

# Policy Analysis

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Routing


## *A Lesson in Waste* *Where Does All the Federal Education Money Go?*

by Neal McCluskey

### Executive Summary

Since the 1965 passage of the Elementary and Secondary Education Act, which concentrated unprecedented authority over American education in the hands of the federal government, federal lawmakers have passed increasingly restrictive laws and drastically escalated education spending, which ballooned from around \$25 billion in 1965 (adjusted for inflation) to more than \$108 billion in 2002.

For many years that phenomenon appeared to be of little concern at the state and local level. Under the No Child Left Behind Act, however, that seems to be changing—citizens and policymakers are aggravated by the law's dictates, and a revolt against federal control of education is brewing. Of course, states can refuse their share of billions of federal education dollars and thereby avoid having to adhere to federal regulations, but turning down the money is difficult, especially since the federal government took the money out of state taxpayers' pockets in the first place.

And it's not just state unrest that's calling federal control of education into question: Despite the huge infusion of federal cash and the

near tripling of overall per pupil funding since 1965, national academic performance has not improved. Math and reading scores have stagnated, graduation rates have flatlined, and researchers have shown numerous billion-dollar federal programs to be failures.

Both state unrest and academic failure necessitate an examination of federal spending on education. States must decide if the benefits of federal funding outweigh the costs of complying with federal rules, and the nation as a whole must determine if the federal presence in American education should continue at all.

The answers, fortunately, are not elusive. Even when projects are measured against the Department of Education's own mission statement, it is clear that federal dollars are going to projects that should not be receiving them. More important, when evaluated using academic results, the strictures of the Constitution, and plain common sense, almost no federal funding is justified. For all those reasons, the federal government should withdraw from its involvement in education and return control to parents, local governments, and the states.

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## **Introduction**

As 2003 drew to a close, two events affecting education were close at hand, passage of the federal budget and the No Child Left Behind Act's second anniversary. On December 8 a press release from John Boehner (R-OH), chairman of the House Committee on Education and the Workforce, triumphantly melded the two together:

When President Bush signed the historic bipartisan No Child Left Behind Act into law nearly two years ago, we made a promise. That promise was to significantly increase spending on education, and to provide those resources in exchange for accountability and results for the first time ever. We took that commitment seriously, and it's exactly what we've delivered.<sup>1</sup>

And deliver money is precisely what the federal government has done, increasing its inflation-adjusted education expenditures from \$25 billion in 1965 to \$108 billion in 2002.<sup>2</sup>

Sadly, while the federal government has clearly been providing major support for education, the indicators of what Americans are getting for their money aren't good. Despite the more than quadrupling of federal spending on education and the near tripling of real per pupil expenditures (which include state, local, and federal funds), between 1965 and 2003 most measures of student achievement have remained flat.<sup>3</sup> That's a problem that demands an explanation.

And that's not the only compelling reason to scrutinize federal spending on education: Aggravated by the demands of the No Child Left Behind Act, states across the country are beginning to revolt against federal control of education. By March 2004, measures either calling for repeal of the law or advocating state action against it had passed at least one chamber of 12 state legislatures.<sup>4</sup>

Fortunately, the federal government is able to exert control only by "buying" states' compliance; if states don't take their share of fed-

eral education money, they don't have to follow the rules that accompany it. Of course, turning down hundreds of millions of dollars is hard to do, especially since it is, in essence, money being returned to state taxpayers after the federal government grabbed it out of their hands. Utah Republican state representative Margaret Dayton describes the predicament well: "We gradually give up our state sovereignty when we accept our tax money back into the state with strings attached to it."<sup>5</sup> That leads to a painful choice for states: they can either maintain their independence, or they can take back money that belonged to their citizens to begin with.

In light of that dilemma, as well as the academic stagnation that has plagued the nation for the last 40 years, the time has come to reassess the federal role in education, especially at the elementary and secondary level. At the heart of this reassessment must be an in-depth accounting of where, exactly, federal education money has gone, how much has gone there, and the academic results it has produced. That is the task of this analysis.

Note that while the main objective of this paper is to take an in-depth look at federal K-12 spending, that does not mean that only spending on programs classified as "elementary and secondary" will be analyzed. Doing so would overlook a huge amount of money, considering that more than 36 federal departments and organizations run major education programs<sup>6</sup> and that many of those administered by the Department of Education and classified as other than "elementary and secondary" have considerable impact on K-12 students. Therefore, many initiatives, such as early childhood programs designed to prepare children for K-12 education, are included, as are vocational, adult, and other programs that, though not primarily K-12 focused, nonetheless serve many such students.

## **What Are the Feds Doing Here?**

Education has traditionally been the do-

main of families, as well as local and state governments. Federal involvement is a relatively new phenomenon. To understand how American education has traditionally been delivered, and to put the federal government's recent educational foray into context, a short history is in order.

American public education began well over a hundred years before the federal government—and the nation itself—came into existence; it dates back at least as far as Massachusetts's 1647 Old Deluder Satan Act, which established the first compulsory and partially public education in what would eventually become the United States.<sup>7</sup> The act—which required all settlements with at least 50 families to employ a teacher of reading and writing and settlements of 100 or more families to establish a grammar school—was intended to ensure that all members of the colony were sufficiently literate to read the Bible, enabling them to fend off the inducements of Satan.<sup>8</sup> Money to pay for teachers and schools was raised through tuition from those who could afford it, and public funds were provided for those who could not.<sup>9</sup>

By present-day standards, colonial Massachusetts's educational system was very decentralized. Outside New England education was even more decentralized. In the South it was almost entirely a family affair; children were taught in their homes because southerners believed that government should have no role in education. In the ethnically and religiously diverse middle colonies, a wide variety of schools popped up, free of government interference, to serve the needs of the various religious denominations.<sup>10</sup>

The systems remained largely unchanged for nearly two centuries after passage of the Old Deluder Satan Act, despite the fact that in the intervening period the United States declared independence, established and dissolved a national government under the Articles of Confederation, and, in 1789, established an entirely new form of government under the Constitution.<sup>11</sup>

For modern Americans, the last is the most important of the aforementioned

events, as the Constitution is the primary federal law under which we live. It is what the Constitution does *not* do regarding education, though, that is most important: it grants no authority to the federal government to control education. The federal government has only those powers enumerated in the Constitution, and, as the Tenth Amendment reminds us, all other powers are reserved to the people or the states. As Madison wrote in *Federalist* no. 45:

The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised principally on external objects, as war, peace, negotiation, and foreign commerce. . . . The powers reserved to the several States will extend to all the objects, which, in the ordinary course of affairs, concern the lives, liberties and properties of the people, and the internal order, improvement, and prosperity of the State.<sup>12</sup>

Education in this system clearly is not a federal responsibility, its administration being neither an enumerated federal power nor one implied under the federal government's authority over "external objects."

With that as the prevailing wisdom, for more than a century after 1789 American education evolved almost entirely within state boundaries. Much of that evolution, though, involved increasing centralization of both the administration and the funding of schools. By the early 1800s the most well-known stage of that evolution, the common school movement spearheaded by Horace Mann, began to emerge. Spurred in large part by massive immigration, Mann and others argued that a system requiring mandatory attendance at free, government-run schools should be used to integrate America's increasingly heterogeneous peoples. As education professor Christopher J. Lucas writes:

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In essence, proponents wanted an entirely new kind of elementary vernacular school for the country. The common school, they alleged, was absolutely essential for bringing together people of diverse backgrounds and creating a united citizenry dedicated to American democracy. . . . Gradually people began to heed their message.<sup>13</sup>

By the end of the 19th century a majority of the states had common school systems, and by 1918 all did.<sup>14</sup> It was that movement, write education professors Bruce Cooper, Lance Fusarelli, and E. Vance Randall, that established our modern understanding of “public” education.

