

No Child Left Behind



10 Facts About K–12 Education Funding

U.S. Department of Education

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Margaret Spellings

Secretary

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Front cover: Secretary Spellings with students at Burke High School in Boston, Mass., May 2005.

The U.S. Constitution leaves the responsibility for public K–12 education with the states.

The responsibility for K–12 education rests with the states under the Constitution. There is also a compelling national interest in the quality of the nation's public schools. Therefore, the federal government, through the legislative process, provides assistance to the states and schools in an effort to supplement, not supplant, state support. The primary source of federal K–12 support began in 1965 with the enactment of the *Elementary and Secondary Education Act (ESEA)*.

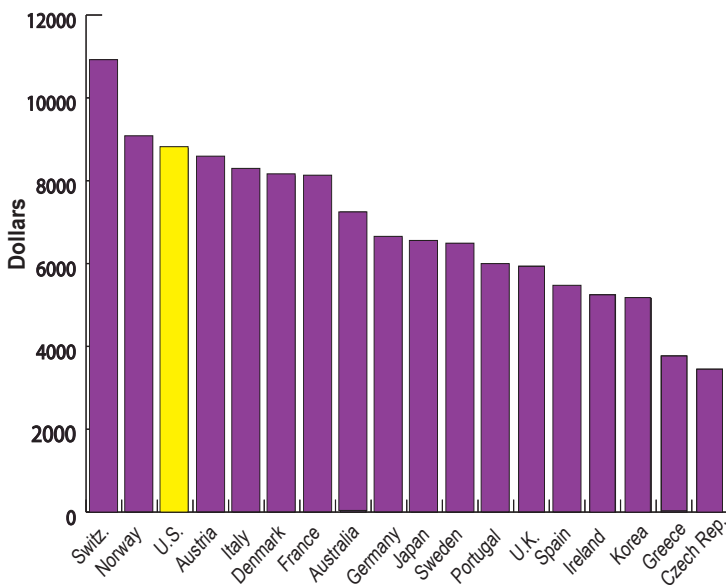
ESEA authorizes grants for elementary and secondary school programs for children of low-income families; school library resources, textbooks and other instructional materials; supplemental education centers and services; strengthening state education agencies; education research; and professional development for teachers.

The *No Child Left Behind Act of 2001 (NCLB)* is a reauthorization of *ESEA*. The law's express purposes are to raise achievement for all students and to close the achievement gap. This is done through accountability, research-based instruction, flexibility and options for parents, so that no child is left behind.

*Total taxpayer investment in K–12 education in the United States for the 2004–05 school year is estimated to be \$536 billion.**

Even in this current time of the war against terror, taxpayer investment in education exceeds that for national defense. In addition to the K–12 money mentioned above, taxpayers will spend an estimated \$373 billion for higher education in the same school year. As depicted on the chart below, the United States is a world leader in education investment. However, nations that spend far less achieve higher levels of student performance.

Annual Secondary Education Expenditures per Student



Source: Organisation for Economic Co-operation and Development, *Education at a Glance*, 2004.

*Source of funding information in this brochure is the U.S. Department of Education's Budget Service and National Center for Education Statistics (NCES) unless otherwise noted.

