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BACKGROUNDER

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Obama's 2013 Education Budget and Blueprint: A Costly Expansion of Federal Control

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Abstract

President Obama's FY 2013 budget request includes another major spending increase for the Department of Education—2.5 percent more than last year—to nearly $70 billion. American taxpayers are calling for spending restraint in Washington, yet President Obama's proposals would exacerbate the existing bureaucratic maze of federal programs and further remove educational decision-making authority from state and local policymakers. Decades of increased federal spending have done little to benefit American students. Continuing to pour more taxpayer dollars into failed programs is unlikely to improve educational outcomes. Rather, it will lead to more federal involvement in state and local education systems. Reforms that roll back spending and reduce the federal role will help restore educational authority to state and local leaders where it rightly belongs.

This paper, in its entirety, can be found at **http://report.heritage.org/bg2677**

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"Budgets are about choices." Such was President Barack Obama's message during a recent speech to the National Governors Association. President Obama's fiscal year (FY) 2013 budget request and supplemental education spending proposals make the Administration's own choice perfectly clear: Continue to increase federal education spending and federal control over education.

The Department of Education, a 4,200-person agency, has enjoyed dramatic funding increases year after year since its creation over three decades ago. The President's FY 2013 budget request includes a 2.5 percent increase (over 2012 levels) for the Department of Education—the largest increase for any domestic agency in the proposed budget. But nearly a half century of ever-increasing federal education spending and control has failed to improve academic outcomes. The bloated bureaucracy has added layer upon layer of red tape on states and school districts, requiring school leaders to demonstrate compliance with more than 150 federal education programs.

In addition to the proposed spending increases in President Obama's 2013 budget request for the Department of Education, the Administration is also proposing to

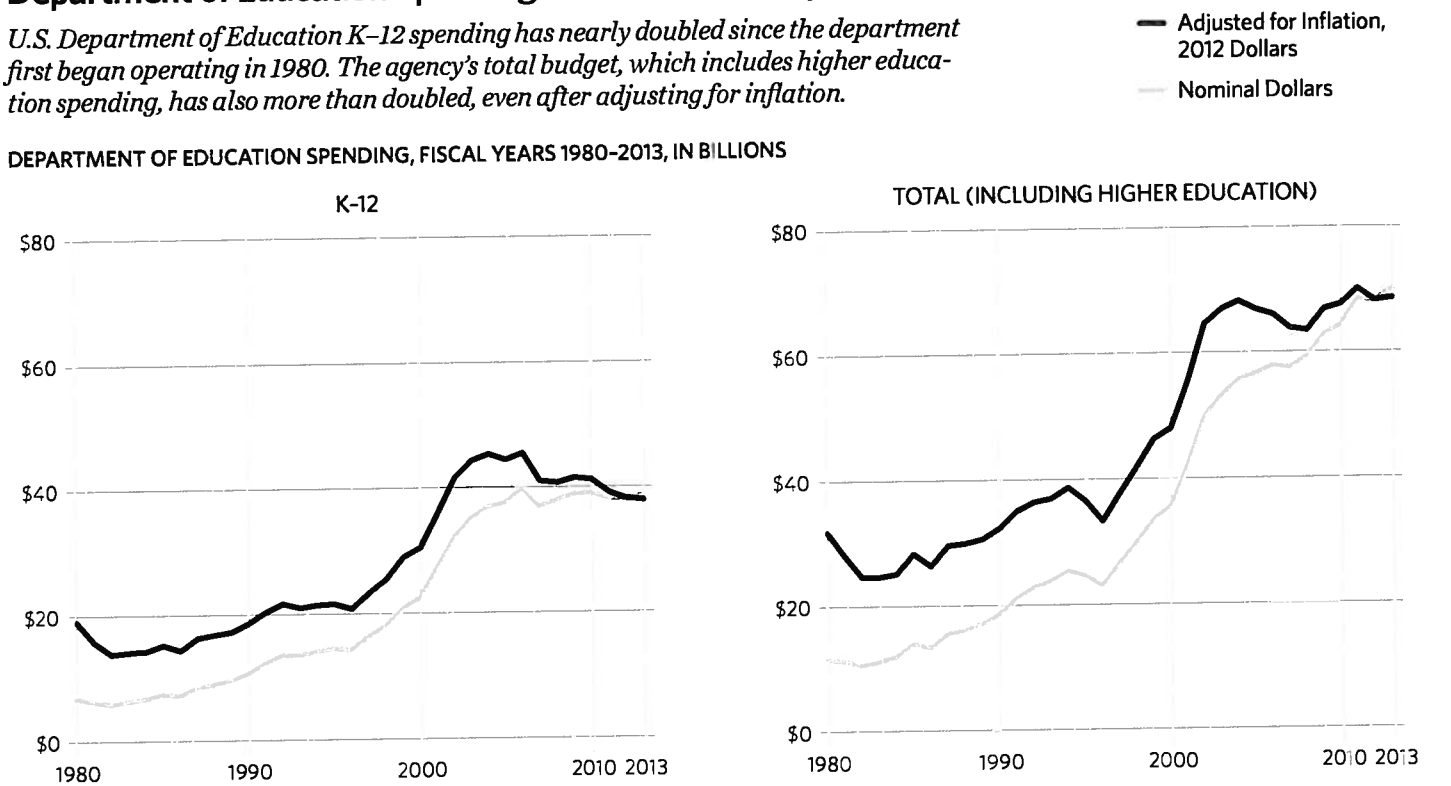
Talking Points

- At a time when American taxpayers are calling for fiscal restraint in Washington, the Obama Administration's FY 2013 education budget request and blueprint create a path to continued federal profligacy and more federal control of education.
- President Obama's FY 2013 budget request increases the Department of Education's discretionary budget to $69.8 billion—a 2.5 percent increase over 2012 levels and the largest increase of any domestic agency.
- In addition to the proposed spending increases, the Administration is also proposing to spend an additional $60 billion on new education programs.
- If President Obama's education blueprint is enacted, he will have spent nearly as much on education in his first term as President George W. Bush spent in two terms, despite the fact that Bush nearly doubled the Department of Education's budget during his tenure.
- Rather than continuing to increase federal education spending, Washington should dramatically reduce its role in education—a role for state and local policymakers.

