Do Not Limit Eligibility for Increased Parental Choice

John Merrifield
January 31, 2015

It’s the time of year when some legislators and governors are designing proposals to make alternatives to assigned traditional public schools more affordable. Political feasibility realities may eventually force them to limit improved access to private schools to subsets of school-children. But to finally make progress on the ‘Nation at Risk’ problem that has survived over thirty years of often frenzied, always poorly-conceived reform efforts, reformers must start with a universal eligibility proposal. To do otherwise, asserts the fallacy that the assigned school fits the ineligible pretty well, and that a choice program only needs to move members of the targeted group - such as children from low income families or with ‘special needs’ or attending officially “failed schools’ - to better choices for them already available on the current menu of schooling options. We know that many of the most acclaimed traditional public schools produce poor results, overall, and that there are no schools in which one size fits all. The K-12 ‘problem’ is a set of governance and funding problems that make the entire system perform poorly, overall, though not for everyone. It is not an isolated low-performing school problem. We need school system reform to empower school reformers.

That brings us to the first substantive basis for not restricting eligibility for a school choice program. We must maximize the scope of the market to maximize the basis for the entrepreneurial initiative (innovative new schooling options; market entry) and the competitive pressures to drive improvement in the menu of schooling options. And since new things can be costly at first, we need higher income buyers in the market so that new instructional approaches can get a foothold, and become less costly and gradually improve as they become increasingly affordable.

At the January School Choice and Reform International Academic Conference, an unpublished paper presented survey evidence of bad behavior that can result from the perverse
incentives that arise from means tested eligibility for choice. Families near the income limit for eligibility were declining chances to increase their income to remain eligible; to not “earn out” of the program. This is a common problem of low income-targeted programs; a household purchasing power cliff at the top allowed income level. At that income level, a few extra dollars of declared income can cost thousands in lost benefits. That can trap families in poverty and tempt them to falsify their income reporting. Our policies should never discourage earnings or tempt families to consider illegal activity.

Finally, for now, because low income families have a low propensity to be politically active, programs for the poor tend to be, or gradually become, poor programs; so much so that the phrase has become a well-known cliché. It was well-established, already, in 1973 when Wilbur Cohen, then head of the Social Security Administration, cited it as a reason to resist Milton Friedman’s call for means testing Social Security payments. So, you leaders out there, you are NOT doing low income families a favor when you target them, except perhaps temporarily as the first households to be eligible in the initial stage of phasing in universal eligibility for programs that make it easier for anyone to opt out of their assigned public school.