The drives for equality, efficiency, and liberty will remain at the heart of decisions affecting public school policies.
mining what constitutes a "just" distribution of educational resources. Legal challenges to the standard that merely provided equal access to educational services led to a more inclusive standard that considered the quality of educational services available in a school.

The disparity among school districts in the quality of educational services is a consequence of the structure of state school finance systems. Consistent with the tradition of freedom of choice and institutional responsiveness, local communities were given discretion to determine the quality of their educational services according to their willingness to tax themselves.

Proponents of school finance reform, however, pointed to the fact that the inherent inequality of educational services was due not so much to a community's willingness to tax itself, but due more to a community's taxable property wealth. Hence, a new standard of equity evolved that sought to correct expenditure inequalities through per pupil expenditure parity.

The future, however, portends yet another standard of equality: "municipal overburden," which challenges per pupil expenditure parity. The "municipal overburden" argument contends that a fixed number of dollars buys poorer quality educational services in large urban districts than in suburban school districts. Proponents of this position argue that the physical, social, and economic environment of the cities necessitates a redistribution of resources to meet the greater financial burden of urban schools.

A second policy issue arising from the pursuit of equality, and likely to persist as an issue in the coming decade, regards special education: the provision of appropriate school services to physically and mentally handicapped students, and the provision of bilingual instruction to limited and non-English-speaking students. The inability of school districts to serve adequately the needs of such handicapped students has long been recognized by school officials. However, specialized services are extraordinarily expensive; school budgets will simply not stretch to provide them. When state categorical funds were provided for special education, local school districts frequently diverted all or a portion of them to subsidize the regular program. In the mid-1960s, legal theory aimed at rectifying these conditions resulted in mandated changes such as those in the "Education for All Handicapped Children Act." The likely consequence of these movements is to increase dollar spending for special education by billions.

While most educators may agree on the broad goals of special education services, specific policies designed to implement such services have engendered considerable disagreement. Debates over what constitutes an "appropriate" level of service, a "least restrictive environment," or, for that matter, the difference between a "handicapping condition" and a "learning disability" remain unresolved. While the major policy direction has been set by the courts and Congress, incremental policy changes are likely in the future.

**Efficiency.** Educational policy in the 1980s will also have to contend with an increasing public demand for efficiency. Spurred in part by the rise in public sector costs generally and educational costs particularly, advocates of efficiency have attracted considerable political and electoral support. The demand for increased efficiency is evident in two policy dimensions: the so-called "accountability movement" and "fiscal containment." While the former has been in vogue in various guises for over a decade, the latter is a phenomenon of the last two years. Its appearance was marked by passage of California's Proposition 13 in 1978.

Proponents of accountability argue that successful techniques used in industry can be transferred to public schools—techniques such as systems analysis, management by objectives, program budgeting. The difficulty is that such techniques are inappropriate for schools. While a firm can set objectives regarding production, sales, or profits that it then attempts to maximize, schools cannot. It is difficult for schools, pluralistic in nature, to determine objectives and priorities on which there is unanimous agreement. Without such consensus, talk of maximizing objectives is fruitless. Further aggravating the condition is the fact that, in spite of massive research efforts, little is known about teaching technology. Teaching methods remain essentially unchanged from the days of Socrates. More important—and it is on this point that the industrial analogy breaks down completely—teachers and schools are not in control of the factors of production. For example, the productivity of an automobile assembly-line worker is not linked causally to the productivity of a steel mill worker. The same is not true of teachers. Their productivity is influenced by a host of factors that originate outside the school environment and over which school personnel have little or no control. The result is an infinite regress of causality.

Another factor in the demand for greater efficiency is the enormous rise in education costs. Because of the labor-intensive nature of education, increases in productivity are not possible through technological innovation. Because the wages of public sector employees are tied to those in the private sector, public sector costs have risen spectacularly but without the attendant rise in measurable productivity. While various innovations have been tried to allocate teacher-student time more efficiently—team teaching, modular scheduling, and so on—the basic relationship remains unaltered. Attempts at innovation that aim at increasing productivity by altering student-teacher ratios are limited to a narrow range of manipulation.