CHART 1

Department of Education Spending Has Risen Steadily

U.S. Department of Education K–12 spending has nearly doubled since the department first began operating in 1980. The agency's total budget, which includes higher education spending, has also more than doubled, even after adjusting for inflation.



Sources: Data for FY 1980–FY 2007: U.S. Department of Education, Budget by Major Program, at http://www2.ed.gov/about/overview/budget/history/index.html (accessed March 16, 2012). Data for FY 2008–FY 2013: U.S. Department of Education, "Fiscal Year 2013 Budget, Summary and Background Information," at http://www2.ed.gov/about/overview/budget/budget13/summary/13summary.pdf (accessed March 16, 2012).

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spend another $60 billion on new programs—spending that would be supplemental to the FY 2012 enacted budget and FY 2013 budget request. These staggering new spending increases are in addition to the one-time $98 billion provided to the Department of Education in 2009 as part of the American Recovery and Reinvestment Act—the "stimulus"—and on top of the $10 billion "EduJobs" bill passed in the summer of 2010.

At a time when American taxpayers are calling for fiscal restraint in Washington, including restraint at the Department of Education, the budget and blueprint create a path to continued federal profligacy. These are proposals that exacerbate the existing bureaucratic maze of federal programs and further remove educational decision-making authority from state and local policymakers.

The FY 2013 Budget Request

President Obama's FY 2013 budget request for the Department of Education increases the agency's discretionary budget to $69.8 billion, a 2.5 percent increase over 2012 levels and an 18 percent increase over 2008 levels. The FY 2013 budget request would bring spending on elementary and secondary education programs to $38.5 billion, a 1.2 percent increase over 2012 levels. Higher education expenditures would also see a significant boost if the budget is enacted, increasing spending on higher education programs to $28 billion, a 4.6 percent increase over 2012 levels.

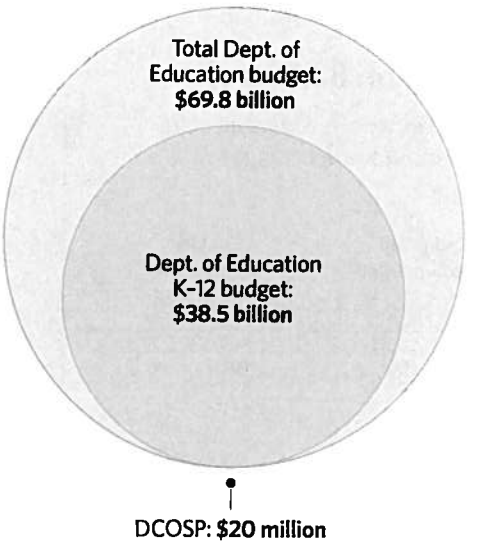
Despite these increases and the historic high level of spending on federal education programs, President Obama singled out the D.C. Opportunity Scholarship Program to be placed on the chopping block for elimination.

The D.C. Opportunity Scholarship Program. In 2004, Congress enacted the D.C. Opportunity Scholarship Program, which provides vouchers to low-income children living in the nation's capital to attend a private school of

CHART 2

Making Choices in Education Spending

The D.C. Opportunity Scholarship Program (DCOSP), which falls under the jurisdiction of Congress, is a successful voucher program that provides scholarships to low-income children in Washington, D.C., to attend a private school of choice. The Obama Administration would eliminate this program while continuing to spend billions of dollars on many ineffective and duplicative education programs.



Note: Department of Education figures are for FY 2013.
Sources: U.S. Department of Education, "Fiscal Year 2013 Budget, Summary and Background Information"; "Digest for H.R. 471," 112th Congress, 1st Session, GOP.gov, at http://www.gop.gov/bill/112/1/hr471 (accessed April 9, 2012); and Office of Management and Budget, "Budget of the U.S. Government, Fiscal Year 2013," Appendix, p. 1321, at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/appendix.pdf (accessed April 9, 2012).

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their parents' choice. When the D.C. Opportunity Scholarship Program was signed into law, Congress used a three-sector funding approach to provide *additional* federal funding to D.C. public schools and D.C. public charter schools as a result of the creation of the voucher program. At present, the funding structure provides $20 million to each of the three sectors (D.C. public schools, D.C. public charter schools, and the D.C. Opportunity Scholarship Program).

On page 1,321 of the FY 2013 budget request for the D.C. government, President Obama includes $60 million in federal funding to "support kindergarten through high school education in the District of Columbia." The funding is separate from the Department of Education's budget and was authorized through the Scholarships for Opportunity and Results Act (SOAR), passed in 2011. However, President Obama's FY 2013 budget cuts the D.C. Opportunity Scholarship Program out of the funding request, instead splitting the entirety of the $60 million appropriation between D.C. public schools and public charter schools.[1] His proposal saves no money but simply cuts the voucher program and re-appropriates funds to the public system.

During the 2011–2012 school year, 1,615 low-income children received scholarships to attend a private school of choice in Washington, D.C. The Administration's budget notes that "the program has sufficient funds to provide private school vouchers to currently enrolled students through the 2013–2014 school year." If "budgets are about choices," the choice to eliminate the D.C. Opportunity Scholarship Program sends a clear message about the Obama Administration's vision for education policy.

