

WebMemo



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Creating a Crisis: Spending Increase to Fund Bloated Education Bureaucracy

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Congress will soon consider spending \$10 billion to prevent layoffs in the public education sector. This money comes in addition to the \$80 billion awarded to the U.S. Department of Education (DOE) for K-12 education as a result of the stimulus bill.

While DOE funding has increased nearly fivefold in the 30 years since its creation, academic achievement has stagnated. Bureaucracy at the DOE has also ballooned over the decades. Another education bailout from Washington not only would fail to treat the root causes of states' fiscal problems but would also perpetuate a trend of ever-increasing funding for a federal department that has failed to live up to its mission of improving American education.

A History of Massive Funding Increases. President Jimmy Carter created the DOE in 1979. When President Ronald Reagan came into office a year later, he sought to limit the federal government's newly expanded role in education and undo what he called Carter's "bureaucratic boondoggle."

But despite its creation just 30 years ago, the DOE's discretionary budget is the third largest, behind only the Department of Defense and the Department of Health and Human Services.¹ In addition to the federal "stimulus" money appropriated in 2009, the Obama Administration's FY 2011 budget request would further increase discretionary education spending by nearly 10 percent over 2010 levels, bringing total discretionary spending to \$50.7 billion.² Education Secretary Arne Duncan stated:

The president's budget lays out a new vision for reforming our education system.... It's a cradle to career agenda. One that starts at birth and follows children every step of the way with the ultimate goal that they graduate from a two year or four year college.³

The DOE has spent the past three decades taxing states, running that money through the Washington bureaucracy, and sending it back to states and school districts in an attempt to improve education. But for 30 years, this spending cycle has failed to improve education.

More Money for Lackluster Results. Since 1985, inflation-adjusted federal spending on K-12 education has increased 138 percent. Since the 1960s, real per-pupil federal education expenditures have more than tripled.⁴ Meanwhile, academic achievement has languished. Since the 1970s, math achievement has increased slightly, reading achievement has stagnated, and graduation rates have remained at about 73 percent nationally.⁵

Nonetheless, the DOE continues to grow, both in terms of funding and staffing. In 2010, the DOE employed 4,199 full-time employees. President Obama's FY 2011 budget request anticipates full-

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time employment to grow to 4,603. If the FY 2011 budget request is enacted, the cost of salaries and expenses at the DOE will reach \$1.83 billion—\$344 million more than 2010 levels—a 23 percent increase.⁶

In 2010, the average salary at the DOE reached \$103,000.⁷ This does not include the five executive level positions or senior executive positions. By comparison, in 2009, the average public school teacher salary was \$53,000.⁸

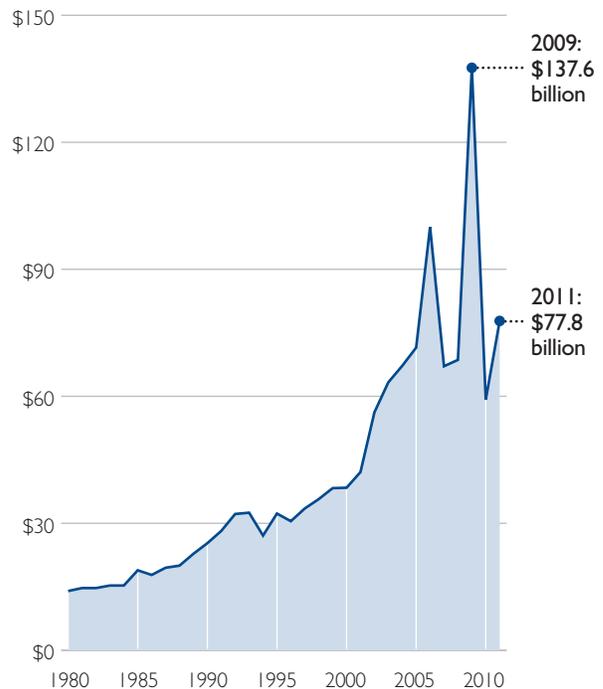
According to an April 2010 Pew Research Center survey, the DOE ranked lowest in popularity among 13 federal agencies, earning just a 40 percent favorability rating.⁹ The DOE had also dropped the most precipitously of any federal agency, seeing its favorability ratings decline 21 percentage points since 1997. Even the Internal Revenue Service scored 7 points higher than the DOE.

A Better Way Forward. Rather than beefing up bureaucracy, there are better ways to improve education while easing the financial burden on states and taxpayers.

- **Free states from federal red tape.** As a result of No Child Left Behind, states were burdened with nearly 7 million manhours of paperwork in order to comply with new federal mandates, costing states an estimated \$141 million. And while the federal government provides just 9 percent of funding for public education, it is the source of an estimated 41 percent of the administrative compliance burden for states.¹⁰ In the near term, state education budgets could be

U.S. Department of Education Budgets Remain Historically High

Spending in Billions of Dollars



Notes: Figures for 2009 include funding from the American Recovery and Reinvestment Act; figures for 2010–2011 are for budgets, not appropriations.

