

BACKGROUND

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13 Ways the 113th Congress Can Improve Education in America

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Abstract:

Every year, taxpayers must send billions of dollars to Washington in order to fund federal education programs through the U.S. Department of Education and other agencies—which then redistribute that money back to individual states through a complex system of formula and competitive grant programs. The largest K–12 education law, No Child Left Behind, on its own has more than 60 competitive grant programs. Yet Washington’s efforts to improve American K–12 education have largely failed over the past half century, while saddling states and local school districts with a tremendous bureaucratic compliance burden. States and schools end up mired in red tape, their focus misdirected to Washington demands, not student needs. Federal education spending and intervention continue to grow, yet this intervention has merely weakened states’—and parents’—education decision-making authority. This Heritage Foundation Backgrounder contains 13 steps Congress should consider to improve American education and restore education decision-making authority to those closest to the students.

There is no shortage of opportunities for Congress to reform federal education policy. Dozens of federal education programs are managed by well-intentioned yet disconnected bureaucrats in Washington, who are far removed from the needs of teachers and children in the classroom.

Taxpayers, meanwhile, must send billions of dollars every year to Washington to fund federal education programs housed within the U.S. Department of Education and other agencies, which

KEY POINTS

- Washington’s efforts to improve American K-12 education have largely failed over the past half century. States and schools end up mired in red tape, their focus misdirected to Washington’s demands, not student needs.
- Congress has the opportunity to make education funding more student centered, to ensure funding for special needs and low-income children actually serves those children instead of feeding the bureaucracy.
- Congress has the opportunity to reform federal education programs in a way that cuts costs, saving taxpayers money while making spending effective.

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redistribute that money back to states through myriad formula and competitive grant programs. In order to ensure that their share of education funding is returned to them, states and schools must navigate a complex and time-consuming process of applying for grants, constantly monitoring changes in program regulations, and submitting proof to the Department of Education that they are meeting federal benchmarks. No Child Left Behind is the largest K–12 education law, and alone contains more than 60 competitive grant programs. Regulations on the law have been promulgated over 100 times in the decade following NCLB’s enactment.¹

It is no wonder that state education agencies have grown dramatically over the decades; the regulatory maze through which school districts must maneuver seems to grow more convoluted with every Congress. That maze diverts the attention of school leaders and teachers on whom the burden of complying with federal regulations falls, leaving them with less and less time to focus on their most important job: teaching. Federal intervention has failed to increase achievement outcomes over the past half century, yet has cost taxpayers trillions of dollars, has grown bureaucracy, and has weakened states’ education decision-making authority.

The Founders placed the important job of educating America’s children with states, localities, and most critically, parents. The Constitution does not mention the word “education,” even though its architects believed in its supreme importance. “I look to the diffusion of light and education as the resource to be relied on for ameliorating the condition, promoting the virtue, and advancing the happiness of man,” wrote Thomas Jefferson.²

Conservatives in Congress and policymakers in general who want to restore excellence in education should work to trim the size, scope, and funding of the Department of Education. The reforms outlined below do just that, and provide first steps for returning education to states and school districts, creating an education system that is responsive to parents and fits the needs of children.

Pre-K and Early Learning

For decades, the federal government has funded early education and child care programs, and despite little to no impact on child outcomes, the Obama Administration and many on the left are attempting to expand such programs. Yet, policymakers must not attempt to replace the family in the important role of laying the building blocks for a child’s formal learning, and, rather than adding more programs, should reform current programs or eliminate those that are ineffective.

1. Congress should recognize that parents and private preschool providers should be the first and second options for families, followed by state programs, when necessary. Policymakers should avoid any incentives to expand government preschool. In order to achieve excellence in early education, policymakers must abandon the presumption that government preschool is preferable to family care. Families are children’s first educators and government programs cannot replace the benefits that children receive from being raised in a stable, two-parent home. Federal and state policymakers interested in maintaining the role of families and civil society in providing early education and care for children should resist the latest push by the Obama Administration to expand federal preschool and child care. More government preschool is not the answer to helping America’s children succeed, and any efforts to expand federal preschool initiatives should be opposed.

