

# The Slippery Slope Lynchpin

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“A successful leader must develop reasonable assumptions and base a plan of action on them.”

Donald Rumsfeld

[Price decontrol](#), a key to a high performing school system, is also the lynchpin of the slippery slope to get us there. Price decontrol means that schooling providers can charge whatever the market will bear for the instructional they offer. In a competitive environment, charging what the market will bear means that schooling providers will charge a co-payment that is the difference between the full cost of the schooling offered and the per child public subsidy. [Private subsidy](#) (vouchers and scholarships) will cover some or all of the co-payment for some children.

The co-payment that arises from price (tuition) decontrol makes the public subsidy an easy target for political competitors for scarce public funds. For example, suppose public subsidy is 80% of the average tuition. A ten percent cut in the public funding yields only a maximum, average 8% school revenue shortfall; less if the co-payment is raised, and with less impact on families to the extent that [private subsidy finances co-payments](#). The smaller the public subsidy's share of the average tuition, the easier, politically, it is to cut public funding. If the public subsidy is 50% of the average tuition, a ten percent cut in the public funding yields only a maximum, average 5% shortfall. If the public subsidy is 10% of the average tuition, a ten percent cut in the public funding yields only a maximum, average 1% shortfall. So, the more that public funding has been cut, the easier it is to cut; hence the 'slippery slope' term.

That political dynamic has virtually privatized many state universities. It can have the same impact on the K-12 system provided we subsidize children equally regardless which legal schooling

option their parents buy schooling from, and allow parents to supplement the public subsidy with their own money, or money from private subsidizers. Once at a low level of per pupil subsidy, we can transition from paying public funds to schools to [tuition tax credits](#) that decrease the tax burdens of families with children in school and families and businesses that donate money to providers of private subsidies. Many states already have such programs, but not yet the approximately level playing field (non-discrimination in subsidy between public and private schooling providers) and price decontrol required for a high performing system.