Obama's Education "Blueprint"

President Obama's FY 2013 budget request for education represents proposed spending for the 2013 fiscal year (beginning October 2012). The Obama Administration has also released an education "blueprint," which contains new spending for the current 2012 fiscal year and beyond. The President's blueprint contains $60 billion in new spending proposals that are supplemental to his FY 2012 budget (which runs from October 2011 to September 2012) and FY 2013 budget request. The major supplemental proposals in the Obama education blueprint are:

The RESPECT Project. The Administration outlines a new $5 billion program called the RESPECT Project (Recognizing Educational Success, Professional Excellence, and Collaborative Teaching), which would provide competitive grants to states and school districts to attract high-quality teachers by providing competitive compensation.

Keeping Educators in the Classroom. The President's blueprint includes a $25 billion Keeping Educators in the Classroom proposal. According to the Administration, funding for the proposal would support 327,000 education jobs, a cost of roughly $76,000 per job, and "funds would support formula grants to states to retain, rehire, and hire early

1. Office of Management and Budget, *Budget of the U.S. Government, Fiscal Year 2013: Appendix*, at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/appendix.pdf (accessed March 30, 2012).

TABLE 1

Cost per Job in Obama's Public Education Bailout

Under President Obama's education proposal, taxpayers in Alabama will shoulder the $98,000 cost of supporting a single public education job in New York.

State	Educator Jobs Fund Allocation	Estimated "Jobs Supported"	Cost per "Job Supported"
Alabama	$376,226,411	5,800	$64,866.62
Alaska	$58,735,487	700	$83,907.84
Arizona	$521,244,718	8,100	$64,351.20
Arkansas	$231,954,586	3,400	$68,221.94
California	$3,017,675,693	31,100	$97,031.37
Colorado	$398,839,195	5,900	$67,599.86
Connecticut	$280,277,430	3,200	$87,586.70
Delaware	$69,163,628	900	$76,848.48
District of Columbia	$37,590,839	400	$93,977.10
Florida	$1,391,223,894	21,600	$64,408.51
Georgia	$797,198,896	10,700	$74,504.57
Hawaii	$101,885,941	1,300	$78,373.80
Idaho	$133,143,968	2,100	$63,401.89
Illinois	$1,029,568,558	12,100	$85,088.31
Indiana	$524,403,517	7,600	$69,000.46
Iowa	$239,369,667	3,400	$70,402.84
Kansas	$232,046,280	3,600	$64,457.30
Kentucky	$338,776,954	5,100	$66,426.85
Louisiana	$361,970,303	5,200	$69,609.67
Maine	$97,777,642	1,500	$65,185.09
Maryland	$451,441,729	5,000	$90,288.35
Massachusetts	$493,177,404	5,300	$93,052.34
Michigan	$787,927,044	9,900	$79,588.59
Minnesota	$420,286,476	5,800	$72,463.19
Mississippi	$241,953,082	3,900	$62,039.25
Missouri	$470,957,853	7,600	$61,968.14
Montana	$75,120,989	1,200	$62,600.82
Nebraska	$146,778,360	2,300	$63,816.68
Nevada	$215,282,226	3,000	$71,760.74
New Hampshire	$100,773,643	1,400	$71,981.17
New Jersey	$692,599,284	7,800	$88,794.78
New Mexico	$166,753,993	2,600	$64,136.15
New York	$1,474,838,095	15,000	$98,322.54
North Carolina	$750,223,411	11,200	$66,984.23
North Dakota	$49,907,643	800	$62,384.55
Ohio	$911,497,082	11,800	$77,245.52
Oklahoma	$299,647,531	4,900	$61,152.56
Oregon	$292,218,590	3,800	$76,899.63
Pennsylvania	$962,755,090	12,000	$80,229.59
Rhode Island	$78,579,960	1,000	$78,579.96
South Carolina	$357,936,013	5,400	$66,284.45
South Dakota	$64,689,307	1,300	$49,761.01
Tennessee	$496,668,593	7,800	$63,675.46
Texas	$2,137,921,891	32,900	$64,982.43
Utah	$252,489,022	4,300	$58,718.38
Vermont	$46,251,463	700	$66,073.52
Virginia	$618,606,105	9,000	$68,734.01
Washington	$523,194,028	7,100	$73,689.30
West Virginia	$135,681,733	2,100	$64,610.35
Wisconsin	$446,681,638	6,200	$72,045.43
Wyoming	$43,718,033	600	$72,863.39
U.S. Total	**$24,445,630,918**	**327,400**	**$74,665.95**

Source: The White House, "Education Blueprint: An Economy Built to Last," at http://www.whitehouse.gov/sites/default/files/cantwait/final_-_education_blueprint_-_an_economy_built_to_last.pdf (accessed March 16, 2012).

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childhood, elementary, and secondary educators."[2]

Modernization of School Facilities. The blueprint also includes a proposed $30 billion in federal funding for school modernization, with $25 billion for the modernization of 35,000 elementary and secondary schools and the remaining $5 billion for modernization of community colleges.

Bad Fiscal Policy, Erosion of State and Local Educational Autonomy

Not only do the FY 2013 budget request and blueprint represent bad fiscal policy, but they create increased federal overreach into state and local educational affairs.

FY 2013 Budget Request. President Obama's FY 2013 budget request builds on the failed policies of his and previous Administrations to continually increase federal education spending despite little to no improvements in educational outcomes. The FY 2013 budget request merely increases Department of Education spending without reducing the myriad federal competitive and formula grant programs, many of which are duplicative and ineffective.