2. Excellence in early education requires cleaning up the labyrinth of existing federal preschool and day care programs, and eliminating ineffective programs. Since taking office, President Obama has called for increases in federal spending for early childhood education. The Obama Administration wants to establish a continuum of preschool services for children from birth through age five. As part of the President’s drive for a “cradle-to-career” government-controlled education system, in February the Administration proposed significantly increasing government spending on early

1. Jennifer A. Marshall, “A Decade After No Child Left Behind, Time for a Right Turn in Education,” The Heritage Foundation, The Foundry, January 9, 2012, at <http://blog.heritage.org/2012/01/09/a-decade-after-no-child-left-behind-time-for-a-right-turn-in-education/>.

2. Thomas Jefferson, letter to C. C. Blatchly, October 21, 1822, Thomas Jefferson Foundation, http://www.monticello.org/site/jefferson/quotations-education#footnote13_0ys24i8 (accessed April 30, 2013).

childhood education and care. The President's proposal consists of (1) new federal spending to establish a "cost-sharing" model with states to expand public preschool programs; (2) significant new spending on Early Head Start to serve infants, toddlers, and three-year-old children; (3) an effort to "grow" the federal Head Start program; and (4) an expansion of home visitation programs. The White House deems this its Preschool for All initiative.³

Additionally, in recent years left-leaning Members of Congress have proposed legislation to expand preschool programs such as the Providing Resources for Kids Act (PRE-K Act) and the Prepare All Kids Act.⁴

The federal government already funds dozens of early-childhood education and child care programs. The Government Accountability Office (GAO) reports that there are 45 such programs in operation today, spread across numerous federal agencies, including the Departments of Education, Health and Human Services, Agriculture, the Interior, and Housing and Urban Development, among others.⁵ The 45 programs in operation today are estimated to cost taxpayers more than \$20 billion annually.⁶ The list of programs includes Head Start; the Childcare and Development Block Grant; the Temporary Assistance for Needy Families program, which provides a portion of its funding for child care; portions of the Individuals with Disabilities Education Act; the Social Services Block Grant, which provides day care; and many others.

President Obama's massive federal preschool expansion would further entangle Washington in the education and care of the youngest Americans.

Instead of creating more government preschool and child care programs, Congress should examine current programs and eliminate those that are ineffective as well as consolidate duplicative programs.

3. Policymakers should base decisions about preschool funding and programs on empirical evidence, and reconsider the future of Head Start. Head Start is the largest of the federal government's early childhood programs and has been funded by taxpayers for nearly five decades. Since Head Start began in 1965, the federal government has spent over \$150 billion to fund it.⁷ During 2011–2012 fiscal year, some 964,000 children were enrolled in the program.⁸

However, the federal government's own "gold standard" evaluations show that Head Start fails to promote lasting academic benefits for children. The Department of Health and Human Services' first-grade and final third-grade follow-up studies show that any effects of Head Start dissipate by third grade, with children who participate in Head Start doing no better on cognitive outcomes than their peers from similar backgrounds who did not participate in the program. Head Start children also fared no better on the vast majority of other factors measured, including social, emotional, and health outcomes.⁹

Fraud was also recently uncovered in Head Start centers.¹⁰ A 2010 GAO investigation found, for example, that Head Start workers in several states falsified applicants' financial information to allow children to enroll in the program who would otherwise not qualify.

Head Start has failed to improve the educational outcomes and kindergarten readiness (the

3. News release, "Fact Sheet: President Obama's Plan for Early Education for all Americans," The White House, February 13, 2013, <http://www.whitehouse.gov/the-press-office/2013/02/13/fact-sheet-president-obama-s-plan-early-education-all-americans> (accessed April 30, 2013).