First, advocates of the statist, bureaucratic model such as Horace Mann were able to change the definition of “public” from its initial meaning of “anything that benefited the community as a whole” or the “performance of broad social functions” to state ownership and control. . . . In other words, public education became equated with the state not only in funding education, but owning, controlling, and managing it as a virtual monopoly.<sup>15</sup>

Consolidating control of education in the hands of increasingly bigger governments continues today, with smaller districts being consolidated into larger ones and states seizing control of everything from teacher certification to curricula.<sup>16</sup>

Despite the steady trend toward centralization, it was still well over a century after the common school movement took root before the federal government assumed a significant role in K-12 education. By the beginning of the 20th century there was a federal department dealing with education, but, according to the U.S. Department of Education, that early federal entity, established in 1867, was tasked only with “getting information on what works in education to teachers and education policymakers.”<sup>17</sup>

After 1867 the federal government began to accumulate responsibilities in areas outside K-12 education. In 1890, for instance, it started offering support to land-grant colleges and universities under the Second Morrill Act. In 1917 it assumed responsibilities in vocational education via the Smith-Hughes Act.<sup>18</sup> But it was not until the World War II era that the federal role greatly expanded. The Lanham Act of 1941 and the 1950 Impact Aid laws authorized the federal government to compensate school districts for tax revenue lost due to the presence of federal facilities within their boundaries. Also, in 1944 the “G.I. Bill” authorizing federal postsecondary education assistance for veterans was passed, setting a precedent for much of the federal role in higher education.<sup>19</sup>

In the latter part of the 1950s further federal expansion took place, prompted by the 1957 launch of the Soviet satellite *Sputnik*, which shook the early Cold War nation and inspired an almost overnight obsession with “fixing” America’s schools. For the first time, the federal government initiated curriculum and goal-setting policies, leading to passage of the 1958 National Defense Education Act. As noted education historian Diane Ravitch explains:

Congress reacted to the perceived crisis by passing the 1958 National Defense Education Act, which provided fellowships, grants, and loans for students in higher education to study mathematics, science, and foreign languages, as well as funding school construction. Overnight, a clamor arose for higher academic standards and greater attention to mathematics, science, and foreign languages in schools.<sup>20</sup>

Although the *Sputnik* crisis died out quickly, the federal government’s expansion into education continued during the 1960s, this time justified by social rather than national security concerns. Federal education policy became a part of President Lyndon Johnson’s Great Society, with policies built, according to the Department of Education, around “the

anti-poverty and civil rights laws of the 1960s and 1970s,” which brought about the “dramatic emergence of the Department’s equal access mission.”<sup>21</sup> The most important piece of education legislation passed in this period was the 1965 Elementary and Secondary Education Act, which today remains the nucleus of federal education policy.

In 1980 the U.S. Department of Education was promoted to cabinet level and made independent of the now-extinct Department of Health, Education and Welfare.<sup>22</sup> Education was elevated by a hotly contested bill that passed the House of Representatives by only four votes, and its future was uncertain in its first few years, especially since one of Ronald Reagan’s campaign promises (Reagan took office only eight months after the Department of Education’s birth) was to eliminate the department.<sup>23</sup> In 1983, however, the National Commission on Excellence in Education released *A Nation at Risk*, an assessment of the country’s educational system that warned that “[i]f an unfriendly power had attempted to impose on America the mediocre educational performance that exists today, we might well have viewed it as an act of war.”<sup>24</sup> The report produced a national alarm on a par with that caused by *Sputnik*, with a similar result: zeal for federal involvement in education intensified, and in 1984 the Republican Party dropped the elimination of the Department of Education from its platform.<sup>25</sup> Though that plank would eventually return, the Department of Education, and a huge federal presence in schooling, was here to stay.

### **The Federal Role Today**

According to the Department of Education, its official mission is “to ensure equal access to education and to promote educational excellence throughout the Nation,”<sup>26</sup> a mission broad enough to encompass almost anything. Of course, the department has finite resources and can’t possibly do everything conceivable under its boundless mission statement.

In the face of that reality, Cooper, Fusarelli, and Randall narrow the federal mission slightly:

[A]lthough the federal level contributes the least financially, it actually tackles the “big issues” and has a profound impact on our nation’s schools . . . it . . . led the way on school desegregation when the states were unable to break the racial education apartheid; it was the U.S. Department of Education that wrote many of the regulations on “inclusion” and “least restrictive environments” for handicapped and challenged children. . . . So although the states and localities clearly have the important role of paying teachers, erecting and maintaining school buildings, and other operational costs, it’s the federal government that breaks the barriers and sets new directions when local interests are perceived to be slower to act.<sup>27</sup>

The authors do not see the federal government leaving too many educational issues untouched, which is in line with Education’s mission statement. They do, however, provide a slightly more constrained interpretation of its role, suggesting that the federal government has jurisdiction primarily over “big issues,” especially those on which states and districts have been thought by federal policymakers to be acting too slowly.

Reflecting on his tenure as the second secretary of education, Terrel H. Bell identified Education’s major responsibilities when he took over in January 1981. In keeping with the two previous descriptions, Bell’s litany of duties suggests that his Department of Education had a wide scope of concerns, including: allocating “federal funds to school districts and colleges”; enhancing “learning for special education children”; “administering a law enacted to guarantee a ‘free and appropriate education’ for all handicapped children in the United States”; providing “federal financial assistance to students to help them defray the costs college”; enforcing “laws that prohibit discrimination on the basis of race, ethnic origin, sex, age, or handicapping condition”; and many more.<sup>28</sup>

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Despite the large scope of federal involvement depicted so far, federal policy has actually developed under two conflicting descriptions of the federal mission. While claiming a broad mandate to ensure “equal access” and “educational excellence throughout the Nation,” the Department of Education also states on its website that the federal government serves mainly as a safety net, reflecting “the historical development of the federal role in education as a kind of ‘emergency response system,’ a means of filling in the gaps in State and local support for education when critical national needs arise.”<sup>29</sup> So which version reflects reality, and which is closer to the ideal?

### The Federal Funding Explosion

Between 1965 and 2002, federal spending on education increased at an extremely rapid rate. In 1965 the combined education expenditures of all federal departments and agencies, in inflation-adjusted dollars, were \$24.7 billion. By 2002 that figure had soared to \$108.0 billion, an increase of more than 337 percent.<sup>30</sup> Even more incredible, the increase in overall spending on education was significantly smaller than that in K-12 spending, which skyrocketed from \$9.0 billion in 1965 to \$53.3 billion in 2002—a 492 percent increase.<sup>31</sup> Both growth rates significantly outstripped overall federal spending, which grew 212 percent in the same time period.<sup>32</sup> And,

perhaps most striking of all, one of the largest funding increases in Education’s budget has occurred in just the last four years; funds allocated to the department rose from \$38.4 billion in 2000 to \$63.3 billion in 2004, a 65 percent leap.<sup>33</sup>

So where has all the money been going? The search for an answer starts with a list of the seven departments and agencies that spent the most in three milestone years: 1965, the year of the ESEA’s passage; 1980, Education’s first year as a cabinet-level department; and 2002, the most recent year for which actual federal expenditures are known (Table 1). Combining those departmental spending data with an examination of the changes in those departments’ primary education efforts over the same years (Table 2) indicates what the departments used the money for.<sup>34</sup> What the data show is that top departments such as Education, the Department of Health and Human Services, and the Department of Veterans Affairs have spent money on everything from child nutrition, to pre-engineering programs, to mental health training initiatives. And new efforts are constantly being added. For instance, between 1965 and 2002 Education heaped 11 major funding areas onto its original total of 13 and dropped only two.<sup>35</sup> Similarly, in the same time period HHS added much more than it dropped, realizing a net gain of four program areas. Add to that that the number of major federal entities

**Table 1**  
**Federal Education Spending: Top Seven Departments, 1965, 1980, 2002 (thousands of current dollars)**

1965	1980	2002
Health and Human Services: \$1,027,537	Education: \$13,137,785	Education: \$46,324,352
Education: \$1,000,567	Health and Human Services: \$5,613,930	Health and Human Services: \$22,858,490
Agriculture: \$768,927	Agriculture: \$4,562,467	Agriculture: \$11,896,064
Defense: \$587,412	Veterans Affairs: \$2,351,233	Labor: \$6,364,200
Energy: \$442,434	Labor: \$1,862,738	Defense: \$4,749,222
Labor: \$230,041	Energy: \$1,605,558	Energy: \$3,625,124
Housing and Urban Development: \$221,256	Defense: \$1,560,301	National Science Foundation: \$3,230,812

Source: National Center for Education Statistics, “Federal On-Budget Funds for Education, by Agency: Fiscal Years 1965 to 2002,” *Digest of Education Statistics 2002*, Table 364, [www.nces.ed.gov/programs/digest/d02/tables/dt364.asp](http://www.nces.ed.gov/programs/digest/d02/tables/dt364.asp).