There are some 60 competitive grant programs and nearly 20 formula grant programs that operate under No Child Left Behind. In all, there are more than 150 federal education programs through which federal education spending is inefficiently and wastefully filtered back to the states. President Obama's budget does not eliminate ineffective and duplicative programs and further expands the federal government's bureaucratic and burdensome role in education.

Education Blueprint. The Administration's blueprint proposes new spending through the $5 billion RESPECT project, $25 billion teacher bailout, and $30 billion in federal funding for school modernization. The blueprint also contains policy proposals that will further increase the failed federal role in education by centralizing control at the Department of Education.

No Child Left Behind Waivers. In August 2011, the Department of Education announced that it would begin issuing waivers to states to relieve them of some of the onerous provisions of No Child Left Behind (NCLB). The Administration's waiver announcement came as Congress was deliberating over the future of the law (originally enacted as the Elementary and Secondary Education Act (ESEA) of 1965, and last reauthorized as No Child Left Behind in 2001) and followed the introduction of several House and Senate proposals to provide alternatives to NCLB. The waivers, granted in exchange for states adopting executive branch education priorities, circumvent the normal legislative process and further concentrate control at the Department of Education.

The Obama Administration's education blueprint describes the new regulations imposed on states that pursued NCLB waivers. One of the most concerning waiver conditions is the requirement for states to hand over more control of class content to the federal government. The blueprint explains that states that are awarded a waiver will no longer be bound by No Child Left Behind's requirement that all students be proficient in reading and math by 2014—but will be given this flexibility only in exchange for adopting college-ready and career-ready standards and tests. Every state that has been awarded a waiver to date has agreed to adopt Common Core national standards and tests. The Obama Administration is simply urging states to exchange one set of overbearing federal requirements for a new set of even more constrictive regulations.

President Obama urged Congress in 2011 to quickly reauthorize the 600-plus-page No Child Left Behind legislation. The law, which has been up for reauthorization since 2007, is considered flawed by federal policymakers across the ideological spectrum. Liberals and conservatives alike seem to agree that No Child Left Behind is broken; that the law's many unintended consequences, considerable red tape, and bureaucratic compliance burden have not served teachers or students well. There is disagreement, however, about NCLB's future—and indeed, whether there should be a future for the Johnson-era law at all.

The Obama Administration and many on the Left believe that a ninth reauthorization of ESEA, coupled with changes in funding, adding and consolidating programs, or otherwise tweaking the law, will enable federal policymakers to "get it right" this time. Conservatives in Congress disagree and can point to a half-century of federal failure to improve educational outcomes. As a result, conservatives in Congress have offered proposals to significantly limit the federal role in education, along with proposals to allow states to opt out of No Child Left Behind completely.

Disagreement in Congress over the future of NCLB does not permit the executive branch to bypass the legislative process when it fails to adhere to the Administration's arbitrary time line. The Constitution designated Congress as the governmental body empowered with law-making: "All legislative Powers herein granted shall be vested in a Congress," says Article I, Section 1. The Obama Administration does damage to that constitutional provision by circumventing the normal lawmaking process of Congress to push its policy preferences on local schools.

As of March 2012, 11 states had been awarded NCLB waivers,[3] and 26 more intend to apply for the conditional "relief." The Administration's education blueprint indicates that President Obama will continue to circumvent Congress by granting strings-attached NCLB waivers to states, which will only further bind the hands of state leaders and increase the already bloated federal role in education.

National Standards. President Obama's push for states to adopt national education standards and tests—which will define the material that every public school student in America will learn—is restated in his education blueprint. For example, the blueprint notes that Georgia "has adopted the Common Core Standards, and has a high-quality implementation plan building on transition efforts being implemented under its approved Race to

2. Ibid.
3. The eleven states awarded an NCLB waiver as of March 2012 are Colorado, Florida, Georgia, Indiana, Kentucky, Massachusetts, Minnesota, New Jersey, New Mexico, Oklahoma, and Tennessee.

the Top plan."[4] The blueprint also states that "Indiana has adopted the Common Core Standards, and has already aligned teacher preparation standards and course descriptions to them."[5] The blueprint similarly describes every waiver state's progress in implementing the Common Core national standards.

The U.S. Department of Education is prohibited by federal law from directing, supervising, or controlling curricula. According to the Pioneer Institute for Public Policy Research, the Obama Administration's efforts to impose national education standards and tests on states run afoul of at least three federal laws: the Department of Education Organization Act, the General Education Provisions Act, and the Elementary and Secondary Education Act.[6] Language contained in the Administration's education blueprint is further indication of the federal government's involvement with the Common Core State Standards Initiative and builds on federal involvement through Race to the Top, federally funded common assessments, and NCLB waivers.

Teacher Bailout. The Obama Administration's education blueprint also proposes spending an additional $25 billion to "keep teachers in the classroom." The $25 billion public education bailout proposed in the blueprint would not be the first such bailout issued by the Obama Administration. In 2009, as part of the American Recovery and Reinvestment Act, President Obama carved out a $48.6 billion State Fiscal Stabilization Fund (SFSF) program to provide federal funding to "help stabilize state and local government budgets in order to minimize and avoid reductions in education and other essential public services."[7] The SFSF was designed specifically to prevent public education layoffs and to backfill state budget deficits. Yet a year later, in August 2010, President Obama convinced Congress to pass a $10 billion Education Jobs Fund to prevent reductions in school staff across the country. Secretary Arne Duncan stated, "With the support of the jobs bill, these educators will be helping our children learn instead of looking for work."[8]

Some states received Education Jobs Fund grants before they had even spent the previous year's "stimulus" money.[9] Moreover, many states had already made hiring decisions and class-size projections before receiving the new funding. States that had worked hard through state-level reforms to balance their budgets still received education bailout money through the Education Jobs Fund, regardless of whether they needed the funding. For example, the Arkansas Department of Education communications director stated in response to the new funding: "I don't think there will be a lot of new positions created. I'm not sure that we'd need to create new positions with the money because we have not had any funding cutbacks."[10]

Through the blueprint, the Obama Administration is now looking to create yet another public education bailout through the $25 billion proposal to "keep teachers in the classroom." If implemented, the Department of Education will once more be cutting paychecks to education employees—the job of local school districts, not the federal government.