4. Ibid.

5. U.S. Government Accountability Office, "Training, Employment, and Education: 29. Early Learning and Child Care," 2012, http://www.gao.gov/modules/ereport/handler.php?1=1&path=/ereport/GAO-12-342SP/data_center/Training,_employment,_and_education/29_Early_Learning_and_Child_Care (accessed February 28, 2013).

6. Dan Lips, "Reforming and Improving Federal Preschool and Child Care Programs Without Increasing the Deficit," Heritage Foundation *Backgrounder* No. 2297, July 13, 2009, <http://www.heritage.org/research/reports/2009/07/reforming-and-improving-federal-preschool-and-child-care-programs-without-increasing-the-deficit>.

7. Dan Lips, "Head Start: A \$150 Billion Failure," The Heritage Foundation, The Foundry, January 15, 2010, <http://blog.heritage.org/2010/01/15/head-start-a-150-billion-failure/>.

8. "Head Start Program Fact Sheet Fiscal Year 2011," Administration for Children and Families, U.S. Department of Health and Human Services, March 12, 2013, <http://eclkc.ohs.acf.hhs.gov/hslc/mr/factsheets/2011-hs-program-factsheet.html> (accessed May 7, 2013).

9. Michael Puma et al., "Third Grade Follow-Up to the Head Start Impact Study, Final Report," Administration for Children and Families, U.S. Department of Health and Human Services, October 2012, p. 78, Exhibit 4.2, and p. 77, Exhibit 4.1, http://www.acf.hhs.gov/sites/default/files/ore/head_start_report.pdf (accessed May 2, 2013).

program's stated mission) of poor children for nearly 50 years. The program should be eliminated. At a minimum, states should be allowed to make their Head Start funds portable, following children to a private preschool provider of their parents' choice.

Elementary and Secondary Education

Federal intervention in K–12 education has steadily increased over the past five decades. Yet such growth has failed to increase achievement outcomes, has cost taxpayers trillions of dollars, has grown bureaucracy, and has weakened states' education decision-making authority. Congress should reform current policies to restore educational authority to state and local leaders and to give parents greater control over their children's education.

4. To improve K–12 education, Congress should reject wholesale reauthorization of No Child Left Behind. From its enactment in 1965 as the education portion of President Lyndon Johnson's Great Society program, to its seventh reauthorization as No Child Left Behind in 2001, the Elementary and Secondary Education Act (ESEA) has failed to achieve its original purpose of eliminating achievement gaps between disadvantaged children and their more affluent peers. Despite seven reauthorizations of a law designed to close achievement gaps and improve academic outcomes, an achievement gap persists between poor children and their wealthier counterparts, and between white students and their minority peers. Low-income 12th-graders, for example, read at the same level as non-poor eighth-graders.¹¹ Similarly, white eighth-graders score two points higher than black 12th graders on the National Assessment of Educational Progress (NAEP) long-term trend reading assessment. White eighth-graders are just one point behind Hispanic 12th-graders.¹²

Instead of improving educational outcomes for children, the nation's largest K–12 education law has

resulted in a litany of federal regulations that bind the hands of states and local school leaders. The law has grown state-level bureaucracy, has increased costs for local school districts, and has accelerated federal education spending. At just 31 pages and with a 1965 price tag of \$1 billion when first enacted, over four and a half decades the ESEA has morphed into a behemoth federal education law. Today, No Child Left Behind consists of approximately 80 programs (60 competitive grant programs and nearly 20 formula grant programs), at a cost of nearly \$25 billion annually.

No Child Left Behind has created an inefficient mechanism for redistributing education funding to states. While approximately \$23 billion is funneled through nearly 20 formula grant programs, the remaining \$2 billion is redistributed through more than 60 competitive grant programs, each with a separate application process and compliance burden. The myriad programs strain school-level management by requiring states and school districts to spend their time completing applications, monitoring federal program notices, and complying with federal reporting requirements.

