

OCTOBER 1, 2017



USPIE BLUEPRINT TO CLOSE USED

AND END FEDERAL EDUCATION MANDATES

United States Parents Involved in Education (USPIE) is a nonprofit, nationwide coalition of state leaders focused on restoring local control of education by eradicating federal intrusion. State leaders from around the country fed up with being ignored on education policy have joined forces to abolish the US Department of Education (USED) and put an end to all federal education mandates. It is the goal of USPIE to return America's education to its proper local roots and restore parental authority over their children's education.

The time is right. Serious conversations are happening throughout the country about the legitimate and effective role of the federal government in education. Many on both sides of the political aisle agree the federal government has become unreasonably intrusive and ineffective in education policy and practice.

Representative Thomas Massie (R) Kentucky sponsored HR 899; a simple statement to close the Federal Department of Education by the end of 2018. USPIE supports this legislation and will participate actively in the national debate. This report is a blueprint for how to proceed.

EXECUTIVE SUMMARY

Despite dramatic increases in federal intervention and funding in the public education system since the 1960s, educational achievement has not improved. The most widely used measure of school achievement are scores from National Assessment of Educational Progress (NAEP), which shows no significant change. Efforts to improve educational outcomes for low income children have also been expensive and unproductive. Even the federal college grant and loan programs have been ineffective for students. The evidence is inarguable, the federal government's intervention in education has been a dismal failure.

It is the mission of USPIE to restore parental and local control of education by eradicating federal intrusion. Although this experiment with federal control of local public schools has gone on for half a century now, it has failed. We need to stop treating children like guinea pigs in some social engineering laboratory and start embracing children as human beings to be supported and inspired to achieve their own dreams and aspirations.

Elimination of federal intervention can be achieved in five steps:

- 1) Send all Program Management and Funding to the states including Pell Grants for college.
- 2) Repeal all laws permitting federal intervention in K-12 education starting with ESSA.
- 3) Privatize college loan programs through savings & loan institutions.
- 4) Eliminate all offices and divisions in the US Department of Education and related spending.
- 5) Reduce federal tax collection, shifting education revenue responsibilities entirely back to the states.

This document expands on our assertions and proposals. We look forward to engaging U.S. Congress, influential think tanks, and citizen activists to develop our proposal more fully. Join us in the effort to help President Donald Trump accomplish a campaign promise that eluded even the great President Ronald Reagan; close the Federal Department of Education and eliminate the onerous and ineffective intrusion in the education of America's children.

Material included in this report is sourced or excerpted from two key documents:

- [CATO Cutting Federal Aid for K-12 Education by Neal McCluskey 4/21/16](#)
- [Independent Institute Returning Education to the School & Parents by Vicki E. Alger 4/25/17](#)

DESPITE DRAMATIC FEDERAL SPENDING INCREASES OVER TIME, EDUCATIONAL OUTCOMES HAVE NOT IMPROVED!

Federal control over K-12 education has risen dramatically in recent decades. Elementary and secondary discretionary spending under the USED and its predecessor agencies rose from:

- \$4.5 billion in 1965 to
- \$70.7 billion in 2016 in constant 2016 dollars;
- with \$145 billion in new mandatory spending directed by USED.

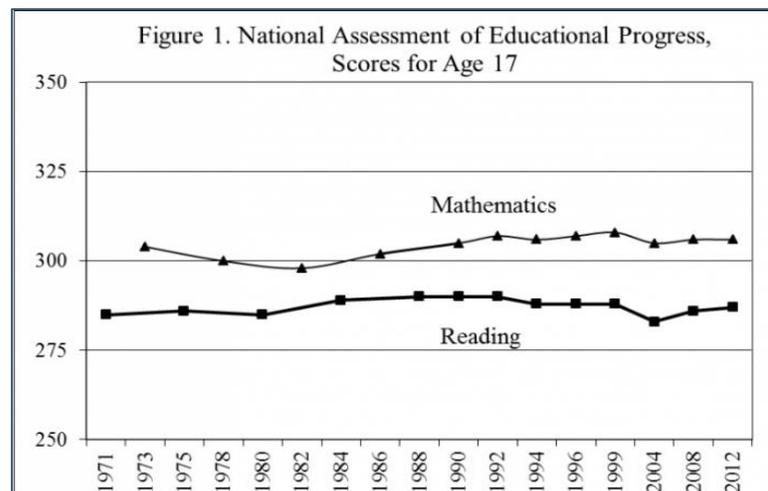
The U.S. Department of Education (USED) funds *more than 100 subsidy programs*, and each comes with regulations that extend federal control into state and local education. USED employs nearly 4,400 department employees, whose combined base salaries amount to more than \$479 million. According to the 2017 budget, annual contractual services, supplies, equipment, land, structures, *and other USED overhead expenses cost taxpayers roughly \$93 billion*. Additionally, the Department of Health & Human Services spending for Head Start is over \$9 billion and US Department of Agriculture Free & Reduced Lunch budget exceeds \$22 billion.

