

WebMemo



Published by The Heritage Foundation

No. 2363
March 26, 2009

Obama Administration Proposes New Federal Education Spending Increases

Dan Lips

After less than three months, the Obama Administration has approved an unprecedented increase in federal spending for the Department of Education (DOE). But if history is any guide, these spending increases will have little if any positive effect on the quality of American education.

Bigger and Bigger. In February, President Obama signed the American Recovery and Reinvestment Act of 2009, which included \$98 billion in new spending programs administered by the Department of Education.¹ The Omnibus Appropriations Act of 2009, signed in March, included \$66.5 billion for the DOE, a \$4.5 billion increase over the last fiscal year.² Together, the stimulus and omnibus packages provide \$101 billion to the DOE—a 163 percent increase.³

Now, President Obama is calling for new spending increases for the DOE in his budget proposal to Congress. Specifically, the President's budget includes a \$5.3 billion spending increase on DOE discretionary programs, an increase of 7.8 percent over FY 2009.⁴

Moreover, the Administration's budget calls for continuous increases in federal education spending in the years ahead: a \$64.5 billion increase in discretionary spending for 2014, a 55 percent increase over FY 2009.⁵ (These figures exclude proposed funding increases for Pell grants, which the Obama Administration proposes to become a mandatory spending program in its budget.)

Increasing Funding for All Levels of Education. The budget proposes new federal funding to

encourage state and localities to enact early childhood education programs, following significant increases for the federal Head Start program in the stimulus and omnibus legislation.

The Obama Administration does not include details about proposed funding levels for the main K–12 education programs, such as Title I. However, the omnibus and stimulus packages included a 76 percent for Title I, Part A, and a 112 percent increase for Title I, Part B.

The budget also includes new funding for higher education programs. Specifically, the budget proposes new funding for Pell grants, which received a 132 percent increase in the omnibus and stimulus and calls for the Pell grant program to become mandatory to ensure that it receives continuous funding increases in future years.

Spending Has Not Solved Problems. Considering how these proposed spending increases will expand the ballooning federal deficit and grow the long-term debt burden, American taxpayers and students alike should consider whether increasing federal spending programs will yield meaningful benefits. Unfortunately, past experience suggests that expanding federal support for early childhood, K–12,

This paper, in its entirety, can be found at:
www.heritage.org/Research/Education/wm2363.fgm

Produced by the Domestic Policy Studies Department

Published by The Heritage Foundation
214 Massachusetts Avenue, NE
Washington, DC 20002–4999
(202) 546-4400 • heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

or post-secondary education will not solve the persistent problems in American education:

- Since the 1960s, the federal government has sought to help disadvantaged children enter school ready to learn by supporting the Head Start program. In 2008, the federal government spent \$6.1 billion on Head Start, serving more than 900,000 children at an average cost per child of \$7,300.⁶ Yet more than 40 years after Head Start was launched, the program “has not measurably improved educational outcomes.”⁷
- Federal spending on elementary and secondary education has increased steadily over time. Between 1985 and 2007, real federal spending on K–12 education programs has increased by 138 percent.⁸ In 2005, the federal government spent \$971 per pupil, more than three times its level of spending in 1970, after adjusting for inflation.⁹ However, historical measures of student achievement like the National Assessment of Educational Progress reading scores have remained relatively flat.¹⁰

- Continuous growth in federal subsidies for student aid and higher education has not solved the problem of college affordability. In 2006–07, the federal government spent more than \$86 billion on student aid for post-secondary education—a real increase of 77 percent over what was spent 10 years earlier.¹¹ However, over the past decade tuition costs have increased by 27 percent and 50 percent at private and public four-year colleges.¹²

An Alternative Path to Improve Education. Instead of simply increasing federal spending on education programs that have failed to solve the fundamental problems that they were designed to address, the Obama Administration and Congress should focus on reforming the federal government’s current role in education. Specifically, President Obama and Congress should work to end ineffective and unnecessary education programs.