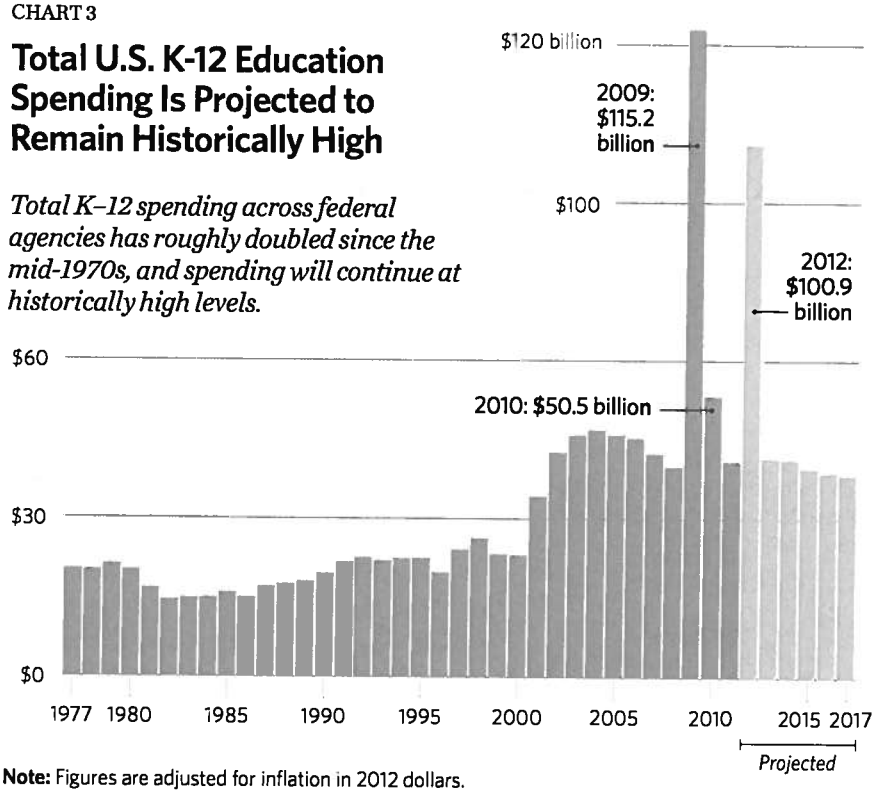
Federal bailouts prevent states from making the long-term budgetary decisions necessary to effect systemic reform and balance budgets. Continuing to raise taxes and appropriate federal funding for the salaries of public-education employees creates little incentive for states to ensure that current funding is being efficiently spent and further

4. The White House, "Education Blueprint: An Economy Built to Last," 2012, Appendix, p. 19, at http://www.whitehouse.gov/sites/default/files/cantwait/final_-_education_blueprint_-_an_economy_built_to_last.pdf (accessed March 30, 2012).
5. Ibid.
6. Robert S. Eitel and Kent D. Talbert, "The Road to a National Curriculum: The Legal Aspects of the Common Core Standards, Race to the Top, and Conditional Waivers," Pioneer Institute for Public Policy Research, *White Paper* No. 81, February 2012, at http://www.pioneerinstitute.org/pdf/120208_RoadNationalCurriculum.pdf (accessed March 12, 2012).
7. U.S. Department of Education, "State Fiscal Stabilization Fund," March 7, 2009, at http://www2.ed.gov/policy/gen/leg/recovery/factsheet/stabilization-fund.html (accessed March 30, 2012).
8. News release, "Congress Passes Bill to Provide $10 Billion to Support 160,000 Education Jobs Nationwide," U.S. Department of Education, August 10, 2010, at http://www.ed.gov/news/press-releases/congress-passes-bill-provide-10-billion-support-160000-education-jobs-nationwide (accessed March 30, 2012).
9. Lindsey M. Burke, "Creating a Crisis: The Squandered $100 Billion Education Stimulus," Heritage Foundation *WebMemo* No. 2936, June 15, 2010, at http://www.heritage.org/research/reports/2010/06/creating-a-crisis-the-squandered-%24100-billion-education-stimulus.
10. Chris Moody, "States Not Facing Teacher Layoffs Get Federal Money from Education Jobs Bill Anyway," *The Daily Caller*, August 11, 2010, at http://dailycaller.com/2010/08/11/states-not-facing-teacher-layoffs-get-federal-money-from-education-jobs-bill-anyway/#ixzz1ovjB0y00 (accessed March 30, 2012).

CHART 3

Total U.S. K-12 Education Spending Is Projected to Remain Historically High

Total K–12 spending across federal agencies has roughly doubled since the mid-1970s, and spending will continue at historically high levels.



Note: Figures are adjusted for inflation in 2012 dollars.

Source: Office of Management and Budget, Historical Tables, Table 5.1 Budget Authority by Function and Subfunction: 1976–2017, at http://www.whitehouse.gov/omb/budget/Historicals (accessed March 16, 2012).

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increases the federal government's role in education.