President Johnson's ESEA task force, which crafted the recommendations that would eventually make up the five parts of the original ESEA, argued that the law "would ensure an equal education for all children by providing federal aid to low-income elementary and secondary education students."¹³ Yet instead of ensuring equal education, the law has only ensured equal bureaucratic red tape for schools:

The administrative burden of implementing the thousands of Title I programs [funding for compensatory education] created by federal fiat fell primarily upon state education agencies and local education agencies (SEAs and LEAs). Title V of ESEA [establishing federal funding for state departments of education] was the mechanism

10. David B. Muhlhause, "Head Start: Fraudulent and Ineffective," Heritage Foundation *WebMemo* No. 2919, May 28, 2010, <http://www.heritage.org/research/reports/2010/05/head-start-program-fraudulent-and-ineffective>.

11. U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), "2008 Long-Term Trend Reading Assessment," <http://nces.ed.gov/nationsreportcard/lttdata/report.aspx> (accessed May 1, 2013).

12. Matthew Ladner and Lindsey M. Burke, "Closing the Racial Achievement Gap: Learning from Florida's Reforms," Heritage Foundation *Backgrounder* No. 2468, September 17, 2010, <http://www.heritage.org/research/reports/2010/09/closing-the-racial-achievement-gap-learning-from-floridas-reforms>.

13. Kevin E. Hoefl, "The Elementary and Secondary Education Act: 34 Years of False Hopes," Family Research Council, *Insight*, June 30, 1999.

used to increase the authority, size, and power of SEAs to approve and monitor Title I programs. Congress appropriated \$128,250,000 to SEAs from 1966 to 1970 to accomplish this, doubling SEAs' staff during that period....

The implementation of ESEA had two major effects on SEAs. First, their budgets, authority, and staff grew tremendously. Second, they became agents for the federal government, ensuring their proper implementation of federal rules and programs at the state and local levels.¹⁴

The Elementary and Secondary Education Act has been reauthorized seven times since its inception. The law was expanded multiple times throughout the 1960s and 1970s, and underwent revisions under the Reagan, Bush, and Clinton Administrations, culminating with No Child Left Behind in 2001. Federal intervention into education has grown significantly over various reauthorizations, yet significant improvements in student outcomes remain elusive.

Policymakers in the 113th Congress should avoid a wholesale eighth reauthorization. Instead, federal policymakers should simplify existing law by eliminating all of the law's duplicative and ineffective programs and allowing cross-program flexibility among the remaining K-12 programs operated by the Department of Education. At the same time, they should allow states to make their Title I dollars portable, following children to a private school of choice.

5. To better serve low-income children, Congress should allow states to make their Title I dollars portable. Title I of No Child Left Behind provides federal funding to states in order for the states to provide additional funds to low-income school districts. While the intent of Title I is to provide resources to low-income children, its design is "neither student-centered nor transparent. Instead, Title I funds are delivered through complex funding formulas created over decades of congressional policymaking."¹⁵ As researcher Susan Aud writes:

The funding formulas used to determine each school district's total Title I, Part A allocation are prohibitively complex, with provisions that render the final results substantially incongruent with the original legislative intention. Additionally, as grants have been added to the program, the complexity of the funding system has increased exponentially. Consequently, it is likely that no more than a handful of experts in the country clearly understand the process from beginning to end or could project a particular district's allocation based on information about its low-income students. The result is a funding system that is opaque and unaccountable.¹⁶

In order to make Title I work for the disadvantaged children it was originally intended to help, the program's funding formula should be simplified. It should be simplified using a set per-pupil allocation to ensure maximum funding reaches poor children, rather than diluting it due to formula complexity and administrative requirements. Congress should also permit states to make Title I funding portable, allowing funding to follow a child to the school of his parents' choice—public, private, charter, or virtual.

6. Congress should eliminate and consolidate ineffective and duplicative programs. In all, the Department of Education operates more than 100 competitive and formula grant programs. In order to restore good constitutional governance in education, Congress should consolidate or eliminate the vast majority of programs operated by the Department, beginning with those that are duplicative and ineffective.