involved in education beyond the top seven increased from 15 to 29 between 1965 and 2002, bringing with them billions of dollars in new expenses, and it's clear that the leaps in federal spending are as much attributable to the government taking on new missions over the years as they are to funding increases for

long-standing programs.<sup>36</sup>

Narrowing the focus to K-12 education, the dominant funding agencies change somewhat (Table 3), with departments such as Veterans Affairs and the National Science Foundation dropping out and Treasury sneaking in. Interestingly, though Education was by far the

**Table 2**  
**Primary Funding Areas: Top Seven Spending Departments, 1965, 1980, 2002**

Department/ Agency	1965	1980		2002	
		Added after 1965	Removed after 1965	Added after 1980	Removed after 1980
Education	<ul style="list-style-type: none"> <li>• Impact Aid</li> <li>• School improvement program</li> <li>• Special education</li> <li>• Vocational and adult education</li> <li>• Higher education</li> <li>• Higher education: facilities—loans and insurance</li> <li>• Educational activities overseas</li> <li>• Gallaudet College and Howard University</li> <li>• Administration</li> <li>• Libraries</li> <li>• Rehabilitative services and disability research</li> <li>• American Printing House for the Blind</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Grants for the disadvantaged</li> <li>• Indian education</li> <li>• Bilingual education</li> <li>• Student financial assistance</li> <li>• Federal Family Education Loan Program</li> <li>• College housing loans</li> <li>• Trust funds and contributions</li> <li>• National Technical Institute for the Deaf</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Education Reform—Goals 2000</li> <li>• Federal Direct Student Loan Program</li> <li>• Historically Black Colleges and Universities</li> <li>• Capitol Financing, Program Account</li> </ul>	<ul style="list-style-type: none"> <li>• Educational activities overseas</li> <li>• Libraries</li> </ul>
HHS	<ul style="list-style-type: none"> <li>• Social Security Student Benefits</li> <li>• Health professions training programs</li> <li>• National Institute of Occupational Safety and Health training grants</li> <li>• Alcohol, drug abuse, and mental health training programs</li> </ul>	<ul style="list-style-type: none"> <li>• Head Start</li> <li>• Indian health manpower</li> <li>• National Health Service Corps scholarships</li> <li>• National Institutes of Health training grants</li> <li>• Health teaching facilities</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Payments to states for AFDC work programs</li> </ul>	<ul style="list-style-type: none"> <li>• Alcohol, drug abuse, and mental health training programs</li> <li>• Social Security postsecondary students' benefits</li> </ul>

*Continued*

**Table 2** *continued*

Department/ Agency	1965	1980		2002	
		Added after 1965	Removed after 1965	Added after 1980	Removed after 1980
	<ul style="list-style-type: none"> <li>• Social Security postsecondary students' benefits</li> <li>• National Library of Medicine</li> <li>• University research programs</li> </ul>				
Agriculture	<ul style="list-style-type: none"> <li>• Child nutrition programs</li> <li>• Agricultural Marketing Service—commodities</li> <li>• Special milk program</li> <li>• Extension Service</li> <li>• National Agricultural Library</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Agriculture Extension Service, Second Morrill Act payments to agricultural and mechanical colleges and Tuskegee Institute</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Special milk program (consolidated into child nutrition programs)</li> </ul>
Labor	<ul style="list-style-type: none"> <li>• Training programs</li> </ul>	<ul style="list-style-type: none"> <li>• Job Corps</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Defense	<ul style="list-style-type: none"> <li>• Overseas dependent schools</li> <li>• Service academies</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Junior Reserve Officer Training Corps (JROTC)</li> <li>• Tuition assistance for military personnel</li> <li>• Senior ROTC</li> <li>• Professional development education</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Domestic schools</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Energy	<ul style="list-style-type: none"> <li>• Pre-engineering program</li> <li>• University laboratory cooperative program</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation for school buildings</li> <li>• Teacher development projects</li> <li>• Energy conservation for buildings—higher education</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Minority honors vocational training</li> <li>• Honors research program</li> <li>• Students and teachers</li> </ul>	<ul style="list-style-type: none"> <li>• Energy conservation for school buildings</li> <li>• Pre-engineering program</li> <li>• University laboratory cooperative program</li> <li>• Teacher development</li> </ul>

Department/ Agency	1965	1980		2002	
		Added after 1965	Removed after 1965	Added after 1980	Removed after 1980
					<ul style="list-style-type: none"> <li>projects</li> <li>• Energy conservation for buildings–higher education</li> <li>• Minority honors vocational training</li> <li>• Honors research program</li> <li>• Students and teachers</li> </ul>
National Science Foundation	<ul style="list-style-type: none"> <li>• Science and engineering education programs</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Sea Grant Program</li> </ul>	<ul style="list-style-type: none"> <li>• Sea Grant Program</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>
Veterans Affairs	<ul style="list-style-type: none"> <li>• Noncollegiate and job training programs</li> <li>• Vocational rehabilitation of disabled veterans</li> <li>• Dependents’ education</li> <li>• Vietnam era veterans “readjustment benefits”</li> <li>• Veteran dependents’ education–higher education</li> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• Service persons college support</li> <li>• Post-Vietnam veterans education accounts</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• Service members occupational conversion and training act of 1992</li> <li>• All-volunteer-force educational assistance</li> <li>• Payments to state education agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Noncollegiate and job training programs</li> <li>• Service members Occupational Conversion and Training Act of 1992</li> <li>• Vietnam era veterans “readjustment benefits”</li> <li>• Service persons college support</li> <li>• University research programs</li> </ul>
HUD	<ul style="list-style-type: none"> <li>• College housing loans</li> <li>• Urban mass transportation–managerial training grants</li> </ul>	<ul style="list-style-type: none"> <li>• University research programs</li> </ul>	<ul style="list-style-type: none"> <li>• College housing loans</li> <li>• Urban mass transportation–managerial training grants</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>

Source: National Center for Education Statistics, “Federal On-Budget Funds for Education, by Level or Other Educational Purpose, by Agency and Program: Fiscal Years 1965 to 2002,” *Digest of Education Statistics 2002*, Table 365, [www.nces.ed.gov/programs/digest/d02/tables/dt365.asp](http://www.nces.ed.gov/programs/digest/d02/tables/dt365.asp).

**Table 3**  
**Federal Education Spending: Top Five K-12 Spending Departments with Percentage of Total 1965, 1980, 2002**  
**(thousands of current dollars)**

1965	1980	2002
Agriculture: \$623,014, 32%	Education: \$6,629,095, 41%	Education: \$25,246,185, 47%
Education: \$567,343, 29%	Agriculture: \$4,064,497, 25%	Agriculture: \$10,894,031, 20%
Labor: \$230,041, 19%	Labor: \$1,849,800, 12%	Health and Human Services: \$7,315,921, 14%
Office of Economic Opportunity: \$182,793, 9%	Health and Human Services: \$1,077,000, 7%	Labor: \$6,351,000, 12%
Interior: \$130,096, 7%	Treasury: \$935,903, 6%	Defense: \$1,484,932, 3%

Source: National Center for Education Statistics, “Federal On-Budget Funds for Education, by Level or Other Educational Purpose, by Agency and Program: Fiscal Years 1965 to 2002,” *Digest of Education Statistics 2002*, Table 365, [www.nces.ed.gov/programs/digest/d02/tables/dt365.asp](http://www.nces.ed.gov/programs/digest/d02/tables/dt365.asp).

largest distributor of federal education funds in 1980 and 2002, it did not provide even half of the total—a surprising share for the department in charge of education. Almost as surprising is that Agriculture is always one of the top two spenders, which shows the relatively large size of child nutrition and health programs. Note also that most of the programs administered by the now-defunct Office of Economic Opportunity are divvied up among three departments; for example, Head Start is now a part of HHS, and Job Corps is now run by the Department of Labor.

### The Nitty-Gritty

Now to the heart of the matter: outlays of major departments, agencies, and programs. Note that though this accounting focuses on the agency that dominates federal education policy and spending, the Department of Education, several major non-Department of Education programs are also discussed, especially Head Start, Job Corps, and Department of Defense Educational Activities.

The federal role in education increased markedly during the mid to late 20th century, reaching its symbolic pinnacle when Education was elevated to cabinet status. But that didn’t end the evolution of the federal role; in the less than a quarter of a century since Education received its independence it has assumed ever-increasing K-12 responsi-

bilities and funds (Table 4). Its total allotment of K-12 money has more than doubled in that time, and 9 of the 16 program areas it handles were created after 1980. Two of the most heavily funded—Improving Teacher Quality State Grants and Reading First—are only three years old.