School Modernization. Federal funding for school construction has been rare and indirect over the years. School construction historically has been, and should remain, the purview of states and local school districts. Providing federal funding for school construction is an inefficient mechanism for building and maintaining schools. And if Washington funds school construction, the jobs must pay prevailing wages, which increase costs, on average, by 22 percent.[11] Because of Davis–Bacon labor laws, schools that receive federal funding for school construction usually have to hire union workers, increasing costs and preventing non-union construction companies from having a seat at the bidding table. For these reasons, federal funding of school construction or modernization is the most expensive way to accomplish these goals.

A History of Spending Increases

Federal education spending has increased significantly since President Jimmy Carter established the Department of Education in 1979. Since then, agency funding has more than doubled. Today, the Education Department has the third-largest discretionary budget of any federal agency, trailing only the Department of Defense and the Department of Health and Human Services.[12]

In 1980, the Department of Education's budget was $11.6 billion (which equates to approximately $31.7 billion in constant 2012 dollars). By the time President Obama took office in 2009, the budget had increased to $67 billion ($41 billion for elementary and secondary education). Besides significantly increasing discretionary education spending, the President sent nearly $100 billion to the Department of Education in 2009 as part of the stimulus package.[13] This year, he has requested $60 billion more to fund supplemental education proposals outlined in his Blueprint for Education Reform.[14] If President Obama's education blueprint is enacted, he will have spent nearly as much on education in his first term as President George Bush spent in two terms, even considering the fact that Bush almost doubled the Department of Education's budget during his tenure.

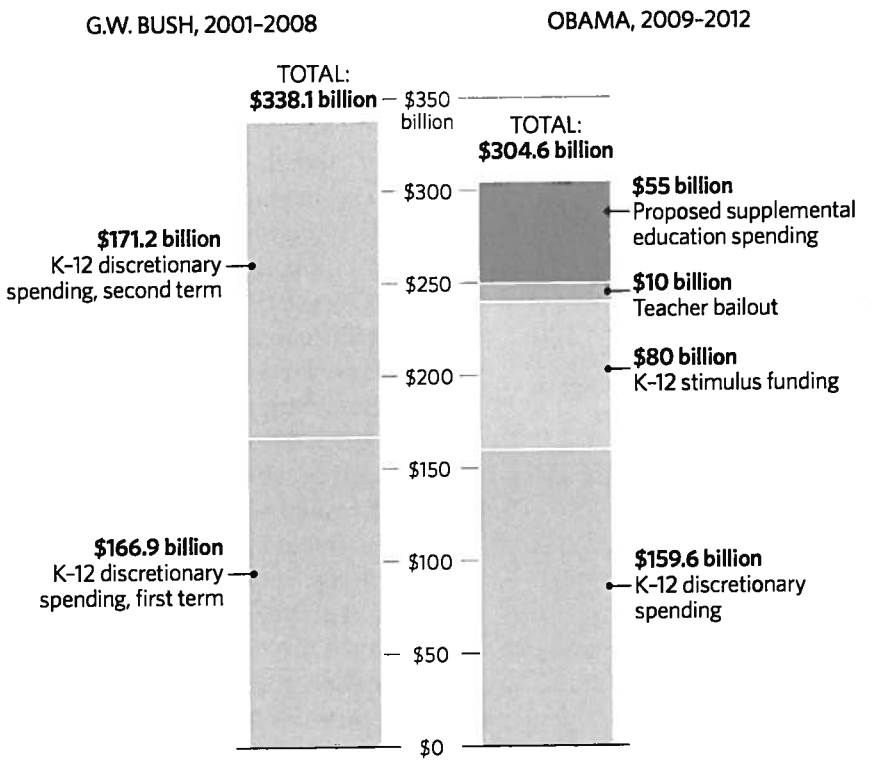
Yet, despite continual increases in federal spending, U.S. student achievement has made little progress since the 1970s. Math and reading scores, as well as graduation rates,

11. James Sherk, "Repealing the Davis-Bacon Act Would Save Taxpayers $10.9 Billion," Heritage Foundation, *WebMemo* No. 3145, February 14, 2011, www.heritage.org/research/reports/2011/02/repealing-the-davis-bacon-act-would-save-taxpayers-$10-9-billion.
12. "Fiscal Year 2013 Budget Summary and Background Information," U.S. Department of Education, at http://www2.ed.gov/about/overview/budget/budget13/summary/13summary.pdf (accessed March 30, 2012).
13. Burke, "Creating a Crisis: The Squandered $100 Billion Education Stimulus."
14. The White House. "Education Blueprint: An Economy Built to Last,"

CHART 4

Obama's K-12 Spending Would Nearly Equal Bush's Two-Term Total

In one term, President Obama's spending on K–12 education would almost amount to President Bush's total over two terms. In addition to more discretionary spending, Obama has added $150 billion in bailout, stimulus, and proposed supplemental spending.



Note: Figures are adjusted for inflation in 2012 dollars.
Sources: "Education Department Budget by Major Program," at http://www2.ed.gov/about/overview/budget/history/edhistory.pdf (accessed April 9, 2012); Department of Education, "Summary of Discretionary Funds, FY 2008–FY 2013 President's Budget," at http://www2.ed.gov/about/overview/budget/budget13/summary/appendix1.pdf (accessed April 9, 2012); and "H.R. 1586," 111th Congress, Congressional Research Service Summary, at http://thomas.loc.gov/cgi-bin/bdquery/z?d111:HR01586:@@@D&summ2=m& (accessed March 16, 2012).

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continue a nearly flatline trend.[15] Federal education spending has exceeded $2 trillion since 1965 (after adjusting for inflation), yet U.S. students are barely any better off than they were four decades ago.[16]

Rather than continuing to increase federal education spending, Washington's role in education should be dramatically reduced to achieve more effective education reform. Instead of expensive measures to fund federally administered education programs rife with burdensome and costly regulations, states need greater authority to use their education dollars in ways they deem most appropriate for students. This would not only eliminate many of the costly burdens associated with federal programs, but would increase the likelihood that taxpayer dollars are effectively helping students.

