

February 11, 2009

A Bold Vision For Stimulus, Education Reform

By **Bill and Melinda Gates**

Like many Americans, we are impressed with the goals outlined in the Obama administration's economic stimulus package, goals that would promote short-term economic recovery but also jump-start needed reforms in key areas like public education, which in turn will accelerate long-term economic growth.

We need an economic stimulus that also stimulates American education.

After decades of leading the world in high school and college graduation rates, the United States is now falling behind. Our achievement levels are roughly flat over the past three decades while nations around the world are surging ahead. We are certain to emerge from the current economic crisis eventually, but it is just as clear that we will not retain our global economic leadership unless we regain our edge in education.

Certainly some of the major changes necessary to improve our education system require slow, structural and sustained efforts that are not well-suited for a stimulus package. At the same time, there are important measures that could inject dollars into the economy quickly, create jobs and lay the groundwork for long-term improvements in outcomes for students.

We must fully leverage this stimulus to ensure that short-term spending is strategically targeted to promote our long-term success in the new economy. And we must hold recipients accountable for spending in ways that promote both of these goals.

For this reason, President Barack Obama and Congress are to be commended for proposing major new funding for education. We urge Congress to ensure that the final package prioritizes reform-minded investments that stimulate spending and focus funding on those things that will improve student outcomes and system performance. We encourage Congress and the administration to prioritize these elements, including:

Improve Data and Measurement Systems.

Support the implementation of data infrastructure for states, including the longitudinal data systems that link teacher and student data and that measure students' achievement over time. Such systems can play a critical role in helping teachers identify student needs; helping districts identify schools that are succeeding or need help; measuring college readiness and postsecondary completion; and helping policymakers determine which programs work and which do not.

Our foundation helped to found the Data Quality Campaign, which has identified the core "essential elements" to guide the creation of such a longitudinal data system, and we have underwritten several substantial studies that begin to articulate an architecture for such a system. Simply, if we are going to dramatically increase investment in education, we must include the measurement infrastructure to measure whether those investments are effective.

Facilities Funding for High-Performing Charter Schools.

We recognize that the president and Congress have targeted school modernization, renovation and repair, which we appreciate. We urge that charter schools receive their fair share of funding and hope

that the final bill ensures that high-performing charter schools be eligible for this funding. Rigorous schools such as KIPP, Green Dot, IDEA, YES, High Tech High and others are producing dramatic results that smash old prejudices about what poor students can achieve, yet the capital expenses of new school construction or upgrades is preventing expansion of these schools, and, therefore, access to students who need them urgently.

The current demand from high-performing charters for facilities financing is estimated to be around \$500 million based on projected financing needs over the next 18-24 months.

These schools are dramatically more effective improving outcomes for poor students. YES schools serve a student body that is 95 percent African-American or Hispanic. Last spring, for the eighth year in a row, 100 percent of YES graduates were accepted into four-year colleges, including some of the top universities in the country. Facilities funding for these highly effective schools will enable more poor children access to the schools that will prepare them for college, work and success -- such outcomes are the key to social equity and the long-term backbone of our economic success as a nation.

Increase and Focus Student Financial Aid That Helps Students Complete Their Degrees.

We applaud the proposed increases in the maximum Pell Grant award, which would cover living expenses as well as tuition, improving the likelihood students will complete a degree or certificate. We are also pleased about funding included for the American Opportunity Tax Credit.

Yet, it is our view that we have emphasized for too long access to college rather than completion of a degree. We would recommend that efforts be made to create student and institutional incentives to complete not just attend postsecondary education. The greatest economic benefits accrue to individuals and the greater economy upon credential attainment. In addition to assisting students currently in college, the funds will help assure that low-income students are not shut out of higher education by tuition increases at a time when Americans are going back to school to learn new skills.

Support and Measure Innovation.

We are pleased to see Congress include significant resources for incentive grants and an innovation fund for education. We urge that sufficient flexibility for these investments to spur innovation and support the scaling of effective models, curricula and programs in both secondary and postsecondary education -- and be tied to rigorous measurement of student outcomes. Innovation without measurement is just chasing fads.

There are many small pockets of excellence in the education market. But because of its fragmentation, few of these have been able to scale. With the proper incentives and infrastructure, many innovations could be surfaced or created and more importantly adopted broadly, resulting in dramatic increases in education productivity -- getting greater student achievement gains per dollar invested.

While the financial numbers under discussion are large, so is the challenge that lies ahead. It is critical the Congress act on this opportunity and assure that these historic investments are focused on those activities most effective at improving outcomes for students. It is in those outcomes that the ultimate stimulus occurs. Our students and our schools cannot wait.