### No Child Left Behind: Title I Grants to Local Education Agencies (LEAs)

The Elementary and Secondary Education Act is the nucleus of federal K-12 policy. The No Child Left Behind Act is its most recent manifestation. Originally designed to improve education for the poor, the ESEA was an integral part of President Lyndon Johnson’s Great Society.<sup>37</sup> It is equally important to President George W. Bush, who at the time of its signing called the No Child Left Behind Act the “cornerstone” of his administration.<sup>38</sup>

Title I is the core of the ESEA, and Grants to Local Education Agencies (meaning, generally, school districts) disburses most of the funds—\$12.3 billion in 2004. In addition, in 2004 Title I will provide approximately \$1.1 billion for two reading programs, Reading First and Early Reading First (Appendix A).

Money from this title flows through states to districts on the basis of formulas that have changed frequently, generally to allow increasing amounts of money to go to greater numbers of students. Title I is also the bait the federal government uses to entice states and school districts to follow the most

**Table 4**  
**Major Department of Education K-12 Programs, Appropriation Changes, 1980–2004**  
**(1st year funding in thousands of 2002 dollars)**

	1st Year	1st Year Funding	2004 Funding	% Change
ESEA Title I Grants to LEAs	1980	\$5,357,860	\$12,342,309	130
Reading First	2001	\$291,062	\$1,118,362	284
Impact Aid	1980	\$1,480,857	\$1,229,527	-17
Improving Teacher Quality State Grants	2001	\$2,145,312	\$2,930,126	37
Safe & Drug-Free Schools State Grants	1987	\$229,426	\$440,908	92
21st-Century Community Learning Centers	1995	\$847	\$999,070	117,854
Educational Technology	1997	\$217,900	\$691,841	184
State Grants for Innovative Programs	1995	\$392,358	\$296,500	-24
State Assessments	2002	\$387,000	\$390,000	1
Credit Enhancement for Charter School Facilities	2003	\$24,838	\$37,279	50
Charter Schools Grants	1995	\$6,779	\$218,700	3,126
Indian Education	1980	\$148,870	\$120,856	-19
English Language Acquisition	1980	\$366,121	\$681,215	86
Special Education	1980	\$2,341,961	\$11,160,707	377
Vocational Education	1980	\$1,537,818	\$1,327,846	-14
Adult Education	1980	\$240,468	\$590,233	145
Other	1980	\$2,380,838	\$3,347,423	41

Source: U.S. Department of Education, “Education Department Budget History Table: FY 1980–Present,” <http://www.ed.gov/about/overview/budget/history/edhistory.xls>; inflation adjustment calculated using the GDP deflator. National Aeronautics and Space Administration, “Cost Estimating Web Site,” [www.jac.nasa.gov/bu2/inflateGDP.html](http://www.jac.nasa.gov/bu2/inflateGDP.html).

contentious of its education regulations, including requirements for standardized testing, teacher qualifications, and reading curricula. States that refuse to follow the provisions of NCLB risk having their Title I funds revoked—a potential loss of more than a billion dollars for some states (Table 5).

Schools with at least 40 percent of their students living in poverty can use Title I funds to establish school-wide academic support programs. Those with less than 40 percent must target money to specific students.<sup>39</sup> However, many schools have no Title I-eligible students and are not subject to many NCLB rules.

Title I funds can be used “to provide additional instructional staff, professional development, extended-time programs, and other strategies for raising student achievement in

high poverty schools.”<sup>40</sup> LEAs deemed “in need of improvement” must set aside up to 20 percent of their Title I grants to provide students either with services such as tutoring or with transportation to other public schools for those who wish to transfer.<sup>41</sup>

For many years the value of Title I grants to LEAs was essentially stagnant (Figure 1). In 1966 the grants were set at roughly \$1 billion, or \$4.4 billion in 2002 dollars.<sup>42</sup> By 1981 that had not greatly changed; their total value continued to hover in the mid to upper \$4 billions and remained there for the next seven years. After 1986, however, funding began a steady climb, and by 2004 it had nearly tripled.<sup>43</sup>

**Major Non–Title I NCLB Programs**

The No Child Left Behind Act authorized a number of major programs, dealing with

**States that refuse to follow the provisions of NCLB risk having their Title I funds revoked—a potential loss of more than a billion dollars for some states.**

**Table 5**  
**Estimated Title I Grants to States, 2004 (thousands of dollars)**

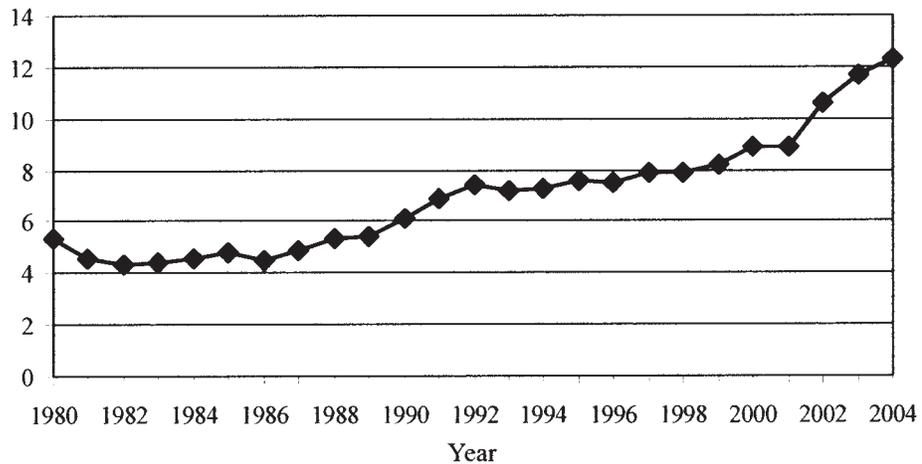
State	Amount	State	Amount	State	Amount	State	Amount	State	Amount
California	1,764,483	Louisiana	266,814	Indiana	167,446	Connecticut	107,671	Maine	45,283
New York	1,240,421	New Jersey	264,409	Maryland	164,199	Minnesota	105,648	Hawaii	42,939
Texas	1,103,496	Massachusetts	233,628	South Carolina	164,123	West Virginia	94,596	Idaho	41,269
Florida	569,415	Arizona	228,343	Mississippi	160,308	Kansas	82,679	Montana	40,547
Illinois	524,122	Tennessee	198,713	Wisconsin	160,232	Nevada	64,308	South Dakota	34,622
Pennsylvania	430,855	Virginia	194,991	Oklahoma	140,702	Iowa	64,267	Alaska	32,448
Michigan	416,083	Alabama	186,100	Oregon	130,516	Utah	50,575	Delaware	32,199
Ohio	396,435	Missouri	185,571	Arkansas	118,279	Washington, DC	49,087	North Dakota	30,065
Georgia	381,292	Washington	171,265	Colorado	114,458	Nebraska	48,407	Wyoming	29,631
North Carolina	270,918	Kentucky	168,995	New Mexico	114,152	Rhode Island	45,612	New Hampshire	29,334
								Vermont	27,809

Source: U.S. Department of Education, "ESEA Title I Grants to Local Education Agencies," March 2004, [www.ed.gov/about/overview/budget/statetables/05stbyprogram.xls](http://www.ed.gov/about/overview/budget/statetables/05stbyprogram.xls).

everything from teacher quality to charter schools, in addition to those under Title I (Appendix B). Each was born of different sections of the law. For instance, Improving Teacher Quality Grants were initiated under Title II of the ESEA, while State Assessments are from Title VI. Many of these programs were appropriated very large amounts by

Congress for 2004. For instance, Improving Teacher Quality State Grants received \$2.9 billion, and Impact Aid got \$1.2 billion. Of particular interest are State Assessment Grants, for which NCLB sets minimum annual funding levels through 2005. Failure to meet those minimums (2004's was \$390 million) would free states from NCLB's man-

**Figure 1**  
**ESEA Title I Funding, 1980–2004 (billion 2002 dollars)**



Source: U.S. Department of Education, "Education Department Budget History Table: FY 1980–Present," <http://www.ed.gov/about/overview/budget/history/index.html>; inflation adjustment calculated using the GDP deflator, National Aeronautics and Space Administration, "Cost Estimating Web Site," [www.jac.nasa.gov/bu2/inflateGDP.html](http://www.jac.nasa.gov/bu2/inflateGDP.html).

date that they develop and administer standardized math and reading tests to all students in grades 3–8.<sup>44</sup> Other examples of NCLB-authorized efforts are Safe and Drug-Free Schools programs, a couple of charter school programs, and several Indian education initiatives.