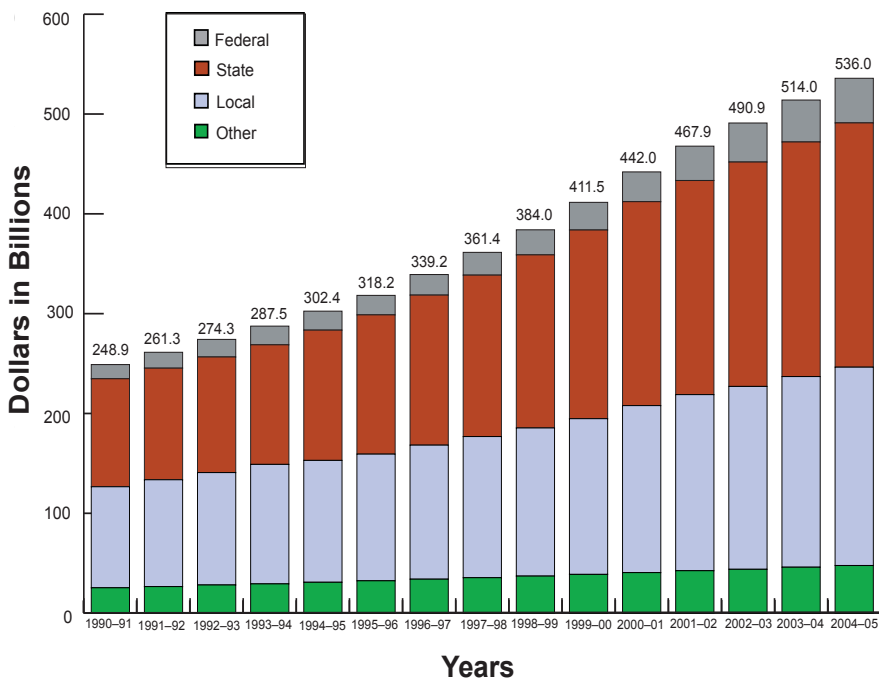
States and localities are the primary sources of K–12 education funding and always have been.

In the 2004–05 school year, 83 cents out of every dollar spent on education is estimated to come from the state and local levels (45.6 percent from state funds and 37.1 percent from local governments). The federal government's share is 8.3 percent. The remaining 8.9 percent is from private sources, primarily for private schools.** This division of support remains consistent with our nation's historic reliance on local control of schools.

The federal share of K–12 spending has risen very quickly, particularly in recent years.

In 1990–91, the federal share of total K–12 spending in the United States was just 5.7 percent. Since that time, it has risen by more than one-third and is now 8.3 percent of the total.

Total U.S. Expenditures for Elementary and Secondary Education



Sources: NCES, "Common Core of Data," surveys and unpublished data.

**Because of rounding, detail does not add to 100 percent.

Total education funding has increased substantially in recent years at all levels of government, even when accounting for enrollment increases and inflation.

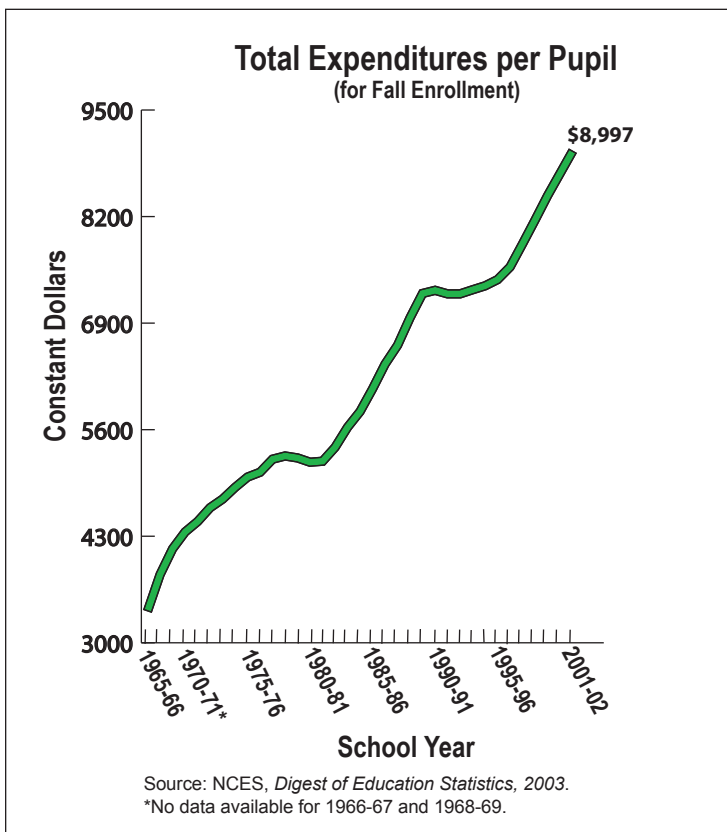
By the end of the 2004–05 school year, national K–12 education spending will have increased an estimated 105 percent since 1991–92; 58 percent since 1996–97; and 40 percent since 1998–99. On a per-pupil basis and adjusted for inflation, public school funding increased: 24 percent from 1991–92 through 2001–02 (the last year for which such data are available); 19 percent from 1996–97 through 2001–02; and 10 percent from 1998–99 through 2001–02.

