

Rhetoric and Reality in the Education Stimulus Bill Interview with Paul E. Peterson

What are the key education components to the stimulus package moving through Congress? Will it stimulate the economy in the way President Obama hopes?

In his late January radio address, President Obama said that he says that he does not want to simply generate short-term employment. Rather, he wants to invest in projects that have a long term benefit to the nation's economy. That's why he wants to put such so much of the stimulus package into education.

But there seems to be a disconnect between those goals and the actual education funding programs approved by the House Democrats on Capitol Hill.

What do you mean by a disconnect?

The actual program is more of a bail out than an investment. The states are getting lots of money to keep doing what they have been doing. Rick Hess, one of our Education next editors, says it's like keeping the bar open an extra hour on Saturday night, because the drunks don't want to go home.

If you want to increase productivity, you need to invest your education dollars in things that will actually create more effective schools. Just giving more money to states to spend on schools the same way the money has been in the past will not improve schools. Hundreds of studies have shown that.

Yet the stimulus package simple doubles to triples the amount spent on the same things we are spending money on now.

But isn't education a state and local activity? Can the federal government tell states what to do?

This is an ideal time for the federal government to get the states' attention—to get them to make reforms they have been unwilling to do in the past. State finances are in terrible shape, not only because of the recession but because past practices have been as wasteful as those at General Motors. For example, too many education dollars are committed to pensions and health care—and the situation has become worse--even in the last five years. Pension plans are on the verge of bankruptcy, and it is going to take a long time to fix them.

Also, teachers are not being paid based on their effectiveness in the classroom. Instead they are paid on credentials and seniority, the same principles used in the automobile industry.

What would you do?

To get stimulus dollars, states should be asked to come up with more productive policies. Teachers need to be paid on the basis of effectiveness. Pension plans and health benefit packages need overhauling. We need to create a more competitive system by investing heavily in charter schools.

But doesn't the stimulus package provide money for charter schools?

That's a start, but only 25 million dollars out of 80 to 120 billion dollars total. In Newton MA, they plan to spend 200 million dollars simply on building a new high school. A mere \$25 million is going to have next to no impact at all.

Doesn't the stimulus package spend \$200 million dollars on pay for performance?

Once again, that is a step in the right direction but even that is really a tiny amount, less than one fifth of one hundredth of the total package. If we are going to stimulate reform in education, states should be asked to reform their policies before the federal government gives them their bail out.

What are the chances that the Senate will improve on the House plan?

The political forces behind a bail-out strategy in education are pretty powerful. School districts want and need the money. It will take all the courage and wisdom President Obama called for in his Inauguration address to move education in the right direction.