
CONGRESSIONAL TESTIMONY

More Federal Funding Isn't the Solution for K-12 Schools

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My name is Lindsey Burke. I am the Director of the Center for Education Policy at The Heritage Foundation. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation. Thank you Chairman Aderholt and Ranking Member DeLauro for the opportunity to testify today.

Spending Over Time

Washington has been on an education spending spree for decades. Throughout the twentieth century, inflation-adjusted per-pupil spending increased on average 3.5 percent per year, every year.ⁱ Education spending on a per-pupil basis has more than tripled in real terms since 1965, the year Lyndon Johnson launched his “War on Poverty,” which included unprecedented new federal spending on education.ⁱⁱ Total inflation-adjusted per-pupil spending increased from \$5,053 during the 1963-64 school year – the year before the “War on Poverty” launched – to \$18,614 during the 2020-21 school year. Federal, state, and local spending each more than doubled per-pupil in real terms from the 1979-80 school year – the year the Department of Education was created – to the 2020-21 school year. Since the agency’s establishment in 1979, total K-12 education spending

(federal, state, and local) has increased from \$370 billion to \$954 billion annually. Of that \$954 billion, 46 percent – or \$437 billion – came from state revenue sources, 44 percent – or \$416 billion – came from local sources, and 10 percent – or \$101 billion – came from federal sources.ⁱⁱⁱ

Covid spending. On top of general revenue increases over the past half century, public school districts have also been the recipients of an “unprecedented influx of taxpayer funds” in the wake of the COVID-19 pandemic. Congress allocated \$190 billion across three appropriations, the largest infusion of cash to K-12 education in history.^{iv} This was two-and-a-half times the Department of Education’s annual budget. To paraphrase Ronald Reagan, we don’t have a revenue problem, we have a spending problem.

How is it spent? Massive increases in spending have largely financed an ongoing staffing surge. Since 1950, public schools have added personnel at a rate nearly four times the rate of growth in student enrollment. During the 1949-50 academic year, 70 percent of school personnel were classroom teachers. By 2008, that figure had dropped to just 50 percent, meaning the teacher to non-teacher ratio was down to 1:1.^v Teachers make up just 47.5 percent of school staff today.^{vi} As Kennesaw State’s Ben Scaifidi has documented, the increase in new teacher hires was nearly two and a half times the increase in students, but incredibly, the number of non-teachers (that is, administrative and other staff) increased more than seven times that of student enrollment. From 1950 to 2019, while the number of students increased 100 percent, the number of teachers increased 243 percent and the number of administrators and all other staff increased 709 percent.^{vii}

Spending and achievement. Perhaps we would not care about increased spending if it accompanied increased growth in academic outcomes. But it has not. In 1989, Stanford economist Eric Hanushek reviewed 187 studies examining the relationship between education spending and academic outcomes. He found that there is “no strong or systematic relationship between school expenditures and student performance.”^{viii} As Hanushek explained in 2019, “While there is some

small movement up and down over time, the remarkable aspect is that reading and math performance in 2012 looks virtually unchanged from four decades before. Over this time, it is true that the performance of nine-year-olds and of 13-year-olds has improved, but improvements at earlier ages simply have not carried through to the time when students leave school for college and work.”^{ix}

Additionally, the gap between the top and bottom decile of students by family income (the 90-10 gap) remains the same as it was when the War on Poverty began – the equivalent of four grade levels’ worth of learning. As Harvard’s Paul Peterson explains:

“The stability of these gaps over such an extended time period is striking. We do not find a closing of the gap at some point over the time period only to see it open up again. It does not narrow during the Carter years, or the Reagan years, or during the boom years of the 1990s, or after the passage of No Child Left Behind, or at any other specific point throughout the five decades...The gap is amazingly unwavering.”^x

The outcomes of the most recent National Assessment of Educational Progress (NAEP) were heartbreaking. For example, reading outcomes for 4th and 8th graders fell an average of two points, declining further from what had already been historic lows in 2022. Reading scores declined in 48 out of 50 states. Reading scores are down eight points since 2015. To put that into perspective, 10 points is the equivalent of a year’s worth of learning, meaning students are behind nearly an entire grade level from where they were a decade ago. Disadvantaged students – the exact children decades of federal largesse was designed to help – have fared the worst.

What’s A Better Path Forward?

