

Centrally Planned Schooling at its Best

John Merrifield

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In the *Education Week* [article](#), “Beyond Chartering,” Paul Hill and Ashley Jochim describe the highlights of their new book, [A Democratic Constitution for Public Education](#), which basically asserts another central plan for primary and secondary education. Hill-Jochim argue that if the central planners have the clearly defined roles they describe, including clearly delimited powers, K-12 schooling will be the first, ever, high-performing priceless or price controlled industry. They assume the central planners will spell out the ideal per pupil payments that taxpayers will finance, and then make lots of wise decisions, even though such effectiveness from the public’s perspective, including efficiency, has been rare in any circumstances driven by the political process; circumstances that include all current school systems, but not just schooling. All centrally planned industries have at least been disappointments, and mostly evolving disasters.

Here are some of the plan’s specifics. The starting point for the rationale for the Hill-Jochim plan is that chartered public school (CPS) authorizing has often been too lax, and sometimes over-reaching. Their answer: “The only way to eliminate these problems is to clarify the government’s role in public education and limit its powers.” And to do that, true central authority must exist, at least at the metro level. There needs to be, “one agency responsible for all of a city’s students.” The central planners’ wisdom alone would decide what schooling should cost (which subsumes a lot of cost guesses – materials, building, teachers, etc.), including weighted student formulas that set different per pupil payments for different student characteristics, properly documented. Because there are some obvious cost differences for some broad classes of children, a weighted student formula (WSF) can be a reasonable starting point for subsidy payments that parents can then top off, if they wish, to match services to the specific attributes of their children. But we know that a

WSF amount that must be accepted as a full payment is, predictably, a failed price control experiment. It took the Florida legislature only one year to recognize the impossibility of specifying exactly what it should cost to educate all of the different kinds of special needs children. At the end of that year, the law was changed to allow parents to co-pay; to top off the state-provided voucher amount. It is no less true for mainstream children; just less immediately obvious.

Underneath, the “one agency responsible for all of a city’s students,” school districts would still exist, but in the Hill-Jochim plan, school boards would only have two roles: a.) approve a menu of schooling options; and b.) employ a CEO. Supposedly, school boards would not need market price information to know the optimal menu of schooling options, and create the missing schools for less than what the district determines should be the average cost of schooling; no need for the possibility of co-payment to make up for any difference between what a missing instructional approach could cost and the available per pupil funding. The board-employed CEO would also wisely track school performance, identify under-served children and neighborhoods, and facilitate replacement of nonperforming schools; having all of the necessary information to do that in a decisionmaking process untainted by the political pressures likely to arise from the CEO’s powers. The school board would know when the CEO was failing to do that, and then immediately hire a replacement who would be more diligent. Are you repeatedly saying to yourself, ‘Yeah, right’? You should be.

The technical reasons for the dismal track record of central planning by a small expert, politically accountable group mostly revolve around two immense challenges: 1.) the difficulty properly aligning planners’ incentives and the public good, even to the fuzzy degree that it can be understood without market price information; and 2.) the immense difficulties processing all of the information relevant to wise resource use. Like many of the jokes about economists (I am one, Hill is not), Hill simply assumes wise resource allocation by the central planners with the newly clarified

powers and duties. Why/how that can suddenly be the case, Hill does not say beyond the need to clearly spell out duties and things beyond each official's purview. The most compelling reason to resist even the best laid central plan is that central planning has always failed dismally, as it has for a long time in primary and secondary education, outside the two traditional central functions of government, defense and justice. I know Paul Hill ([not Peter Hill](#)); retired founder and longtime CEO of the Center for Reinventing Public Education. He has the ability to produce the best possible central plan. Unfortunately, his vast knowledge and experience makes him susceptible to what Friedrich von Hayek said was the *Fatal Conceit* of central planners; that is, Paul Hill knows so much that he believes the immensity of the task is doable through a wise, clearly tasked central authority. The best argument for the Hill-Jochim proposal is that we will need the best possible central plan if we are not wise enough to recognize the severe limitations of central/political control of primary and secondary education. Hopefully, we will be wise enough to implement the funding and governance changes needed to adopt the alternative of decentralized, whole population planning through dynamic market price signals, and free enterprise to create and sustain the optimal mix of specialized schooling options.