Sources: U.S. Department of Education, Education Department Budget by Major Program, at <http://www2.ed.gov/about/overview/budget/history/edhistory.pdf> (June 29, 2010); U.S. Department of Education, Summary of Discretionary Funds, FY 2011 Request, at <http://www2.ed.gov/about/overview/budget/budget11/summary/appendix1.pdf> (June 29, 2010).

Chart 1 • WM 2946  heritage.org

1. U.S. Department of Education, “Fiscal Year 2011 Budget Summary: Salaries and Expenses Overview,” February 1, 2010, at <http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section5.html> (July 1, 2010).
2. Department of Education discretionary spending will increase 10 percent if Congress is awarded an additional \$1 billion for completing reauthorization of the Elementary and Secondary Education Act this year. Without ESEA reauthorization, discretionary spending will increase 7.5 percent. See “Fiscal Year 2011 Budget: Summary and Background Information,” U.S. Department of Education, February 1, 2010, at <http://www2.ed.gov/about/overview/budget/budget11/summary/11summary.pdf> (July 2, 2010).
3. Secretary of Education Arne Duncan, press conference call, February 1, 2010, at <http://webcache.googleusercontent.com/search?q=cache:XOUTPbpC7OgJ:www2.ed.gov/news/av/audio/2010/02/02012010.doc+Duncan+%22zone+of+the+largest+increases%E2%80%9D+in+education+spending&cd=2&hl=en&ct=clnk&gl=us> (July 2, 2010).
4. U.S. Department of Education, National Center for Education Statistics, “Digest of Education Statistics, 2009,” Table 180, at <http://nces.ed.gov/fastfacts/display.asp?id=66> (July 2, 2010).
5. 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/Reports/2008/09/Does-Spending-More-on-Education-Improve-Academic-Achievement>.

eased through emergency regulatory relief. Ultimately, federal control over education should be restored to the state and local level by granting states flexibility and the ability to target resources to a state's most vital education needs.

- **Eliminate waste at the DOE.** In 2009, the federal government's Program Assessment Rating Tool identified 47 ineffective and duplicative programs, the elimination of which would save taxpayers \$3.3 billion.¹¹ The Office of Management and Budget found \$359 million in earmarks in the DOE's 2009 budget.¹² Terminating ineffective programs and enacting budgets free of earmarks would trim DOE costs and save taxpayers money.
- **Implement a hiring freeze at the DOE.** If educational control and authority is returned to the state and local level, taxpayers will also be

relieved of the staff needs and costs at the DOE. In doing so, the federal government can easily freeze staffing levels and ultimately reduce the number of workers needed to implement federal programs.

Decades of Failure. If Congress appropriates another \$10 billion to the DOE to prevent public sector job layoffs, it will be continuing the flawed, decades-old practice of filtering taxpayer resources through an inefficient federal agency. Instead of seeking another federal bailout from Washington, policymakers should ease the regulatory burden on states, permit states increased flexibility with their educational resources, and insist that funding is being efficiently used at the DOE.

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6. "Fiscal Year 2011 Budget: Summary and Background Information," U.S. Department of Education, February 1, 2010, at <http://www2.ed.gov/about/overview/budget/budget11/summary/11summary.pdf>
7. *Ibid.*
8. May 2009 National Occupational Employment and Wage Estimates, Bureau of Labor Statistics, U.S. Department of Labor, at http://www.bls.gov/oes/current/oes_nat.htm (July 2, 2010).
9. Pew Research Center, "Distrust, Discontent, Anger and Partisan Rancor: The People and Their Government," April 18, 2010, at <http://people-press.org/report/606/trust-in-government> (July 2, 2010).
10. Dan Lips and Evan Feinberg, "The Administrative Burden of 'No Child Left Behind,'" *Heritage Foundation Commentary*, April 7, 2007, at <http://www.heritage.org/Research/Commentary/2007/04/The-Administrative-Burden-of-No-Child-Left-Behind>.
11. U.S. Department of Education, "Fiscal Year 2009 Budget Summary," February 4, 2008, at <http://www2.ed.gov/about/overview/budget/budget09/summary/edlite-section3.html> (July 2, 2010).
12. Office of Management and Budget, "List of Agencies in the Labor, Health and Human Services, and Education Appropriations Bill," at [http://earmarks.omb.gov/earmarks-public/2010-appropriations-by-spendcom/spendcom_short_title/\[labor;%20health%20and%20human%20services,%20and%20education\]_summary.html](http://earmarks.omb.gov/earmarks-public/2010-appropriations-by-spendcom/spendcom_short_title/[labor;%20health%20and%20human%20services,%20and%20education]_summary.html) (July 2, 2010).