For starters, in 2008, the Bush Administration’s Program Assessment Rating Tool evaluation identified 47 DOE programs that “achieved their purpose, duplicate other programs, are narrowly focused, or unable to demonstrate effectiveness.”¹³

1. Rebecca R. Skinner *et al.*, “Funding for Education in the American Recovery and Reinvestment Act of 2009,” CRS Report for Congress, Congressional Research Service, February 20, 2009.
2. Senator John Ensign, “H.R. 1105: Omnibus Appropriations Act of 2009,” March 2, 2009.
3. *Ibid.*
4. Office of Management and Budget, “A New Era of Responsibility: Renewing America’s Promise,” February 26, 2009, at <http://www.gpoaccess.gov/usbudget/fy10/pdf/fy10-newera.pdf> (March 20, 2009).
5. *Ibid.*
6. Department of Health and Human Services, Administration for Children and Families, “Head Start Program Fact Sheet Fiscal Year 2008,” at <http://www.acf.hhs.gov/programs/ohs/about/fy2008.html> (March 20, 2009).
7. Darcy Olsen and Lisa Snell, “Assessing Proposals for Preschool and Kindergarten: Essential Information for Parents, Taxpayers and Policymakers,” Reason Foundation, May 2006, p. 35, at <http://www.reason.org/files/b7abd1fc30bdf33cd824db3b102c4db0.pdf> (March 26, 2009).
8. Dan Lips, Shanea Watkins, and John Fleming, “Does Spending More on Education Improve Academic Achievement?,” Heritage Foundation *Backgrounder* No. 2179, September 8, 2008, at <http://www.heritage.org/Research/Education/bg2179.cfm> (March 20, 2009).
9. *Ibid.*
10. For example, see U.S. Department of Education, National Center for Education Statistics, “National Trends in Reading by Average Scale Scores,” at <http://nces.ed.gov/nationsreportcard/ltr/results2004/nat-reading-scalescore.asp> (March 26, 2009).
11. College Board, “Trends in Student Aid, 2007,” p. 7, at http://www.collegeboard.com/prod_downloads/about/news_info/trends/trends_aid_07.pdf (March 26, 2009).
12. College Board, “Trends in College Pricing 2008,” at http://www.host-collegeboard.com/trends/08_college_pricing/1_4_over_time_constant_dollars.html (March 20, 2009).
13. U.S. Department of Education, “Fiscal Year 2009 Budget Summary,” February 4, 2008, at <http://www.ed.gov/about/overview/budget/budget09/summary/edlite-section3.html> (August 5, 2008).

Eliminating these programs would have saved an estimated \$3.8 billion.¹⁴ Remaining federal programs should also be reformed to improve their efficiency and performance.

In early childhood education, the Administration and Congress should work to reform Head Start and other similar programs instead of enacting new preschool initiatives. For example, states should be given the ability to improve the delivery of Head Start services through parental choice options and better state-directed coordination.

In elementary and secondary education, states should be able to opt-out of federal program requirements and determine how best to use federal funding to improve student learning while maintaining academic transparency and holding public schools accountable for results. Moreover, major federal programs like Title I should also be reformed to allow states and local school systems to distribute funding to schools through a simplified, student-centered funding formula.

For post-secondary education, the Obama Administration and Congress should recognize that

simply increasing federal subsidies for higher education has failed to solve the problem of college affordability. Federal policymakers should challenge states and post-secondary institutions to develop new strategies for reducing college costs and making higher learning more affordable for American students without simply leaving taxpayers with the ever-increasing tab.

Time for a New Approach. For decades, rising federal spending on pre-K, K–12, and post-secondary education has failed to solve the persistent problems in American education. After just two months, the Obama Administration has already overseen the largest increase in federal spending on education in history. Congress should recognize that the President's budget proposal to further increase education spending is unlikely to improve American education. Instead, Congress should work to end ineffective federal programs and make the remaining ones more effective.

—Dan Lips is Senior Policy Analyst in Education in the Domestic Policy Studies Department at The Heritage Foundation.

14. *Ibid.*