Despite this massive spending, the federal government reflects only about 10% of US K-12 education spending. While happy to receive federal funds, states have chafed under the mandates imposed by Washington:

- No Child Left Behind (NCLB) provoked a backlash because of its costly rules for academic standards, student testing, unrealistic proficiency demands, and other burdensome mandates.
- The 2009 Race to the Top program provided grant money to states that agreed to additional federal micromanagement of their schools including adopting national curriculum standards.
- The Obama administration imposed further requirements on states that desired waivers from parts of NCLB, such as waivers for NCLB's utterly unrealistic requirement that all students be "proficient" in math and reading by 2014.

The accumulation of federal rules has suppressed innovation, diversity, and competition in state education systems, while generating vast paper-pushing bureaucracies. In fact, state education officials report that most of their staff (in some cases significant majorities) simply oversee and manage federal education programs.

Despite large increases in federal intervention since the 1960s, combined with large increases in funding by all levels of government, K-12 educational achievement has improved little. The most widely used measures of school achievement are scores from the National Assessment of Educational Progress (NAEP) including its Long-Term Trend assessment, which has used largely consistent tests back to the early 1970s.



Other measures show similarly poor achievement by the end of K-12 schooling or at least a lack of improvement. For example, a recent statistical analysis of SAT scores that adjusted for participation rates and student demographics found there has been essentially no improvement (just like NAEP) despite the large spending increases.

Policy makers seem always on the lookout for the latest thing; the newest innovation that would set the world of education on fire. Yet, in retrospect, it is hard to think of a single program that USED funded during that time that made a lasting contribution to the advancement of education.

Most programs supported by USED are designed to serve the students most in need. Nevertheless, the achievement gap between children of differing income levels has increased over the years. In May 2013, ASCD, a 115,000-membership organization of superintendents, principals, teachers, and advocates from more than 128 counties had this to say about the achievement gap:

“Academic achievement, as measured by standardized test scores, is not the only education outcome for which disparities between high-income and low-income students have been growing. The college-completion rate among children from high-income families has grown sharply in the last few decades, whereas the completion rate for students from low-income families has barely moved (Bailey & Dynarski, 2011).”

The evidence is inarguable, the federal government’s intervention in education has been a dismal failure and must end.

USED IS ALSO INVOLVED IN POST-SECONDARY EDUCATION

Direct Student Loans - United States Government-backed student loans were first offered in 1958 under the National Defense Education Act (NDEA), and were only available to select categories of students such as those studying toward engineering, science, or education degrees. Student loans were extended more broadly in the 1960s under the Higher Education Act of 1965, with the goal of encouraging greater social mobility and equality of opportunity.

Prior to 2010, federal loans included both direct loans—originated and funded directly by the United States Department of Education—and guaranteed loans—originated and funded by private investors, but guaranteed by the federal government. Guaranteed loans were eliminated in 2010 through the Student Aid and Fiscal Responsibility Act (SAFRA) and replaced with direct loans because of a belief that guaranteed loans benefited private student loan companies at taxpayers’ expense, but did not reduce costs for students. This resulted in total government take-over and a monopoly of student lending.