### **Special Education Programs**

After Title I, special education programs account for the largest section of Education’s K-12 budget. They are governed by the Individuals with Disabilities Education Act, the purpose of which is to guarantee a “free appropriate public education” for all students. The programs Education administers under this title (Appendix C) are Grants to States, Preschool Grants, Grants for Infants and Families, and five national activities.<sup>45</sup> Special education funding follows a pattern similar to that of the ESEA, featuring a large outlay to states (\$10.1 billion in 2004) and several smaller, more specific programs, such as Personnel Preparation (\$91.4 million) and Parent Information Centers (\$26.2 million).<sup>46</sup> Note that IDEA is scheduled to be reauthorized in 2004 and could undergo significant changes.

### **Vocational Education**

Vocational education programs are intended, as the name suggests, “to further State and community efforts to improve vocational education programs.” Under “Vocational Education” come five programs (Appendix D): Vocational Education State Grants, Tech-Prep State Grants, Tech-Prep Demonstration, National Programs, and Occupational and Employment Information. All were authorized under the Carl D. Perkins Vocational and Technical Education Act of 1998. In 2004 the combined appropriations for those programs was nearly \$1.33 billion. Among the allocations made under vocational education are \$1.2 billion in State Grants and \$9.4 million for employment counseling programs.<sup>47</sup>

### **Department of Education: Adult Education**

The phrase “Adult Education” suggests it

has little to do with K-12 education. However, its main goal is to teach basic reading, writing, and other skills typically taught in the K-12 system. For that reason Education counts adult education programs as primary and secondary education efforts. In 2004, \$590.2 million was appropriated for Adult Education, \$3.0 million more than in 2003. The program’s major divisions are Adult Basic and Literacy Education State Grants, the National Institute for Literacy, and National Leadership Activities (Appendix E).<sup>48</sup>

### **Department of Education: Other K-12 Programs**

The Department of Education runs a number of K-12 initiatives in addition to those already listed (Appendix F), which together account for more than \$3.0 billion in 2004. Many of those programs, of course, distribute numerous grants and administer several subprograms. Some examples of those programs are the \$8.4 million Exchanges with Historic Whaling and Trading Partners, the \$70.0 million Physical Education for Progress program, and the \$119.3 million Teaching of Traditional American History initiative.<sup>49</sup>

### **Department of Education: Non-K-12 Programs**

As mentioned, Education runs numerous programs that, though they are not necessarily aimed at K-12 students, nonetheless affect the nation’s K-12 population. Some of the largest (Appendix G) are such entities as the Institute for Education Sciences, which does research on all levels of education and received slightly more than \$475 million in 2004; several programs to prepare disadvantaged kids for college; and the more than half billion dollar cost of running the Department of Education.<sup>50</sup>

### **Non-Department of Education K-12 Programs**

Finally, numerous agencies outside the Department of Education administer programs that affect K-12 education, including Head Start in the Department of Health and

**After Title I, special education programs account for the largest section of Education’s K-12 budget.**

Human Services; Bureau of Indian Affairs Schools in the Department of the Interior; the Department of Defense Education Activity; and the Department of Labor's Job Corps (Appendix H).<sup>51</sup> As previously mentioned, together all non-Department of Education programs account for more than half of federal K-12 spending; the tab for federal involvement in education consists of much more than just the Department of Education's budget.

## Grading the Feds on Their Own Terms

Earlier, we looked at three frameworks for the federal role in education. The first follows the Department of Education's official—and seemingly boundless—mission: “to ensure equal access to education and to promote educational excellence throughout the Nation.” The second, more restrictive, framing is that of the safety net, put forth in Education's description of federal education policy “as a kind of ‘emergency response system.’” Under that definition, much of what the federal government does in K-12 education becomes suspect. Finally, there is the traditional view that no federal policy is legitimate because the Constitution gives the federal government no authority over education. It's a viewpoint guided by Madison's principle that the federal government should exercise authority predominantly “on external objects, as war, peace, negotiation, and foreign commerce.”

When federal education activities are measured against those frameworks, some programs will appear to be illegitimate under even the most lax guidelines. Under the most time-honored, almost no federal education activities are legitimate.

### The National Excellence Model

The broadest framing of the federal role in education could be called the National Excellence Model, wherein the federal government ensures equal access to education and promotes educational excellence nationwide, in line with the stated mission of the U.S. Department of Education. Under this

almost limitless heading, very little federal educational activity would be unacceptable. Nonetheless, several federal programs fail to prove their legitimacy even under it, either because they are not “national” in scope or because they do not produce “educational excellence,” or both. Though by no means a comprehensive list of such programs, the examples that follow provide a little insight into some of the worst uses of federal funds.

***Exchanges with Historic Whaling and Trading Partners.*** This program “supports culturally based educational activities, internships, apprenticeship programs, and exchanges for Alaska Natives, Native Hawaiians, and children and families of Massachusetts.” It makes very specific appropriations: “\$2 million each for (1) the New Bedford Whaling Museum in partnership with the New Bedford Oceanarium in Massachusetts and (2) the Inupiat Heritage Center in Alaska; not less than \$1 million each for the New Trade Winds Project to (1) the Alaska Native Heritage Center, (2) the Bishop Museum in Hawaii, and (3) the Peabody Essex Museum in Massachusetts; and not less than \$1 million each for the same three entities for internship and apprenticeship programs.”<sup>52</sup>

Far from having national goals, this program could hardly be more narrowly focused. Moreover, though there might be interesting things to learn from studying the cultures of traditional trading partners, such knowledge is hardly essential to an excellent K-12 education. Nevertheless, in 2004 Congress appropriated \$8.5 million for this effort.<sup>53</sup>

***Arts in Education Model Development and Dissemination Grants.*** Reasonable people can disagree about whether or not a strong arts component is required for an “excellent” education. This program, which works to strengthen arts education in elementary and secondary schools,<sup>54</sup> is therefore acceptable under this heading.

At least two grant recipients, however, are not, because they offer programs that can in no way be construed as providing an “excellent” education. The first, a partnership between the Long Beach Unified School District, Cal State University at Long Beach,

**Under the National Excellence Model, very little federal educational activity would be unacceptable.**

and an arts agency called Dramatic Results, runs a project that “will provide systematic, illustrated information showing how to use basketry to provide quality arts instruction and how to integrate basketry into the academic curricula to strengthen instruction in math.”<sup>55</sup> A project literally relying on basket weaving to teach about art and math? That hardly seems conducive to establishing “national excellence.”

The second grantee is Storybridge, a partnership between Stagebridge, “a nationally acclaimed theatre of seniors,” and the Oakland Unified School District. Its mission is to bring “storytelling, oral history, and intergenerational theater by senior citizens to at-risk, low-income urban elementary students.”<sup>56</sup> Worthwhile objectives, perhaps, but oral story telling and “intergenerational understanding” are hardly central to educational excellence. Moreover, a district like Oakland, California, which has performed so poorly that the state took it over in 2003,<sup>57</sup> would surely be better served by applying the time and money spent on Storybridge to teaching basic reading and writing. Together, the Storybridge and Dramatic Results projects have received nearly half a million dollars from the federal government.<sup>58</sup>

**Cooperative Civic Education and Economic Education Exchange Program.** This might meet the “educational excellence” requirement, but not on a national scale. No, this program works on an international level, helping to make “exemplary curricula and teacher training programs in civics, government, and economics developed in the United States available to educators in eligible countries,” with the goal of helping recipients build American-style institutions. It’s a laudable objective, perhaps, but how it benefits American students is a mystery. The program’s 2003 appropriation was \$11.9 million.<sup>59</sup>

### The Emergency Response Model

A framing of the federal role in education more limited than the National Excellence Model could be termed the Emergency Response Model, which comes from Edu-

cation’s description of the federal government as an “emergency response system” that acts only when “critical national needs arise.” To set parameters for which programs may or may not qualify here, it is useful to define the term “emergency.” *Webster’s II New Riverside Dictionary* defines it as “an unexpected situation that requires prompt attention,”<sup>60</sup> suggesting that under this model the federal government should deal only with situations that are unexpected and in need of an immediate response. Unfortunately, few federal education undertakings since 1965 have begun in response to “emergency” situations. Some, certainly, deal with problems that were emergencies at one time, but most were addressed by other entities long before the federal government got involved. Others were simply never emergencies at all. Below are just some of the programs unjustifiable under the “emergency” test.