A Better Path Forward

Rather than more costly measures to fund federally administered education programs, states need greater authority to use their education dollars in ways they deem most appropriate for students. National policymakers should:

- **Allow states to opt out of federal K–12 programs authorized under the Elementary and Secondary Education Act and direct funding to the education programs of their choice.** The A-PLUS (Academic Partnerships

15. U.S. Department of Education, National Assessment of Educational Progress, 2009.
16. Andrew Coulson, "The Impact of Federal Involvement on America's Classrooms," testimony before the Committee on Education and the Workforce, U.S. House of Representatives, February 10, 2011, at http://edworkforce.house.gov/UploadedFiles/02.10.11_coulson.pdf (accessed March 30, 2012).

Lead Us to Success) Act, introduced in Congress in both 2007 and 2011, aims to accomplish these goals. It allows states to opt out of No Child Left Behind and use funding for any lawful education purpose a state sees as most necessary. Not only does this approach give states greater flexibility and control over their education dollars, but it eliminates many of the costs associated with administering federal programs and complying with the accompanying requirements.[17]

- **Reduce Washington's role by consolidating and eliminating programs.** Instead of increasing federal education spending as President Obama proposes in his FY 2013 budget request and education blueprint, federal policymakers should reduce Washington's bloated role. In addition to A-PLUS, the federal government should downsize the federal Department of Education by eliminating wasteful and duplicative programs. The Department of Education operates approximately 80 separate K–12 programs, many of which are redundant and ineffective. Such programs should be eliminated, and the agency should allow cross-program funding flexibility among the remaining programs.[18]

- **Simplify federal education programs and increase funding flexibility.** Finally, the Department of Education should simplify Title I and other formula grants. While Title I provides funding to low-income school districts, its complex and multiple funding streams make it more difficult for dollars to reach students.[19] Consolidating the funding streams and simplifying the application and reporting requirements of Title I would save states time and money that could be better directed toward the classroom. States should also be allowed to make federal Title I dollars portable if they choose, following a child to any school of choice.

Decades of increased federal spending have done little to benefit American students. Continuing to pour more taxpayer dollars into failed programs is unlikely to improve educational outcomes. Rather, it will lead to more federal involvement in state and local education systems. Reforms that aim to roll back spending and reduce the federal role will help restore educational authority back to state and local leaders where it rightly belongs.

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17. Lindsey M. Burke, "Reducing the Federal Footprint on Education and Empowering State and Local Leaders," Heritage Foundation *Backgrounder* No. 2563, June 2, 2011, at http://www.heritage.org/research/reports/2011/06/reducing-the-federal-footprint-on-education-and-empowering-state-and-local-leaders#_ftnref12.
18. Ibid.
19. Susan Aud, "A Closer Look at Title I: Making Education for the Disadvantaged More Student-Centered," Heritage Foundation *Special Report* No. 15, June 28, 2007, at http://www.heritage.org/Research/Reports/2007/06/A-Closer-Look-at-Title-I-Making-Education-for-the-Disadvantaged-More-Student-Centered.

Appendix

FY 2013 Budget Request: Major Proposals—Elementary and Secondary Education

Title I. The Title I program—the largest federal funding source for elementary and secondary education—remains at $14.6 billion. Title I, which provides funding to low-income school districts across the country through formula grants, is broken down into four funding streams: (1) basic grants, which would be funded at $6.6 billion, provide funding based on the number of poor children in a state; (2) concentration grants, which would be funded at $1.4 billion, supplement basic grant dollars; (3) targeted grants, which would be funded at $3.3 billion; and (4) education finance incentive grants, which would be funded at $3.3 billion, both of which further supplement the basic and concentration grants.

Individuals with Disabilities Education Act. The Individuals with Disabilities Education Act (IDEA), which provides federal funding for special needs children, would be funded at $11.6 billion in the budget request.

Race to the Top. Race to the Top (RTT), originally passed as a $4.35 billion grant under the one-time American Reinvestment and Recovery Act (ARRA), has now found a more permanent place in the Obama Administration's annual budget requests. The FY 2013 budget request would provide $850 million for the RTT competitive grant program in order to "deepen the Administration's investments ... and address the unmet demand of States and districts that have demonstrated a commitment to implementing comprehensive and ambitious reforms."[20] The FY 2013 request represents an increase of more than $300 million for RTT.[21]

Promise Neighborhoods. The Promise Neighborhood Program, which provides funding to low-income communities for school-based programs combined with wraparound services for families, receives a significant boost in the FY 2013 budget request. Proposed funding for the Promise Neighborhood Program increases to $100 million in the budget request, a 67 percent increase over 2012 levels. Created in 2010 and funded at $10 million in its first year, funding for the Promise Neighborhoods program has steadily increased over the past few years.[22]

21st Century Community Learning Centers. The 21st Century Community Learning Centers program, which supports before-and after-school activities, would be funded at $1.2 billion in the FY 2013 budget request. The 21st Century Community Learning Centers program and the Promise Neighborhood Program are components of the Obama Administration's "Supporting Student Success" agenda as outlined in the budget request.

School Turnaround Grants. The School Improvement Grant Program provides federal funding to states with the goal of "turning around" persistently underperforming schools across the country. The Obama Administration created four prescriptive turnaround models as part of the revamped School Improvement Grant Program, which include: (1) a turnaround option, which includes firing the principal and staff and rehiring new teachers and administrators; (2) a restart option, which includes converting the school into a charter school; (3) school closure; and (4) a transformation option, which includes implementing new plans offered by the Department of Education. The Administration has requested $534 million for the grants in its FY 2013 budget request.