Both subsidized and unsubsidized loans are guaranteed by USED either directly or through guaranty agencies. Nearly all students are eligible to receive federal loans (regardless of credit score or other financial issues). Federal student loans are not priced according to any individualized measure of risk, nor are loan limits determined based on risk. Rather, pricing and loan limits are politically determined by Congress. Undergraduates typically receive lower interest rates, but graduate students typically can borrow more. This lack of risk-based pricing has been criticized by scholars as contributing to inefficiency in higher education.

Schools that accept students with federal loans are subject to federal education regulation. In the 1984 case, *Grove City College v. Bell*, the Supreme Court required every college or university to fulfil federal requirements—past and future requirements—if its students receive federal aid.

The federal loan program has a horrendous oversight record. \$13 billion was lost between 1983-1990 through fraud and abuse. Financial institutions were gaming the system. According to *Investor's Business Daily*, in a study released in March 2017, the Consumer Federation of America found that millions of people were in arrears on \$137 billion in federal student loans in the first nine months of 2016; an increase of 14% from 2015. All told, the federal government's portfolio of student loans now stands at a whopping \$1.3 trillion.

Some folks have estimated that over the past five fiscal years, USED has made a \$120 billion profit due to low borrowing costs for government and fixed interest rates on student loans. However, these estimates do not take in to account the risk of loss from lack of repayment, which will be imposed on taxpayers. And, colleges raise prices to “capture” the aid. Vast increases in financial aid have caused costs to continue to soar.

Pell Grants - Historical analysis shows Pell Grants have been long on promises, and short on results when measured by actual college completion. A 2015 Education Trust Report found 51 percent of Pell students graduate nationwide, compared to 65 percent of non-Pell students.

Richard Vedder, Ohio University economist said:

“Having more kids going to college is now probably increasing, not decreasing income inequality in the US. Too many kids, disproportionately from lower-income backgrounds, are going to college and, if they are fortunate to graduate (a big “if”) end up getting janitorial jobs that they could have obtained with a high school diploma - and without running up huge college debts.”

Moreover, data shows that some students take grant money, spend a few hundred to enroll, do not go to classes, and then pocket the rest of the money.

THE GOAL OF USPIE IS TO END FEDERAL INTERVENTIONS IN EDUCATION

It is the mission of USPIE to restore parental and local control of education by eradicating federal intrusion. Although this experiment with federal control of local public schools has gone on for half a century now, it has failed. We need to stop treating children like guinea pigs in some social engineering laboratory and start embracing children as human beings to be supported and inspired to achieve their own dreams and aspirations.

The US Department of Education has existed because it is about control and not about children. Control through federal dollars used to bribe and blackmail states. It has also been about pushing the public-private partnership agendas leading to Crony Capitalism proliferating in toxic testing and data collection of students.

BLUEPRINT TO CLOSE USED

Elimination of federal intervention can be achieved in five steps:

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- 2) Repeal all laws permitting federal intervention in K-12 education starting with ESSA.
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- 4) Eliminate all offices and divisions in the US Department of Education and related spending.
- 5) Reduce federal tax collection, shifting education revenue collection entirely back to the states.

Send All Program Management and Funding to the States. States already have the needed infrastructure to operate most federal grant programs. State officials report that most of their staff simply oversee and manage federal education programs. In addition to managing USED programs, states have their own pre-school programs and should be able to incorporate the funding for Head Start. The funding for Free & Reduced Lunch could be incorporated into the many food programs managed by states.

The largest programs within USED are:

- Pell Grants - \$28.2 billion
- Title I - \$17 billion collection of programs offered in grants to local school districts, which impose regulations for standardized testing, teacher qualification, reading curricular and more.
- Special Education - \$16 billion targeted for Individuals with Disabilities Education
- Title II - \$2 billion intended to improve the quality of the teaching force and principals
- School Improvement Grants - \$4.5 billion
- Childcare Development - \$2.5 billion
- Career & Tech Education - \$1.5 billion
- 21st Century Learning Centers - \$1 billion

Some worry that without federal oversight, the states will not do a good job achieving the objectives of the programs. Clearly, most of these programs have not achieved positive outcomes for students with federal oversight. Even so, citizens have a closer relationship with their state leadership and more immediate impact, which should facilitate more productive conversations and policy decisions.