**Reading First and Early Reading First Grants.** Though part of Title I of the ESEA, these programs came into existence only with the No Child Left Behind Act. But was it really not until 2001 that the country discovered that many poor children were struggling readers? Was it really an “unexpected situation” requiring immediate federal attention? Considering that educators have known since at least the 1955 publication of Rudolph Flesch’s *Why Johnny Can’t Read* that the nation as a whole has suffered from poor reading skills,<sup>61</sup> and have acknowledged since the 1960s that the poor do even worse than the average, the answer is certainly no. And states were catching on long before the federal government did; numerous states including Virginia,<sup>62</sup> West Virginia,<sup>63</sup> Rhode Island,<sup>64</sup> and Alabama<sup>65</sup> had statewide reading improvement programs in place years before Reading First was established.

**Improving Teacher Quality State Grants.** This program was added to the ESEA, along with Reading First, in 2001. As was the case with the reading “crisis,” the fact that too many American teachers are either of poor quality or are teaching subjects they’re not qualified in is not new information. Studies dating back to at least 1994 make the con-

**A project literally relying on basket weaving to teach about art and math hardly seems conducive to establishing “national excellence.”**

**As the Tenth Amendment makes clear, “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” It is unambiguous: *the Constitution confers no power to the federal government to regulate or finance education.***

nection between student achievement and such things as teachers’ verbal abilities and content knowledge, and many have found teachers lacking overall.<sup>66</sup> And concern about the quality of America’s teaching force isn’t new to the federal government—*A Nation at Risk* identified teacher quality problems more than 20 years ago.<sup>67</sup>

**Educational Technology.** There was no technological crisis in America’s schools in 1995, the year this program started. Indeed, far from having a technology emergency, the research organization Public Agenda has consistently reported that while most professors and employers find the math and writing skills of America’s young people atrocious, “[v]ery large majorities of both employers and professors rate the computer skills of the young people they come in contact with as excellent or good.”<sup>68</sup> This program clearly meets neither the “unforeseen” nor the “requiring immediate action” qualifications of emergency response. Indeed, it seems to be treating an American educational strength, not a weakness. But one couldn’t tell that from its funding, which has grown more than 184 percent since it started, rising from \$217.9 million in 1997 to \$691.8 million in 2004 (Table 4).

**State Assessment Grants.** Perhaps the most visible of the No Child Left Behind Act’s changes is the requirement that states set academic standards for all children in grades 3–8 and create assessments to determine if they’re meeting them. These grants help pay for the development and dissemination of those tests. Again, this does not stem from an emergency—even if one considers a lack of state assessments dangerous, the federal government got in the game far too late for its law to be considered “immediate action.” Numerous states, including Massachusetts,<sup>69</sup> Virginia,<sup>70</sup> and Maryland,<sup>71</sup> have had standards and assessments in place since the early to mid 1990s.

**Reading Is Fundamental.** Well known for decades because of its television advertisements, RIF has been distributing free books to children since 1966. Only since 1976, however, has it been doing so with federal money.<sup>72</sup>

Even if RIF’s first activities in 1966 were in response to a crisis, by the time the federal government got involved, “immediate action” had already been taken privately. Nonetheless, in 2004 RIF received more than \$25.1 million in federal funds (Appendix F).

### **The Constitutionalist Model**

The most restrictive view of the federal role in education, which holds that the federal government has almost no authority over education, can be termed the Constitutionalist Model. This last model is grounded on one fundamental understanding: the federal government may exercise only those powers explicitly delegated by the Constitution. As the Tenth Amendment makes clear, “The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.” It is unambiguous: *the Constitution confers no power to the federal government to regulate or finance education.*

Though very stringent, the constraints imposed on the federal government in this model do not necessarily place an absolute prohibition on federal education activity. They do, however, limit involvement to only those areas connected to legitimate federal functions. Impact Aid, for instance, could arguably be considered among the federal government’s legitimate education-related undertakings, as it stems from execution of the government’s constitutional responsibility to provide for “the common defense.” (Ironically, Impact Aid is one of the few areas to suffer a decline in real funding since 1980.) Indeed, the Department of Defense runs an entire school system for the children of servicemen and servicewomen, and, while its necessity is debatable for personnel in the states, educating the children of servicemen and servicewomen stationed overseas can be seen as properly related to the federal government’s national defense role.

Of course, the narrow designation of federal powers is not arbitrary. The powers granted to the federal government are few, and those reserved to the states many, for, among others, a very practical reason: the smaller the unit of

government, the more familiar it will be with the concerns and needs of citizens. As Madison noted in *Federalist* no. 46:

By the superintending care of these [States], all the more domestic and personal interests of the people will be regulated and provided for. With the affairs of these, the people will be more familiarly and minutely conversant. And with the members of these will greater proportion of the people have the ties of personal acquaintance and friendship, and of family and party attachments.<sup>73</sup>

Familiarity with the unique problems of specific places is vital to making good policy. Detroit, for instance, faces different challenges than Seattle, which has problems different from those confronting Iowa farming communities or suburban New Jersey towns. In light of this, having a distant, central power dictate one policy for the entire nation is likely to produce the kinds of results Harvard professor Gary Orfield has described as coming from NCLB: “demands that are somewhere between difficult and absurd.”<sup>74</sup>

The government’s track record of educational failure proves how wise the Framers were. Despite a real increase in federal spending on elementary and secondary education of nearly 500 percent between 1965 and 2002,<sup>75</sup> and a 158 percent increase in total per pupil expenditures,<sup>76</sup> in that time NAEP scores essentially stagnated, especially in science and reading.<sup>77</sup> And it’s the students closest to completing their K-12 education who have produced the worst results: since 1970 math and reading scores for 17-year-olds have gone up barely a tenth of a standard deviation, while science scores are down nearly 20 percent.<sup>78</sup> In addition to NAEP, combined SAT scores have dropped markedly, with verbal scores plummeting more than 30 percent of a standard deviation and math scores barely remaining stagnant since 1970.<sup>79</sup> Finally, the percentage of 17-year-olds who are high school graduates is essentially unchanged since 1964–65; it was

72.1 percent then and an estimated 72.5 percent in 2001–02.<sup>80</sup>

Many individual federal programs are as ineffective as federal action overall. Consider Title I, the core of the Elementary and Secondary Education Act. In *Closing the Education Achievement Gap: Is Title I Working?* researchers Marvin Kusters and Brent Mast reach this disheartening conclusion:

After more than thirty-five years of experience and numerous careful efforts to evaluate its performance, the evidence has failed to demonstrate that Title I programs have been systematically and significantly contributing to reducing disparities in achievement by improving the performance of its beneficiaries. . . . Experiments by federal, state, and local authorities and major shifts in the emphasis of federal policy have all failed to bring systematic improvement.<sup>81</sup>

That’s not much to show for the multiple billions expended on Title I since 1965.

The second largest education program, Head Start, has produced similarly disappointing results, at a price tag of nearly \$6.8 billion in the year 2004 alone (Appendix H). True, Head Start attendees show an advantage over their peers for a year or so after completing the program, but those gains disappear soon after.<sup>82</sup> Or how about the relatively new 21st-Century Community Learning Centers Program? That initiative, which funds after-school programs around the country, kicked off in 1995 with a tiny budget of \$847,000. In 2004, only nine years later, Congress appropriated nearly \$1 billion for it (Table 4). Presumably the program has been working miracles. However, a January 2003 Department of Education report found that after-school centers funded by the program “had limited influence on academic performance, no influence on feelings of safety or on the number of ‘latchkey’ children and some negative influences on behavior.”<sup>83</sup> It turns out that the program has received

**A distant, central power dictating one policy for the entire nation is likely to produce the kinds of results Harvard professor Gary Orfield has described as coming from NCLB: “demands that are somewhere between difficult and absurd.”**

**When the federal government collects taxes to fund its failed programs, those taxes are money that neither the states nor the people retain, money that would have enabled parents and states to do what they thought best.**

massive funding increases despite doing almost the opposite of working miracles.

