

Education Impact of Jobs Bill Under Debate

September 19, 2011

By [Alyson Klein](#)

Educators and analysts are taking a hard look at whether the \$55 billion K-12 portion of President Barack Obama's nearly \$450 billion [jobs plan](#) will provide the jolt to schools still feeling the pinch of a sputtering economy that the administration hopes.

The plan faces long odds on Capitol Hill, where lawmakers are struggling to trim at least \$1.2 trillion from the deficit over the next 10 years in a climate hostile to tax increases. But, if the plan does pass, some sympathetic analysts argue it would help school districts cover the cost of long-delayed school repairs and avert big layoffs and program cuts.

Others, however, question the White House's prediction of 280,000 teacher layoffs this year—a key argument raised in favor of the need for \$30 billion over two years in job-preservation aid.

Despite the uncertainties surrounding the proposal, some local officials are eager for the funds.

Fixing Facilities

In once-rapidly-growing Clark County, Nev., which includes Las Vegas, the school district's student enrollment has stabilized at nearly 310,000, but construction needs persist to the tune of \$270 million in already-identified construction projects, officials there said. For that reason, extra money would come in handy.

"Our challenges right now are providing equitable learning environments and keeping up with maintenance and repairs," said district spokeswoman Cynthia Sell. Any additional school aid also would help with class-size pressure brought on by staffing pressures. "The district is always trying to reduce class sizes. [Class size] continues to be a problem for us," Ms. Sell said.

But others are taking a wait-and-see attitude.

Jobs Package and Education

President Barack Obama last week unveiled a \$447 billion jobs bill that would include \$60 billion in new education spending. Among the highlights:

Jan Ellis, a spokeswoman for the Michigan Department of Education, said it was too early to say whether that state would welcome the money. She said Michigan would need to see specifics on both aspects of the package, such as more detail on the strings attached.


The Obama administration—which tried, and failed, to get school construction aid as part of the 2009 economic-stimulus package—is estimating its new proposal would pay for repairs to at least 35,000 schools.

Forty percent of the \$25 billion in school infrastructure aid—\$10 billion—would go to 100 of the nation’s largest school districts, allocated according to need.

The direct federal grants to the largest districts would range from \$28.2 million each for the Corpus Christi school district, in Texas, and the Marion County, Fla., school system to \$1.63 billion for the New York City public schools.

The remainder of the infrastructure money would go to states, which could give half to districts through a formula and the other half to districts through competitions, with priority going to rural districts. Schools would have until Sept. 30 of next year to spend the money.

Policy Debate

Jared Bernstein, a senior fellow at the Center for Budget and Policy Priorities, and a former aide to Vice President Joe Biden, said that while \$25 billion would be a good start, it’s a tiny fraction of the overall need. He [estimates](#)  that at least \$270 billion in delayed maintenance and repairs is needed at K-12 schools.

Still, he said, “this is a good way to marry two problems. One is high unemployment among construction workers, and the other is the need to work down the maintenance backlog at the nation’s public schools.”

But Neal McCluskey, the associate director of the Cato Institute's Center on Educational Freedom, said that pumping money into a government-operated school construction program isn't the best way to spur job growth because the projects would have to abide by the federal law known as Davis-Bacon, which requires that workers be paid so-called prevailing wages. Those wages typically are the union wages paid to different classifications of employees in the area.

"Districts in many cases will overpay for labor," he argued, and that would result in fewer workers being hired. "What is the goal here? Is this about getting the most union jobs?" he said.

The school facilities money wouldn't have the same impact everywhere, said Michael Griffith, the senior school finance analyst for the Education Commission of the States, based in Denver.

"Most places will burn through it quickly, simply getting their schools up to safety standards," he said, as well as taking care of routine maintenance projects, such as plumbing and fixing roofs.

He said the danger for the Obama administration is in promising big changes to facilities. "If people think they're going to get new science labs, I think they're really being delusional," he said.

The \$30 billion proposed to help avert layoffs would flow to states on the basis of population figures and could be spent over two years.

If the jobs measure is enacted, it would mark the third installment of federal aid to states aimed at helping avert cuts to the education workforce.

The American Recovery and Reinvestment Act, the stimulus package passed in 2009, contained some \$100 billion for K-12 education, including about \$40 billion to avert layoffs. During the height of the stimulus effort in 2010, anywhere from 1.9 million to 4.8 million jobs could be attributed to the ARRA, according to the Congressional Budget Office.

Then, in the summer of 2010, Congress approved \$10 billion to help stabilize education budgets. That money helped save more than 110,000 jobs, according to the U.S. Department of Education.

The White House has not put forth a specific estimate of the number of jobs the new proposal would save. But the president's Council of Economic Advisers has estimated that there could be 280,000 education jobs on the chopping block this year if the measure does not pass.

Mr. McCluskey, of the Cato Institute, is skeptical of that estimate.

"I'm highly suspicious of the source of it. ... The president's Council on Economic Advisers gave him a giant number, which just happens to help sell his program," he said.

And he said, if the measure passes, it won't mark the final installment of federal funds to prop up education during the current economic doldrums.


"There is very little reason to think this would be the last federal bailout," he said. "This would be the new normal."

But other analysts applauded the administration's direction.

"I think it's a very effective approach," said Michael D. Leachman, the director of the Center for Budget and Policy Priorities, a research organization in Washington that focuses on the needs of low-income families. The CDPP [estimates](#) that states cut nearly 200,000 education jobs between August 2010 and August 2011.

"That's been a real drag on the overall economy," Mr. Leachman said.

And he said there's no way that school districts can make up for a collective shortfall in the states of nearly \$100 billion this year simply by finding efficiencies and trimming unnecessary programs.

Mr. Griffith, of the ECS, [estimates](#)  that the jobs package over two years would save 356,501 jobs in K-12 and 40,511 early-learning jobs.