



Insight

SOAR: A Balanced Approach to School Choice

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For all the hyperbole, shouting and partisan posturing that inevitably accompany any proposal to provide school choice there are actually very practical issues that distinguish good proposals from bad ones. The new SOAR Act just introduced by a bi-partisan group including brave Democrats Joe Lieberman, Dianne Feinstein and Daniel Lipinski, is one of those good proposals.

School choice has sound fundamentals. If parents can choose their children's schools, parents have more incentive to pay attention to school quality, schools have more incentive to perform well for kids, fewer students will be stuck without options in failing schools, good schools will be rewarded with students and resources, innovative schools can more easily replace struggling schools. After twenty years of experience in the U.S. with some 4000 charter schools, we know the basics are right. Charters have come to serve the most disadvantaged children in the country, and when set up right, have been shown to help students achieve.

The key phrase is set up right. For we now have effective and less effective charter school systems in this country. The same issue pertains when choice is expanded to include private schools. The logic of school choice is essentially the logic of the free market. But as we know from Econ 101, markets only deliver effectively if certain conditions obtain to make markets "perfect." If the conditions do not obtain, problems arise that may harm consumers—or competitors. In these cases the government needs to step in to help ensure that markets work.

When governments provide school choice, they must look carefully at the markets they are creating. Extra caution is required when private schools are part of the mix. Private and public schools typically have different challenges, resources, constraints and even students—all complicating the creation of a level playing field among different types of

schools.

The beautiful thing about SOAR is that it takes very seriously the need to create a fair market. The Bill reauthorizes the DC Opportunity Scholarship Program, which faced overheated opposition in the early days of the Obama Administration. The bill takes almost painstaking measures to get the market right. This is not the stuff of rousing rhetoric—beyond the ennobling empowerment of disadvantaged families. But it is important nonetheless.

The original DC scholarship had weaknesses. The SOAR bill corrects those and more. The new bill recognizes first and foremost that competition has the potential to help *all* schools get stronger—private, regular public, and charter. It therefore offers new funding to all three sectors of schooling. Every sector should get an extra boost to help it compete.

The bill acknowledges that money matters, if used right. So, in addition to spreading the funding around, the bill increases funding for private tuition. This is vital to winning the participation of high performing private schools.

The new bill adds lots of formal accountability for private schools. Critics of private school choice are uncomfortable with the free pass that private schools receive from rules and regulations that can bog down public schools. SOAR adds a layer of sensible, non-burdensome accountability. Schools must demonstrate long-term viability, they cannot be fly-by-night. Evaluation of performance is very carefully required. Private schools must administer a national norm-referenced test. Testing is no longer avoidable in private schools. For their part, public and charter schools must account assiduously for the extra funds that they receive. Of course, the scholarships are limited to kids most in need.

SOAR is ultimately a rationally balanced bill. It will let loose powerful competitive forces and establish a vigorous market of schools. Schools of all types will compete on a pretty level playing field. Market failures are addressed through accountability measures that we know in retrospect would have made the first scholarship program stronger. It's no wonder that this pro-market school reform has attracted bi-partisan support. It works hard to allay legitimate concerns from all sides.