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Charters hold key to saving state big education dollars

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Michigan is awash in concern over education funding. Recent budget cuts ranging from \$165 to \$465 per pupil -- with another \$127 per-pupil cut on hold -- have been described as a "tsunami that threatens to push scores of districts into deficit this year." But if Michigan converted all its conventional public schools into charters (also known as public school academies), that tsunami would explode into a refreshing mist -- complete with fiscal surplus rainbow.

Based on the latest (2006-07) figures, the average charter school in Michigan spends \$2,000 less in state and local tax dollars per pupil than the average district school. So the savings from a district-to-charter student exodus would add up to \$3.5 billion annually. To put that in perspective, it would erase Michigan's recent \$2.8 billion state budget shortfall and still allow for a \$700 million across-the-board tax cut.

And the benefits of migrating completely to charter schools would go beyond the financial. One of the key concerns voiced by parents in response to Gov. Jennifer Granholm's spending cuts is that they will lead to larger class sizes. But Michigan's charter schools not only spend 20 percent less than district schools, they also have 20 percent fewer pupils per teacher.

How is that possible? Charter schools typically employ far fewer nonteaching staff than conventional public schools, so they can hire more teachers and still operate at a lower per pupil cost.

Thus far, the governor and state Legislature seem unaware of the vast savings to be had from universal charter schooling. But they have shown their willingness to promote charters in response to a far smaller financial inducement.

Charter school incentive

The Senate recently passed legislation that would allow somewhat faster growth in charter schools in an effort to win up to a one-time \$400 million payment under the Obama administration's "Race to the Top" education program. If legislators are willing to promote charter schools modestly in response to that modest and transitory incentive, they should be willing to promote charter schools much more intensively for a recurring annual savings that is eight times larger.

But significant though it would be, charterizing the state's education system is not the best that Michiganians could do for their children.

Opening the state's educational marketplace completely would be a better option. Some parents, for instance, prefer a religious education for their children, and religious (particularly Catholic) schools have repeatedly been found to be among the most effective and least expensive to operate.

A nationwide study by economist Derek Neal has found that urban African-American students attending Catholic schools are 26 percentage points more likely to graduate from high school -- and twice as likely to graduate from college -- as similar students attending public schools. And Catholics schools do this while

spending far less per pupil than either charter or district public schools.

A policy that could give more parents easy access to Catholic schools would thus be a major improvement over a charter-only policy. In fact, providing free charter schools without providing easier access to private school options reduces families' access to both religious and secular private alternatives. The closure of many Michigan private schools during the past decade resoundingly attests to the fact that it's hard to compete with free or heavily subsidized public schools.

Michigan's Constitution bans giving all families an easy choice between district, charter and private schools. As a result, it is impossible for Michigan parents to give their children the best possible educational options and permanently rein in out-of-control school district spending.

But to paraphrase Thomas Jefferson: Laws are instituted among free people to serve their needs. When the laws become counterproductive to that end, it is the right of the people to alter or abolish them.

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