In 1998, the seminal *Education at a Crossroads* report was published after an exhaustive series of state hearings and examination into the effect of federal involvement in education. Led by then Congressmen and Chairman of the Commission William Goodling along with Congressman

Pete Hoekstra, several key findings came out of that report. Federal involvement in K-12 education had led to a “program for every problem” mentality. It had led to “shadow” state-level departments of education, with three times as many federally funded employees in state agencies as in the federal Department of Education, tasked with administering federal education programs. The *Crossroads* report documented how federal programs and spending had created a “cottage industry in selling information on program descriptions, application deadlines and filing instructions for each of the myriad federal education programs.” It detailed how millions of manhours were required every year to complete the federal paperwork burden created by the Department of Education. And to add insult to injury, it found that as little as 65 cents on the dollar ultimately made it back to the classroom. The conclusion of the Education and Workforce subcommittee was clear in 1998 and even more salient today. The report concludes:

“It is time for America to take a careful look at what billions of federal education dollars have purchased, and to make hard decisions about whether to continue expanding the federal role, or to return control to parents and teachers... “It is time for the burden of proof to shift to the federal government. If it cannot be demonstrated that a particular federal program is more effectively spending funds than state and local communities would otherwise spend them, Congress should return the money to the states and the people, without any burdensome strings attached.”^{xi}

Since the War on Poverty began, taxpayers have spent nearly \$3 trillion on K-12 education just at the federal level alone. Given the state of American education today, more federal spending has not been the ticket to improving outcomes for students. It is time to chart a different course.

1. Congress should stop the education spending spree. Cut waste at the Department by cutting spending for most competitive grant programs.

2. Congress should pass a Department of Education Reorganization Act to remove cabinet-level agency status from the Department, eliminate ineffective and duplicative programs, and send remaining programs to other agencies. For example, funding under the Individuals with Disabilities Education Act and Title I should move to HHS, data collection to the Census Bureau, and Indian Education programs to the Bureau of Indian Affairs, and so on.
3. Rather than vertical faux accountability to Washington, Congress can create meaningful horizontal accountability to parents by establishing school choice through mechanisms like Title I portability, expansions of 529 savings accounts to homeschooling families, and education savings accounts for active-duty military families.

The onus is now on defenders of the U.S. Department of Education to make the case for its continued existence. In order to restore academic excellence in America, we must restore education to states, localities, and ultimately, parents.

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ⁱ Eric Hanushek and Steven Rivkin, (1997), [Understanding the Twentieth-Century Growth in U.S. School Spending](#), *Journal of Human Resources*, **32**, (1), 35-68. (Over the 100-year period from 1890 to 1990).

ⁱⁱ U.S. Department of Education, National Center for Education Statistics, Statistics of State School Systems, 1969-70; Revenues and Expenditures for Public Elementary and Secondary Education, 1979-80; and Common Core of Data (CCD), "National Public Education Financial Survey," 1989-90 through 2020-21. (This table was prepared September 2023.) https://nces.ed.gov/programs/digest/d23/tables/dt23_236.70.asp?current=yes

ⁱⁱⁱ National Center for Education Statistics. (2024). Public School Revenue Sources. *Condition of Education*. U.S. Department of Education, Institute of Education Sciences. Retrieved [date], from <https://nces.ed.gov/programs/coe/indicator/cma>.

^{iv} Madison Marino Doan and Benjamin Scafidi, Congress Need Not Panic: Debunking Fears of a “Fiscal Cliff” as School Districts Face ESSER Spending Deadline, *The Heritage Foundation*, Issue Brief, No. 5364, December 19, 2024, at <https://www.heritage.org/education/report/congress-need-not-panic-debunking-fears-fiscal-cliff-school-districts-face-esser>

^v U.S. Department of Education, National Center for Education Statistics, Statistics of State School Systems, various years; Statistics of Public Elementary and Secondary Schools, various years; and Common Core of Data (CCD), "State Nonfiscal Survey of Public Elementary/Secondary Education," 1986-87 through 2009-10. (This table was prepared February 2012.) https://nces.ed.gov/programs/digest/d11/tables/dt11_085.asp

^{vi} U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Nonfiscal Survey of Public Elementary/Secondary Education," 2012-13 through 2022-23. (This table was prepared January 2024.) https://nces.ed.gov/programs/digest/d23/tables/dt23_213.40.asp

^{vii} Benjamin Scafidi, Back to the Staffing Surge, *EdChoice*, May 2017, at <https://www.edchoice.org/wp-content/uploads/2017/05/Back-to-the-Staffing-Surge-by-Ben-Scafidi.pdf>

^{viii} Eric A. Hanushek (1989). The Impact of Differential Expenditures on School Performance, *Educational Researcher* 18(4).

^{ix} Eric Hanushek, The Fall of Educational Productivity and Policy Paralysis (2019). In *The Not-So-Great Society*, Lindsey M. Burke and Jonathan Butcher (Eds.). *The Heritage Foundation*.

^x Paul E. Peterson, Student Achievement Gap Fails to Close for Nearly 50 Years – It Is Time to Focus on Teacher Quality (2019). In *The Not-So-Great Society*, Lindsey M. Burke and Jonathan Butcher (Eds.). *The Heritage Foundation*.

^{xi} Education at a Crossroads: What Works and What’s Wasted in Education Today. Subcommittee Report. Subcommittee on Oversight and Investigations of the Committee on Education and the Workforce, U.S. House of Representatives, One Hundred Fifth Congress, Second Session, July 17, 1998.