And it's not just aid to the poor that's failing. Also disappointing has been the Department of Education's ability to promote innovation, a job now belonging to its Office of Innovation and Improvement, which sees itself as "a nimble, entrepreneurial arm of the U.S. Department of Education," making "strategic investments in innovative educational practices."<sup>84</sup> At an April 2003 conference at Harvard, Diane Ravitch, who in the early 1990s headed the Office of Educational Research and Innovation, OII's predecessor, characterized OERI as a failure and expressed little hope that any federal program can be relied on to promote innovative, effective change:

We were always on the lookout for the latest thing, the newest innovation that would set the world of education on fire. Yet, in retrospect, it is hard to think of a single program that the department funded during that time that actually made a lasting contribution to the advancement of education. . . . When I first heard the Department of Education had created an Office of Innovation and Improvement, I was less than enthusiastic. It is not because I oppose innovation, but because I have strong doubts about whether the federal government has the capacity to nurture effective practices. My impression, based on the last 30 years, is that the federal government is likely to be hoodwinked, to be taken in by fads, to fund the status quo with a new name, or to impose a heavy regulatory burden on those who seek its largesse.<sup>85</sup>

Despite that assessment, in 2004 Congress appropriated \$1.1 billion for programs administered by OII.<sup>86</sup>

Unfortunately, when the federal government collects taxes to fund its failed programs, those taxes are money that neither the states nor the people retain, money that

would have enabled parents and states to do what they thought best, whether reducing class sizes, enabling students to go to private schools, applying the funds to other priorities such as health care or housing, or just saving the money for future expenses. After all, all the federal government really does is take money from taxpayers and redistribute it, only with millions lost in bureaucratic processing and the remainder returned to states laden with inflexible restrictions.

In many cases, of course, federal policymakers justify taking money on the basis of equity rather than programmatic effectiveness. But the federal government doesn't even redistribute efficiently. Comparing the U.S. Census Bureau's 2000 ranking of states from highest to lowest poverty rate with the Bureau's 2001 ranking of per pupil financing reveals an at-best weak correlation between poverty and federal education dollars.<sup>87</sup> Alaska, for instance, was the recipient of the most federal dollars per pupil in 2000-01, yet it ranked 43rd in poverty. North Dakota received the fourth largest amount per pupil but ranked 21st for poverty. Despite being 8th overall for poverty, Alabama placed only 22nd in federal funds received. Finally, New York and North Carolina were tied with the 17th highest poverty rate but came in 17th and 36th, respectively, in federal education funding, a difference of \$153.00 per pupil.

## **Conclusion**

For almost 40 years the federal government has broken with both precedent and the Constitution by inserting itself into American education, an area that is traditionally and legally the domain of state and local governments. In that time the federal government has expended hundreds of billions of dollars on everything from Safe and Drug-Free Schools to programs for towns with historical ties to the whaling industry. And what does it have to show for it? Stagnant academic achievement, large bills, and schools that are struggling as much

today as they were at the beginning of Johnson's Great Society. Given that failure, federal meddling in education should end immediately, and control should be returned to parents and states.

Unfortunately, the No Child Left Behind Act and the massive funding that has accompanied it have moved the country in the opposite direction. But perhaps this opens a window of opportunity: states are growing

increasingly restive, chaffing under the slew of new federal regulations that come with NCLB dollars. This spreading revolt, coupled with the knowledge that very little of lasting educational value has been created by the federal government, might finally lead to what American K-12 education needs most—for the federal government to return educational control to the families, local governments, and states to which it belongs.

**Federal meddling in education should end immediately, and control should be returned to parents and states.**

### Appendix A: Title I Programs Created by ESEA

Program	2004 Appropriation	Program Description
Grants to Local Education Agencies	\$12.3 billion	Provides supplemental education funding to high-poverty schools and students
Reading First Grants	\$1.0 billion	Grants are intended to improve reading instruction in schools and districts <sup>88</sup>
Early Reading First Grants	\$94.4 million	The prekindergarten version of Reading First

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

### Appendix B: Non-Title I Programs Created by ESEA

Program	2004 Appropriation	Program Description
Impact Aid	\$1.2 billion	Assists districts adversely affected by federal activities by compensating them for revenue lost due to federal activities <sup>89</sup>
Improving Teacher Quality Grants	\$2.9 billion	Designed to help states meet NCLB's "highly qualified teacher" requirement by the 2005-06 school year <sup>90</sup>
Safe and Drug-Free State Grants	\$441.0 million	Grants are intended for use in combating drug use and violence in schools <sup>91</sup>
21st-Century Community Learning Centers	\$999.1 million	Provides funding for after-school programs that emphasize reading and math instruction, as well as recreational and other activities <sup>92</sup>
Educational Technology Programs	\$691.8 million	Funds are intended for use in integrating technology into curricula and instruction <sup>93</sup>
State Grants for Innovative Programs	\$296.5 million	This program allows states to apply funds to activities ranging from expanding school choice to building renovations <sup>94</sup>
State Assessment Grants	\$390.0 million	These funds help states cover the costs of

*Continued*

**Appendix B** *continued*

Program	2004 Appropriation	Program Description
Credit Enhancement for Charter School Facilities	\$37.3 million	establishing standards and assessments required by the No Child Left Behind Act <sup>95</sup> Provides grants to public and nonprofit entities that fund charter school efforts to acquire facilities <sup>96</sup>
Charter School Grants	\$218.7 million	Grants help fund the creation of charter schools <sup>97</sup>
Indian Education	\$120.9 million	Grants are intended to help improve education for Indian children <sup>98</sup>
English Language Acquisition	\$681.2 million	Funds from this program are intended to help districts with large percentages of non-native English speakers achieve NCLB objectives <sup>99</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

**Appendix C: Special Education Programs**

Program	2004 Appropriation	Program Description
Special Education Grants to States	\$10.1 billion	Grants are provided to states to help cover special education costs <sup>100</sup>
Preschool Grants	\$387.7 million	Similar to Special Education Grants to States, these funds are applicable to disabled children ages 3–5 <sup>101</sup>
Grants for Infants and Families	\$444.4 million	These funds are intended to help states provide services for disabled children from birth to age two <sup>102</sup>
State Improvement	\$51.1 million	Grants are provided to states to help improve services for disabled children <sup>103</sup>
Technical Assistance and Dissemination	\$52.8 million	Supports Regional Resource Centers and clearinghouses that disseminate research on disability policy <sup>104</sup>
Personnel Preparation	\$91.4 million	Activities “prepare personnel to serve children with low- and high-incidence disabilities, train leadership personnel, and support projects of national significance, such as developing models for teacher preparation” <sup>105</sup>
Parent Information Centers	\$26.2 million	Centers help parents of disabled children work effectively with educators and service providers <sup>106</sup>
Technology and Media Services	\$39.1 million	“Supports research, development, and other activities to advance the application of new and emerging technologies in providing special education and early intervention services” <sup>107</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

## Appendix D: Vocational Education Programs

Program	2004 Appropriation	Program Description
Vocational Education State Grants	\$1.2 billion	Grants supply funds that states and schools use to develop vocational and technical education programs <sup>108</sup>
Tech-Prep Education State Grants	\$106.7 million	Funds go to groups that offer programs resulting in two-year associate's degrees, certificates, or postsecondary apprenticeship programs <sup>109</sup>
Tech-Prep Demonstration	\$4.9 million	Awards funds to Tech-Prep programs that are physically located on a community college campus <sup>110</sup>
National Programs	\$11.9 million	Funds support the National Centers for Research and Dissemination in Career and Technical Education and other vocational education programs <sup>111</sup>
Occupational and Employment Information	\$9.4 million	Supports career guidance and academic counseling programs <sup>112</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

## Appendix E: Adult Education Programs

Program	2004 Appropriation	Program Description
Adult Basic and Literacy State Grants	\$574.4 million	Grants are intended to help adults over the age of 16 get an education <sup>113</sup>
National Institute for Literacy (NIFL)	\$6.7 million	Run by the departments of Education, Labor, and Health and Human Services, NIFL disseminates research about adult literacy <sup>114</sup>
National Leadership Activities	\$9.2 million	Provides various programs intended to improve adult education <sup>115</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

## Appendix F: Other Department of Education K-12 Programs

Program	2004 Appropriation (thousands of dollars)	Program Description
High School Equivalency Program	18,888	Intended to help low-income migrant and seasonal farm workers gain high school diplomas or equivalency certificates
College Assistance Migrant	15,657	Provides stipends and services such as tutoring

