for parents and guardians seeking an alternative to public education.

Technically, charter schools are public schools; owned and operated by private, for-profit corporation, the school is still essentially a public school operated under the supervision of the state board of education in essentially the same manner as a traditional public school. The most significant advantages of charter schools are the fact that they attract private capital and they place a higher value on customer satisfaction.

Charter schools drain tax revenue from already strained public school systems and will ultimately cost as much as public schools since the purpose of the corporation is to maximize profitability for their investors.

The impact of students transferring to nonpublic schools and home education programs is still fairly insignificant. The real advantage of these programs is that they are true innovators that operate without tax subsidy. They reduce the true cost of education without negatively impacting the tax base. Numerous ideas circulate to subsidize these programs with tuition vouchers, tax credits or tax deductions. Any, and all, of these ideas could threaten the autonomy of the nonpublic schools and home education programs that is needed for real innovation if they extend the regulatory reach of the state into the private arena.

Other attempts to increase school enrollment include full-day kindergarten and optional or mandatory preschool programs. Skeptics see these programs for what they are, free day care programs for parents or guardians and increased revenue for local school districts. Education, has taken a back seat to fiscal issues.

In 1994 Michigan voters reformed the revenue model for public school by passing Proposal A. The reforms were supposed to permanently reduce property taxes and permanently resolve the dilemma of how to best fund public education. Many local school districts have found ways to utilize bond proposals and sinking funds to continue to tax the property in their district.

2005 HB 4611, currently in committee, is a proposal to expand a school district's use of sinking funds to include purposes for which bonds may currently be used. Proponents claim that the bill would reduce interest expense associated with bonds. Opponents claim that it be an end run around Proposal A's property tax restrictions and would encourage more school districts to tax the property in their district.

When every student that can be compelled to participate has been compelled; when every revenue source that can be called upon has been called upon; and when every form of limited choice that can be offered by public education has been offered, the problem will still remain. Consumers will want more, costs will exceed the revenue and innovation will have suffered at the hands of regulation and bureaucracy.

The future demands for education and related services can only be met by a free market. Now is the time to begin the transition. The same system that delivers to consumers abundant, high quality choices in food, electronics, entertainment, automobiles and mobile phones can provide them with an education.

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