The second dimension in the demand for efficiency is attributable to the prevailing political mood of the country. Advocates of "fiscal containment" argue that public sector efficiency can be achieved by limiting government spending. Policies to achieve that end may take various forms: constitutional requirements for a balanced budget, expenditure limitations, or across-the-board tax reductions.

Fiscal containment—at least as it is practiced in California—has had two significant consequences that are likely to be exacerbated in the future and will exert a strong influence on the direction of educational policy. First, the reduction in locally generated revenues has shifted the burden of school financing away from local communities to the state. Second, school finance equalization can only be accomplished by "leveling down" traditionally high-spending districts. (This is in sharp contrast to school finance equalization strategies prior to Proposition 13, which were aimed...
Some middle-class parents regard the present school funding formulas as a prelude to the dilution of educational quality in their local schools. Also, as educational decision making becomes increasingly centralized, local decision making, particularly with regard to the allocation of educational resources, is eroded. If in fact schools do become centralized to the point where responsiveness to local needs is minimal and if, in the absence of adequate funding, the quality of educational services is greatly diminished, there is every possibility that the present trend for middle-class parents to send their children to private schools will accelerate. Consequently, middle-class parents may either fall behind the banner of the educational voucher or tuition tax credits, or they may further reduce their tax support of the public sector, preferring to use the added tax savings for private school tuition payments.

Liberty. The drive for greater efficiency may not only reduce freedom of local choice and institutional responsiveness by concentrating decision making at a higher, more remote level of government, but it may also dilute the quality of educational services. Hence, efficiency may be realized, but only at the price of liberty and equality. If the middle and upper classes abandon the public school systems to the poor, leaving only a minimally funded school system, the goal of equal educational opportunity will be at best ephemeral.

The solution to policy conflicts may be largely resolved by the demographic and economic patterns that emerge in the coming decade. On the one hand, changing preferences for family size, growing numbers of senior citizens, and a smaller educational work force are combining to decrease the base of electoral support for public education. On the other hand, reduced public expenditures, declining enrollments, and inflation may severely limit the schools' ability to provide much beyond minimal educational services.

Elementary and secondary education enrollments reached their peak in 1971 when there were approximately 51 million K-12 students in the United States. Approximately 10 percent of those attended nonpublic schools, and the percentage was declining from its previous high of 14 percent in 1968. Public school pupils constituted one out of every four members of the U.S. population. Public school parents and employees were more than 28 percent of eligible voters. (When the analysis is extended to include higher education, the percent shifts to 34 percent.) For the past two decades these proportions meant a solid base of electoral support for education generally, public schools particularly. That support is now declining.

Not only have total lower education enrollments declined absolutely, but also the connection to the larger electorate is becoming more diluted. This is true first because nonpublic school enrollments are again on the increase. Precise figures must await 1980 census data, but informed judges now estimate that nonpublic school memberships have climbed from their 1975 low of approximately 7 percent of the school age population to some 11 or 12 percent today. If this is accurate, it means that public school enrollments in the early 1980s will be less than 43 million, less than one out of every five members of the U.S. population. This figure will reduce the number of eligible voters with public school children to approximately 23 percent. Second, to the extent to which public schools acquire increasing enrollment proportions from among low income populations, the base of active voters will drop even further. Political analysts repeatedly report that low income individuals do not vote in proportion to their numbers in the total population.