Several proposals were advanced in the 112th Congress to provide cross-program flexibility, and to eliminate duplicative or ineffective education programs.

One of the major provisions of the Student Success Act (SSA), introduced by House Education and the Workforce Committee chairman John Kline (R-MN), is an allowance for states and local school

14. Ibid.

15. Dan Lips, "Fund the Child: A Better Way to Help Disadvantaged Children," Heritage Foundation *Education Notebook*, April 6, 2007, <http://www.heritage.org/research/education-notebook/fund-the-child-a-better-way-to-help-disadvantaged-students>.

16. 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, <http://www.heritage.org/Research/Reports/2007/06/A-Closer-Look-at-Title-I-Making-Education-for-the-Disadvantaged-More-Student-Centered>.

districts to have funding flexibility with designated Title I programs. Migrant education, rural education, programs for neglected and delinquent children, English language learner funding, and American Indian education remain separate funding streams under the SSA, but states would have the flexibility to use that funding for activities across any of those five programs. The proposal would also allow low-income school districts to have greater flexibility with the dollars they receive through Title I.

Representative Duncan Hunter (R-CA) introduced the Setting New Priorities in Education Spending Act (H.R. 1891), which the Education and the Workforce Committee noted “would begin the process of weeding out inefficient and unnecessary K-12 education programs.” The proposal would completely eliminate 43 wasteful programs.

Efforts to eliminate ineffective and duplicative education programs deserve attention, and are a smart first step in curtailing federal intervention into education. Most of the more than 100 competitive grant and formula grant programs should be consolidated or eliminated (including the 60 competitive grant programs and nearly 20 formula grant programs that fall under No Child Left Behind). Federal policymakers should scale back the number of programs and consolidate funding among many others. The vast majority of competitive grant programs that fall under No Child Left Behind should be eliminated, and formula grant programs that are similarly structured should be subsumed under Title I of the Elementary and Secondary Education Act.¹⁷

7. Congress should provide relief to states and schools through the Academic Partnerships Lead Us to Success (A-PLUS) Act, creating an alternative to the Obama Administration’s strings-attached No Child Left Behind waivers. Federal policymakers should limit federal intervention in education by eliminating the majority of programs that fall under No Child Left Behind. At the same time, Congress should allow states to opt out of the many federal requirements associated with those programs, and to use those funds in a way that best meets the needs of local students. This approach is embodied in the A-PLUS Act.

The A-PLUS Act would allow a state to provide a declaration of intent to the U.S. Department of Education, alerting the department that the state will be combining funds from the many No Child Left Behind programs to administer those funds at the state and local level. A-PLUS allows states an effective opt-out from No Child Left Behind, and to have funds distributed to the state in a single funding stream, which state and local policymakers can then direct to their state’s educational priorities.

The A-PLUS approach offers accountability through academic transparency to parents and fiscal reporting to Washington. It allows states to spend their own money in ways that allow state and local leaders to better target resources. Moreover, bureaucratic red tape is reduced, freeing up time and resources for classroom teaching. It is a policy that aligns incentives with the needs of parents and taxpayers, not the demands of Washington.

Moreover, the A-PLUS approach provides genuine relief to states from the burdens of federal intervention. The Obama Administration has worked to convince states that such relief will be granted through No Child Left Behind waivers; however, the waivers are only granted to those states that agree to the Administration’s preferred education policies, carrying with them significant strings. Any short-term relief states feel from the waivers comes in exchange for ceding educational decision-making authority to the Department of Education. The waivers also completely circumvent the normal legislative process. The A-PLUS approach comes without the many strings attached to No Child Left Behind waivers and is a legislative branch proposal with strong support in Congress.

In addition to significantly limiting No Child Left Behind programs and spending, policymakers in the 113th Congress should provide states with immediate, genuine relief from the law’s mandates and red tape. Policymakers should pursue an approach like A-PLUS, giving states the opportunity to opt out of the many programs that fall under the law.

