



Few economists examine 'dynamic' effects of ed policies

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Lawmakers are considering changing the way they calculate the cost of tax and spending policies from a "static" to "dynamic" scoring method. The latter assesses a policy's effect on the economy and future revenues.

Dynamic scoring is favored among proponents of "pro-growth" tax cuts, including **President Bush's** chief economists. The economic assumptions strengthen their case for making income and investment tax cuts permanent.

The dynamic scoring arguments are rarely applied to strengthening education policies.

"Well, frankly, I've never even heard the argument made in regard to education policies," said **Rudolph Penner**, a budget analyst with the [Urban Institute](#). "Ninety-five percent of the discussion has been about tax policy."

That was the case during a **House Budget Committee** hearing Wednesday, which examined new ways to calculate the cost of tax and spending policies. Nearly the entire discussion focused on how tax policies affect the economy.

Competitiveness issue

Over the past several years, education proponents have increasingly sold the idea of school reforms and educational investments as a "competitiveness" issue.

The notion plays well among both parties because it resonates with the business community. Just this week, Bush's chief economic advisor **Edward Lazear** told a group of corporate economists K-12 education is the key to ensuring Americans can compete in the modern world. "We must continue to push for reform in K-12 education, which has been the weakest component of our human capital investment structure," he said.

He did not, however, call for increasing funding for schools. Rather, he said tax reductions are the "most important way to encourage growth in an economy."

Few stakeholders speak of education as an economic issue. Former Gov. **Bob Wise** is the exception. He says his 20-year political career taught him that proposals won't survive legislative scrutiny unless they promise to give lawmakers a return on investment. He is producing a series of [Alliance for Excellent Education](#) studies showing how inadequate education policies adversely affect the economy.

Wise said nothing could be better for education policies than "dynamic" scoring. "There is nothing more dynamic than taking a potential high school dropout and making him a graduate."