Public schools have numerous supporters from among those who do not now have, or who may never have had, children enrolled in them. Certainly, individuals other than parents vote in favor of supporting public schools. However, those most directly connected with public schools have diminished as a percent of the eligible voter total. Family size preference surveys suggest the trend toward an eroding base of support for public education is likely to continue at least another 20 years. Moreover, demographic shifts are contributing to the expansion of other population segments desirous of increased public services. For example, average life span in the United States now approaches 73 years. Larger numbers of senior citizens will expect added political attention to their needs. This means heated competition for schools in terms of access to public resources.

Declining enrollments, economic inflation, and a generally tighter public purse will make future resources harder for schools to come by. Increasingly centralized financing arrangements place education in more direct resource competition with other public sector services. Moreover, many of these other public-funded services are more amenable to cost benefit analysis than education is and, thus, are advantaged in persuading legislatures of their utility.

Diminished political support for schools has led to diminished financial support. Until 1977 there was a spectacular rise both in terms of aggregate and per-pupil expenditures. In 1940 average annual per-pupil expenditure in the United States was $100. The comparable figure for 1980 will approach $2,000. Even with discounts for inflation, school expenditures have risen more than 500 percent since World War II. Since 1977, however, school spending in most states is no longer keeping pace with inflation. In part, this is reflected by education's share of Gross National Product (GNP). In 1975, education exceeded health and defense by accounting for 7.9 percent of GNP. For 1980 GNP will exceed $2 trillion, but aggregate education expenditure will probably amount to only 7 percent of this figure. If expenditures for higher education are excluded, it is evident that lower education expenditures have shrunk even more rapidly as a percent of GNP.

A noteworthy trend perhaps signaling the future of school finance appeared in 1979: in that year, for the first time in America's history, locally generated school revenues were less than 50 percent of total lower education spending. State and federal governments now contribute more than half of each lower education revenue dollar.

Whatever their disadvantage for equitable financing, local property taxes had a virtue for school support. By having their own revenue sources, local schools were relatively free from competition with other public sector endeavors. Assuredly, local school board members had to keep one eye fixed on tax rates, but they
were not responsible for balancing competing health, transportation, criminal justice, fire, public safety, welfare, and other municipal service needs. School administrators certainly had to justify intended expenditures, but seldom were they forced to defend schooling relative to some other undertaking.

Now that higher government bodies pay more than half of the school bill, educators find themselves having to fight even more fiercely against other state and federally funded services. As government limits its spending, public financing will increasingly take on the character of a game in which benefits to some are losses to others.

Another effect of fiscal containment policies may be to limit the ability of schools to compete for labor. This seems ironic given the manpower surpluses of the 1970s, but teacher shortages are already appearing in specialized and technical fields such as science and mathematics. If the present modest upturn in births continues through the mid-1980s, there may be a shortage of other kinds of teachers as well and attracting and retaining able teachers may grow more difficult. Also, due to the shrinking numbers of high school graduates and the labor force's current absorption of women desiring employment, the nation's overall labor supply may become extremely tight in the mid-1980s. The result is that schools will find themselves competing with private sector employers for trained personnel unlike anything that has occurred for a quarter of a century. Failure to compete successfully and the inability to attract capable and well-trained teachers could reinforce perceptions regarding public school ineffectiveness and contribute to a downward spiral of public confidence and resources.

The 1980s may mark a turning point in the direction of education policy. Some observers see ominous changes ahead: a rejection of the social goals of the last two decades that tried through public policy to create a more just society. Much ink has already been spilled over emergence of the "me-society." Other observers are less pessimistic. They regard the present political mood as a public expression of a need to synthesize the myriad social reforms and changes of the 1960s and 1970s.

Whatever the causes, political, social, and economic dynamics are altering the equilibrium between equality, efficiency, and liberty that has informed public policy for 20 years. Since the drives for these values are so deeply rooted in America's cultural heritage, they will undoubtedly continue to inform public policy decisions in the future. There will be discontinuity, however, in the ability of education policy makers to balance and adjust the competing values according to prevailing needs. The art of "fine tuning" may, in the coming years, give way to rougher and more convulsive forms of policy making.