8. Congress should prevent any new federal funding of national standards and assessments. Over the past four years, the Obama Administration has used a combination of carrots and sticks to prod

17. For more information, see Lindsey M. Burke, “Reducing the Federal Footprint on Education and Empowering State and Local Leaders,” Heritage Foundation *Background* No. 2565, June 2, 2011, <http://www.heritage.org/research/reports/2011/06/reducing-the-federal-footprint-on-education-and-empowering-state-and-local-leaders>.

states to adopt the Common Core State Standards Initiative (CCSSI). CCSSI is an effort to establish national education standards and tests to define what every child in public schools across the country will learn. The effort to nationalize standards and tests represents the most significant federal overreach into education in history, and poses a grave threat to educational freedom in America's schools.

The Obama Administration has heavily incentivized the adoption of Common Core standards and tests. As part of the American Recovery and Reinvestment Act—the so-called stimulus—the Obama Administration carved out \$4.35 billion in competitive grant funding known as the Race to the Top program. States had to agree to adopt common standards to be competitive.¹⁸ Moreover, the Department of Education provided \$360 million to directly finance the national assessments aligned with the common core standards. And the aforementioned No Child Left Behind waivers require states to either adopt common “college- and career-ready” standards, or have their state university system verify their standards.

The Obama Administration has propelled the federal government into defining standards, assessments, and curricula by providing significant rhetorical and financial support to the Common Core effort.

It is an area in which Washington is prohibited from interfering. As Senator Marco Rubio (R-FL) stated in a letter to education secretary Arne Duncan: “Such activities are unacceptable; they violate three existing laws: NCLB [No Child Left Behind], the Department of Education Organization Act, and the General Education Provisions Act. All three laws prohibit the federal government from creating or prescribing national curriculum.”¹⁹

States still have the opportunity to exit the national standards push. Perhaps most critical, federal policymakers should work to prevent any additional federal funding from being appropriated to further fund Common Core, or to nationalize standards and assessments in schools across the country. At the same time, federal policymakers who

want to preserve educational liberty should lend as much rhetorical support as possible to the principle that education is rightly the domain of parents and teachers, and decisions about what is taught in the classroom should be made at the local level, not by the federal Department of Education.

9. Congress should stop the education spending spree and allow for meaningful reform. In addition to eliminating existing ineffective and duplicative federal education programs, conservatives in Congress should oppose proposals by the Obama Administration to create new programs. Last year, as part of his “Education Blueprint”—a proposal to spend billions in taxpayer money on new federal education initiatives—President Obama proposed the following: (1) the RESPECT Project (Recognizing Educational Success, Professional Excellence, and Collaborative Teaching), a new \$5 billion competitive grant program allocating federal funding to states to compensate effective teachers; (2) the Keeping Educators in the Classroom proposal, which would create a new \$25 billion program to “avoid harmful layoffs”; and (3) an additional \$30 billion in new spending for “modernizing America's schools.”²⁰

If the past four years are any indication, the Administration will likely continue pushing for similar new programs and spending, which should be ardently opposed by conservatives in Congress. Conservatives should resist any proposals to create a “Master Teacher Corps” (an effort proposed by the Obama Administration in 2012), and should reject any new funding for the Race to the Top (RTT) competitive grant program, including grants made directly to local school districts through the RTT District program.

10. Congress should restore dollars and decision making to those closest to the student by reducing the size and scope of the Department of Education. Federal education spending has increased significantly since President Jimmy Carter established the Department of Education in 1979. Since then, funding for the Department

18. “Notices,” *Federal Register*, Vol. 75, No. 71, April 14, 2010, p. 19496, <http://www2.ed.gov/legislation/FedRegister/announcements/2010-2/041410a.pdf> (accessed May 1, 2013).