Excellent Instructional Teams Program. The new Excellent Instructional Teams Program would provide $2.9 billion to states to reward and attract effective teachers and principals. The program is comprised of two grant streams. The Effective Teachers and Leaders state grants would provide $2.5 billion to states to develop teacher and principal evaluation systems. Notably, states and school district grantees

20. U.S. Department of Education, "The Budget for Fiscal Year 2013," at http://www.whitehouse.gov/sites/default/files/omb/budget/fy2013/assets/education.pdf (accessed March 30, 2012).
21. U.S. Department of Education. "Fiscal Year 2013 Budget Summary and Background Information,"
22. U.S. Department of Education, "Summary of Discretionary Funds FY 2008–FY 2013 President's Budget," at http://www2.ed.gov/about/overview/budget/budget13/summary/appendix1.pdf (accessed March 30, 2012).

would be required to "develop meaningful plans to achieve an equitable distribution of effective teachers and leaders."[23] A second grant stream, the Teacher and Leader Innovation Fund, would provide $400 million to help schools in "creating the conditions needed to identify, reward, retain, and advance effective teachers, principals, and school leadership teams in those schools."[24]

Assessing Achievement Grants. The FY 2013 budget request includes $389 million for Assessing Achievement Grants, which would provide funding to states to develop assessments that are aligned to the Common Core State Standards Initiative. The Assessing Achievement Grants would represent the second major investment by the Obama Administration in tests aligned with the Common Core national standards effort. Through the American Recovery and Reinvestment Act, the federal government allocated $350 million to fund two consortia working to develop tests aligned with the Common Core State Standards Initiative.[25]

Impact Aid. The Impact Aid Program provides federal funding to states and local school districts that, as a result of a significant presence of federal property, have reduced property tax revenue traditionally drawn upon to fund local school districts. The Impact Aid Program aims to correct this disparity by supplementing state and local funding for schools impacted by a significant presence of federal property or federally connected children. Impact Aid would be funded at $1.2 billion in the FY 2013 budget request, a 5 percent decrease from 2012 levels.

Total K-12 Spending. In all, President Obama's FY 2013 budget request for the Department of Education would bring spending on elementary and secondary education programs to $38.5 billion—a 1.2 percent increase over 2012 levels.

FY 2013 Budget Request: Major Proposals—Higher education

The FY 2013 budget request significantly increases federal spending on higher education. The proposal includes $3.2 billion in new spending on postsecondary programs, including a new $1 billion Race to the Top program for higher education. Furthermore, spending on grants, loans, and work-study programs would increase to $165 billion—a 7.5 percent increase over 2012 levels.[26]

Student Loans. The Department of Education operates the Direct Loan program, through which four types of federal student loans are distributed: (1) Stafford Loans, which are need-based, subsidized student loans; (2) Unsubsidized Stafford Loans, which are need-based loans that require the student to pay accrued interest; (3) PLUS (Parent Loan for Undergraduate Students) Loans, which are unsubsidized federal loans that offer assistance at a higher rate than Stafford Loans; and (4) Consolidation Loans, which allow students to consolidate existing federal loans at a fixed interest rate. The FY 2013 budget request will make federally subsidized and unsubsidized student loans to 22.5 million students, worth nearly $121 billion—a 5.4 percent increase over 2012 levels.

Pell Grant Funding. The President's budget request would increase the maximum Pell Grant award, capping grants at $5,635. The total Pell Grant funding request, including discretionary and mandatory funding, is $36.1 billion and would supply grants to an estimated 9.7 million students.[27]

Community College to Career Fund. The budget also includes a request for $8 billion in new funding for community colleges, to be divided between the Department of Education and the Department of Labor over the next three years. The proposal aims to "improve access to job training across the nation."[28]

Race to the Top: College Affordability and Completion. A new $1 billion Race to the Top: College Affordability and Completion program is included in the President's budget request for higher education. Competitive grants would be made available to states that maintain "a consistent State financial commitment to higher education." The

23. U.S. Department of Education. "Fiscal Year 2013 Budget Summary and Background Information,"
24. Ibid.
25. Lindsey M. Burke, "National Education Standards and Tests: Big Expense, Little Value," Heritage Foundation *WebMemo* No. 3157, February 18, 2011, at http://www.heritage.org/research/reports/2011/02/national-education-standards-and-tests-big-expense-little-value#_ftn2. For more information on the Obama Administration's push for national standards and tests, see Lindsey M. Burke and Jennifer A. Marshall, "Why National Standards Won't Fix American Education: Misalignment of Power and Incentives," Heritage Foundation *Backgrounder* No. 2413, May 21, 2010, at http://www.heritage.org/research/reports/2010/05/why-national-standards-won-t-fix-american-education-misalignment-of-power-and-incentives.
26. U.S. Department of Education. "Fiscal Year 2013 Budget Summary and Background Information,"
27. Ibid.
28. Ibid.

grant program encourages states to increase state spending on universities and to improve "alignment between K–12 and postsecondary education across colleges."[29]

Career and Technical Education. The FY 2013 budget also includes $1.1 billion for Career and Technical Education, which provides grants to states to help align what students learn in school with workforce demands and to improve career and technical education.

Total Higher Education Spending. In all, President Obama's FY 2013 budget request for the Department of Education would bring spending on higher education programs to $28 billion—a 4.6 percent increase over 2012 levels.

Salaries and Expenses. Salaries and expenses at the Department of Education would increase 6.3 percent to $1.8 billion if the FY 2013 budget request is enacted. The increase is primarily due to an increase in student loan application processing and loan servicing.[30] Employment at the department would decrease by 33 full-time employees, bringing the total to 4,279 employees.

29. Ibid.

30. Ibid.