Student data collection programs are already managed by states. By eliminating federal intervention, states could return to managing aggregate student data and stop intrusive student level data collection. Oversight and enforcement of the Family Education Rights and Privacy Act (FERPA) could be transferred to the Department of Justice.

Other programs which could be moved to other federal departments include:

- Postsecondary Education Scholarships for Veterans to the Department of Veterans Affairs
- Office for Civil Rights to the Department of Justice
- DC Opportunity Scholarship to the department that handles all DC policy programs.

Repeal all laws permitting federal intervention in K-12 education starting with ESSA. As programs are being moved to states, U. S. Congress should repeal the Every Student Succeeds Act of 2016 (ESSA). Some claim ESSA was written to decrease much of the prescriptive federal control asserted under the No Child Left Behind Act of 2002 (NCLB), but it still authorizes the Secretary of Education the power to accept or reject state education plans.

For instance, while the law eliminates adequate yearly progress, it still requires states to have uniform standards and tests, and demands states intervene in schools in the lowest five percent of performers, and in high schools with graduation rates below 66.6 percent. States must also intervene in schools with poorly performing subgroups of students. It further requires state standards, tests, and accountability plans be approved by the Secretary of Education. While the Secretary cannot require that specific standards or tests be used, it appears that the Secretary is able to “veto any standards s/he deems to be *insufficiently challenging*.”

USPIE will be looking at other laws which should be repealed or revised to ensure sustained federal micromanagement of the nation’s schools is prevented.

The federal government has an obligation to prevent states and public schools from discriminating in their provision of education under the 14th Amendment to the Constitution passed in 1868. This obligation should be administered by the Department of Justice through the courts where cases can be handled individually and ruled upon with the power of law. Bureaucratic administration of justice is inappropriate and ineffective.

The federal government should also serve to protect the privacy of its citizens. To this end, The Family Educational Rights and Privacy Act (FERPA) needs major revisions to protect student data privacy.

Privatize college loan programs through savings & loan institutions. Private lending would work like mortgage lending: students would be approved for specified funding based on the strength of their loan application, which would include future employment prospects, which make loans realistic to future earning power. Students would learn to be more savvy consumers, and the private lending model would make colleges more responsible.

Eliminate all offices and divisions in USED and related spending. The cost of overhead and bureaucracy to administer programs that have clearly not benefitted children is truly a waste. In some regard, it is an employment program providing jobs for thousands of bureaucrats, but this money could be put to much better use.

The department could be closed in one fiscal year with the elimination of USED discretionary appropriations. The year this elimination occurs, the federal government should send every single American federal taxpayer as rebate or refund, after all, this was their money in the first place.

Some might suggest this should be the first step. USPIE advises it follow the previous recommendations so that existing education programs cannot be rolled into other departments, and buried within their budgets, making tracking and transparency more difficult.

It is reasonable and possible to integrate the steps by programs. For example, one program could be selected to move to the states first followed by the elimination of legal statute around the program, and finally, the USED related offices eliminated. But USPIE would like to be clear, our mission is to attend to this process until all federal intervention in K-12 education is eradicated.

Reduce Federal tax collection, shifting education revenue collection entirely back to the states. Since the federal portion of state K-12 education spending, though large in dollars, is about 10% in each state, restructuring tax collection to recover, or streamline, the funds needed is feasible. It is also necessary to finalize the extraction of the federal government from intrusion in K-12 education policy and regulation.

IN CLOSING

Dr. Neal McCluskey of the CATO Institute summarizes the issue quite well:

“Congress should phase out federal funding for K-12 education and end all related regulations. Policymakers need to recognize that federal aid is ultimately funded by the taxpayers who live in the 50 states, and thus provides no free lunch. Indeed, the states just get money back with strings attached, while losing billions of dollars from wasteful bureaucracy. There is no compelling policy reason, nor constitutional authority, for the federal government to be involved in K-12 education. In the long run, America’s schools would be better off without it.”



USPIE Research Committee, and USPIE Leadership Team volunteers provided their time, knowledge, and experience to the development and promotion of this vital blueprint; vital to America and her children.

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