19. Letter to Education Secretary Arne Duncan from U.S. Senator Marco Rubio, September 12, 2011, http://rubio.senate.gov/public/index.cfm/files/serve?File_id=7c1cf499-4bfc-4db0-8a5b-5e3cc5291560 (accessed May 1, 2013).

20. “Education Blueprint: An Economy Built to Last,” The White House, 2012, http://www.whitehouse.gov/sites/default/files/cantwait/final_-_education_blueprint_-_an_economy_built_to_last.pdf (accessed May 1, 2013).

of Education 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.

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.

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.²¹ Congress should stop the education spending spree, and reduce the size and scope of the Department of Education.

Today, the Department of Education is home to more than 4,200 federal employees. Refocusing No Child Left Behind to mirror the ESEA's original purpose of compensatory education, eliminating the multitude of competitive grant programs, and trimming the Department's mission to that of check-writing agency would enable a significant reduction in size and budget of the agency.

Another first step in stopping the education spending spree is to return the federal elementary and secondary education budget to 2000 levels, or approximately \$22 billion.

11. To better serve special needs children, Congress should allow states to make Individuals with Disabilities Education Act (IDEA) funding portable. IDEA provides federal funds to children with special needs. Like Title I, the students the law was designed to help would be better served by having control over their share of IDEA

funding, being allowed to take their IDEA funds to any school of their choice.

The IDEA program, funded at approximately \$11.5 billion in 2012, should be reformed to allow states to make their funds portable. Allowing states the option to make their IDEA funds portable would mean that special needs children could take an average of \$1,950 to a school of their choice that meets their unique learning needs.²² While, as University of Colorado professor Marcus Winters notes, a voucher in that amount would likely not be enough to cover the full amount of tuition at a private school, "it could provide a meaningful supplement to parents looking for educational alternatives."²³

12. Congress should expand the D.C. Opportunity Scholarship Program to ensure that low-income children in the nation's capital have access to schools that meet their unique learning needs. Since 2004, children in the nation's capital have had access to vouchers to attend a private school of choice. The D.C. Opportunity Scholarship Program (D.C. OSP) was signed into law by President George W. Bush in 2004 and has provided scholarships to approximately 5,000 students since then.²⁴ In a city with a chronically underperforming public school system, the D.C. OSP has been a lifeline for low-income children to attend a private school that meets their learning needs. Congressionally mandated evaluations of the D.C. OSP found that students who used a voucher to attend a private school were 21 percentage points more likely to graduate high school than their non-scholarship peers. Moreover, at around \$8,500, the vouchers are less than half the more than \$18,000 spent per pupil in the D.C. public school system.

The D.C. OSP is currently capped at \$20 million per year. Federal policymakers are in a unique position to expand the D.C. OSP since Washington, D.C., is a federal city, with its school system falling under the jurisdiction of Congress.

21. 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, http://edworkforce.house.gov/UploadedFiles/02.10.11_coulson.pdf (accessed May 1, 2013).

22. Marcus Winters, "Romney's Education Plan: Recognizing the Success of Special Education Vouchers," Manhattan Institute *Issues* 2012 No. 16, June 2012, http://www.manhattan-institute.org/html/ir_16.htm (accessed May 1, 2013).

23. *Ibid.*

24. D.C. Children and Youth Investment Trust Corporation, "Parental Satisfaction & Program Fact Sheet: D.C. Opportunity Scholarship Program 2011-2012," updated May 16, 2012, http://www.dcscholarships.org/elements/file/OSP/DC%20OSP%20Parental%20Satisfaction%20and%20Program%20Fact%20Sheet%20%28revised%202012_05_17%29.pdf (accessed January 2, 2013).

13. Congress should expand Coverdell and 529 Education Savings Accounts to help families invest in education. The momentum for school choice has increased substantially over the past few years. In 2011, states passed a record number of school-choice policies to create or expand educational opportunities for K–12 students.²⁵ Today, 21 states and Washington, D.C., offer some type of private school option to families. States and localities have, appropriately, been at the forefront of this movement.