*Continued*

**Appendix F** *continued*

Program	2004 Appropriation (thousands of dollars)	Program Description
Program		and counseling to migrant students in their first year of college
Eisenhower Regional Mathematics and Science Education Consortia	14,814	Disseminates math and science instructional materials and provides assistance on teaching methods and assessments
Regional Technology in Education Consortia	9,876	Disseminates instructional materials and provides assistance on teaching methods and assessments
Voluntary Public School Choice	26,757	Funds public school choice programs, especially for children in low-performing schools
Rural Education	167,831	Funds programs intended to help rural school districts improve the quality of teaching and learning in their schools
Dropout Prevention Programs	4,971	Funds programs intended to foster dropout prevention and reentry
Close Up Fellowships	1,481	Pays for fellowships for low-income students and teachers participating in Close UP activities
Advanced Placement	23,534	Provides funds to pay low-income students' AP and International Baccalaureate fees and increase AP class availability
Programs of National Significance	280,453	Supports initiatives dealing with elementary and secondary education at state and local levels
Character Education	24,691	Funds encourage development of character education programs
Reading is Fundamental/ Inexpensive Book Distribution	25,185	Funds Reading Is Fundamental, Inc.'s programs to distribute inexpensive books to children free of charge
Ready-to-Learn Television	22,864	Supports development and distribution of educational videos for preschool and elementary school children and parents
Elementary and Secondary School Counseling	33,799	Pays for elementary and secondary school counseling
Smaller Learning Communities	173,967	Supports creation or expansion of smaller learning communities in large high schools
Javits Gifted and Talented Education	11,111	Intended to help schools meet needs of gifted and talented students
Star Schools	20,362	Provides money for distance education projects
Ready to Teach	14,321	Supports programs intended to improve teaching and distribute educational video programming
Foreign Language Assistance	16,546	Designed to help improve and expand foreign language instruction
Physical Education for Progress	69,587	Provides grants intended to help initiate, expand, and improve physical education programs
Community-based Technology	9,941	Funds support centers that provide access to

Program	2004 Appropriation (thousands of dollars)	Program Description
Centers		computers and training on them to low-income communities
Exchanges with Historic Whaling and Trading Partners	8,450	Supports programs, activities, and exchanges for Alaska natives, native Hawaiians, and children in Massachusetts
Arts in Education	35,071	Provides grants to Very Special Arts, the Kennedy Center, and other activities intended to help integrate the arts into schools
Parental Assistance Information Centers	41,975	Funds programs for parents whose children attend schools identified as needing improvement under NCLB
Women's Educational Equity	2,962	Funds programs designed to support educational equity for girls and women
School Leadership	12,346	Supports efforts to recruit, train, and retain principals and assistant principals
Advanced Credentialing	18,391	Supports the development of advanced credentials for teachers
Early Childhood Educator Professional Development	14,814	Funds professional development for early childhood educators working in high-poverty communities
Mathematics and Science Partnerships	149,115	Funds partnerships intended to develop math and science curricula, distance learning programs, and teacher recruiting efforts
Troops-to-Teachers	14,912	Program trains retiring military personnel to teach in high-poverty school districts
Transition to Teaching	45,295	Intended to seek alternatives to traditional teacher certification routes
National Writing Project	17,894	Supports an organization that is expected to train teachers to teach writing
Federal Activities and Evaluation	153,767	Funding includes federal activities and National Coordinator Program
National Coordinator Program	153,767	See "Federal activities and evaluation" above.
Mentoring Program	49,705	Funds a mentoring program for at-risk middle school students and intended to assist their transition to high school
Alcohol Abuse Reduction	29,823	Supports programs designed to reduce alcohol abuse in secondary schools
We the People	16,790	A grant to the Center for Civic Education for a program promoting civic competence and responsibility.
Cooperative Education Exchange	11,852	Program seeks to make U.S. civics, government, and economics curricula available to eligible countries <sup>116</sup>

*Continued*

**Appendix F** *continued*

Program	2004 Appropriation (thousands of dollars)	Program Description
Teaching of Traditional American History	119,292	Designed to promote teaching of traditional American history
Comprehensive Regional Assistance Centers	27,654	Centers are expected to provide training and technical assistance for education entities on numerous education topics
Eisenhower National Clearinghouse for Mathematics and Science Education	4,939	Charged with providing math and science training and technical assistance to schools, districts, and states
Education for Homeless Children and Youth	59,646	Provides grants to states intended to facilitate enrollment of homeless students in school
Training and Advisory Services	7,234	Designed to support efforts to provide services to LEAs on issues related to racial and other discrimination
Education for Native Hawaiians	33,302	Funds intended to provide supplemental education services for Native Hawaiians
Literacy through School Libraries	19,842	Funds intended to help provide students with access to up-to-date school library materials and certified school librarians
Migrant Education	393,577	Funds provided to help migrant workers meet academic standards and pay their educational costs
Neglected and Delinquent	48,395	Intended to provide educational services to children and youth in state-operated institutions
Evaluation	8,790	Provides an assessment of Title I effectiveness.
Comprehensive School Reform	233,613	Funds are applicable to whole school reform efforts
Magnet Schools Assistance	108,640	Funds expected to help LEAs operate magnet schools that are part of a court-ordered or approved desegregation plan
Alaska Native Education Equity	33,302	Pays for educational services for Native Alaskan children
Voc. Ed. State Grants for Incarcerated Youth Offenders	19,882	Expected to help establish, improve, and expand programs in correctional facilities serving youth, age 25 or younger <sup>117</sup>
Voc. Ed. Literacy Programs for Prisoners	4,971	Intended to teach literacy to incarcerated offenders <sup>118</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*. Unless otherwise noted, program descriptions are from the same source.

## Appendix G: Non-K-12 Department of Education Programs with K-12 Impact

Program	2004 Appropriation	Program Description
Institute of Education Sciences	\$475.8 million	Includes the National Assessment of Education Progress, the National Assessment Governing Board (which oversees NAEP), and the National Center for Educational Statistics <sup>119</sup>
Even Start	\$246.9 million	This program is intended to improve academic achievement for low-income students, especially in reading <sup>120</sup>
Gaining Early Awareness for Undergraduate Programs (GEAR UP)	\$298.2 million	Funds provide early college preparation, counseling, and college scholarships <sup>121</sup> for students from seventh grade through high school <sup>122</sup>
Innovative Programs	\$296.5 million	Program is supposed to support statewide education reform <sup>123</sup>
Talent Search Program	\$145.7 million	Intended to help identify low-income students with potential for college and help them prepare for it <sup>124</sup>
TRIO Dissemination Partnership Program	\$4.4 million	Publishes information about TRIO programs such as Talent Search and Upward Bound <sup>125</sup>
Upward Bound Program	\$281.6 million	Provides funds for college preparation activities <sup>126</sup>
Upward Bound Math-Science	\$33.1 million	Like Upward Bound, but runs centers with math and science concentrations <sup>127</sup>
Department of Education: Management	\$555.3 million	The cost of running the U.S. Department of Education, with the bulk of funds going to pay the salaries of its 4,495 employees <sup>128</sup>

Note: Appropriations from U.S. Department of Education, *Fiscal Year 2005 Budget Summary*.

## Appendix H: Non-Department of Education K-12 Programs

Program	2004 Appropriation	Program Description
Head Start	\$6.8 billion <sup>129</sup>	Head Start and Early Head Start are targeted at children from birth to age 5. <sup>130</sup> The program is supposed to offer educational, nutritional, comprehensive health and other services to low-income preschool-aged children. <sup>131</sup>
BIA Schools	\$570.6 million <sup>132</sup>	The Bureau of Indian Affairs is involved in 183 elementary and secondary schools in 23 states, serving approximately 48,000 students. About a third of the schools are run directly by the bureau, and the remainder are operated jointly

*Continued*

**Appendix H** *continued*

Program	2004 Appropriation	Program Description
Department of Defense Educational Activity (DODEA)	\$1.8 billion <sup>134</sup>	with tribes or tribal organizations. <sup>133</sup> The Department of Defense runs 223 schools in 14 countries and the United States serving nearly 105,000 students whose parents are connected with the Department of Defense. It also furnishes tuition for American students in countries without DOD schools. About one-third of the students are in schools run by the Department of Defense Domestic Dependent Elementary and Secondary Schools, and about two-thirds are enrolled in schools covered by the overseas system, the Department of Defense Dependents Schools. <sup>135</sup>
Job Corps	\$1.6 billion <sup>136</sup>	Run by the Department of Labor, provides job training for at-risk youth ages 16 through 24. <sup>137</sup>

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