While the Constitution leaves educational authority to the states and the vast majority of education funding is provided by states and localities, the federal government can also advance school choice by relieving American families' tax burden, particularly when they save for education. A simple way to do this would be by (1) lifting the cap on Coverdell education savings accounts and (2) expanding current 529 college education savings accounts to allow families to save for K–12 education.²⁶

Lifting the Cap on Coverdell Education Accounts. Coverdell savings accounts allow parents to save for a child's educational expenses, both K–12 and college costs.²⁷ Families can use Coverdell savings to pay for a variety of education options, including private school tuition, tutoring, and special-education services.²⁸ While contributions to Coverdell accounts are made with after-tax dollars, the interest earned is free from federal income taxes. By allowing families to save for education needs, Coverdell accounts increase educational options for elementary and secondary students. However, Coverdell accounts are currently limited to a maximum annual contribution of \$2,000. Lifting this \$2,000 cap would increase families' opportunities to fund their

children's education and thereby expand educational choice. Besides lifting the cap, Congress can insert provisions into the existing law to eliminate tax penalties for any leftover funds by allowing these funds to be handed down to the next generation or rolled into a contributor's gross income without extra penalty.

Expanding 529 College Education Savings Accounts. Another way federal policymakers can promote school choice is by letting families save for K–12 education costs under 529 college savings plans; 529 college savings accounts allow families to save money without federal tax penalties. These savings plans are municipal securities regulated by states, and contributions are largely managed by private investment firms. A number of states also allow interest earned on 529 accounts to accrue without state tax penalty. Additionally, money can be withdrawn from a 529 account without tax penalty as long as the money is used to pay for higher-education expenses: college tuition, textbooks, and other college expenses.²⁹

Expanding section 529 of the Internal Revenue Code to allow families to save for K–12 education expenses, such as private school tuition, online education courses, and tutoring services, would provide new incentives for families to save for their young children's education and at the same time increase their ability to pay for educational options outside the public school system.

Conclusion: Go Bold on Reform

The 113th Congress has the opportunity to dramatically reshape federal education policy in a way that re-establishes education decision making with states and schools, empowers parents, and restores

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excellence in education. Congress has the opportunity to make education funding more student centered; to ensure funding for special needs and low-income children actually serves those children, instead of feeding the bureaucracy. Congress has the opportunity to reform federal education programs in a way that cuts costs, saving taxpayers money while making spending more effective. To achieve these goals, the 113th Congress should:

- Recognize that parents, and then private preschool providers, should be the first option for families, followed by state programs, when necessary. Avoid any incentives to expand government preschool.
- Understand that excellence in early education requires cleaning up the labyrinth of existing federal preschool and day care programs, and eliminating ineffective programs.
- Base decisions about preschool funding and programs on evidence, and reconsider the future of Head Start.
- Reject wholesale reauthorization of No Child Left Behind.
- Allow states to make their Title I dollars portable to better serve low-income children.
- Eliminate and consolidate ineffective and duplicative K–12 programs.
- Offer relief to states and schools through reforms such as the A-PLUS Act, providing a genuine alternative to No Child Left Behind.
- Prevent any new federal funding of national standards and assessments.
- Stop the education spending spree and allow for meaningful reform.
- Restore dollars and decision making to those closest to the student by reducing the size and scope of the Department of Education.
- Allow states to make IDEA funding portable to better serve special needs children.
- Expand the D.C. Opportunity Scholarship Program to ensure low-income children in the nation’s capital have access to schools that meet their unique learning needs.
- Expand Coverdell and 529 Education Savings Accounts to help families invest in education.

Instead of tinkering around the edges—or worse, perpetuating the failed status quo through more spending and programs—Congress should take responsibility for cleaning up the bureaucratic mess it has created for states and schools, and should do what it can within its proper constitutional limits to expand choice and make education funding more student centered. The steps outlined above will help to accomplish those goals, and provide a blueprint for restoring excellence in education.

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