Importantly, the increase in funds has been linked to accountability for results, ensuring taxpayers get their money's worth.

Federal funding for two main federal K–12 education programs will have increased by \$9.3 billion since 2001, under the president's proposed budget.

Under the president's proposed budget for fiscal year (FY) 2006, 65 percent of the U.S. Department of Education's elementary and secondary school funds would go to help schools with economically disadvantaged students (*ESEA*, Title I) and to support children with disabilities (*Individuals with Disabilities*

Education Act [IDEA], Part B, Grants to States). If the president's FY 2006 request is enacted, the increases in these programs over the past five years will have substantially exceeded any previous increases over a similar period since the programs were created.



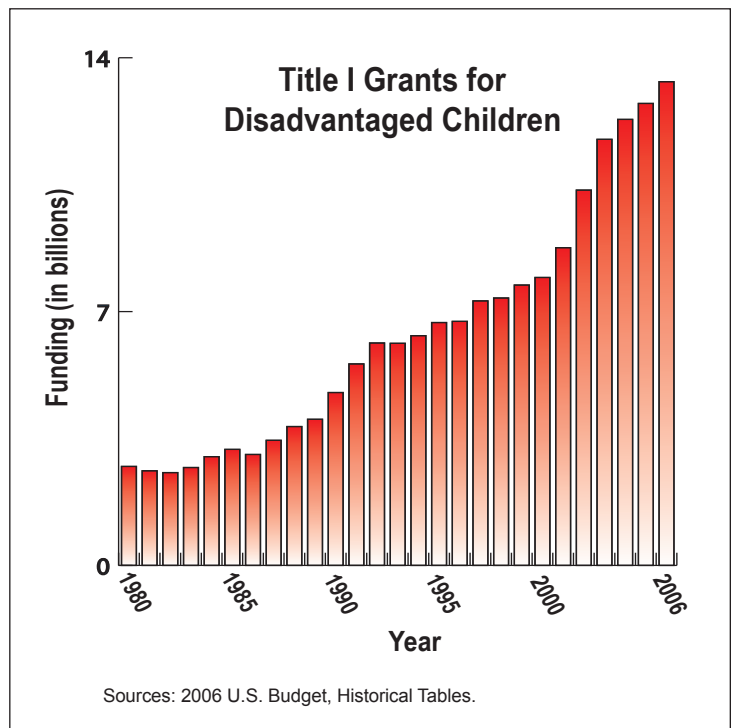
Most federal funds are sent directly to states and local school districts for their use in schools.

The president's FY 2006 budget would provide \$37.6 billion for K–12 education. Of that amount, 95 percent would be distributed either directly to local districts or to schools and districts through their states. Individual schools would then use these funds for the purposes defined in the programs. Major programs include:

- *ESEA*, Title I: \$13.3 billion
- *IDEA*, Part B, Grants to States: \$11.1 billion
- Improving Teacher Quality: \$2.9 billion
- 21st Century Community Learning Centers: \$991.1 million
- English Language Learners: \$675.8 million
- Impact Aid (schools impacted by military bases and other facilities): \$1.2 billion

There are no unfunded federal education “mandates.” Every federal education law is conditioned on a state or other grantee’s decision to accept federal program funds.

Federal education program “requirements” are not unfunded mandates because the conditions in federal law apply only when a state (or other grantee) voluntarily chooses to accept federal funds. Any state that does not want to abide by a federal program’s requirements can simply choose not to accept the federal funds associated with that program. While most states choose to accept and use federal program funds, in the past, a few states have forgone funds for various reasons.

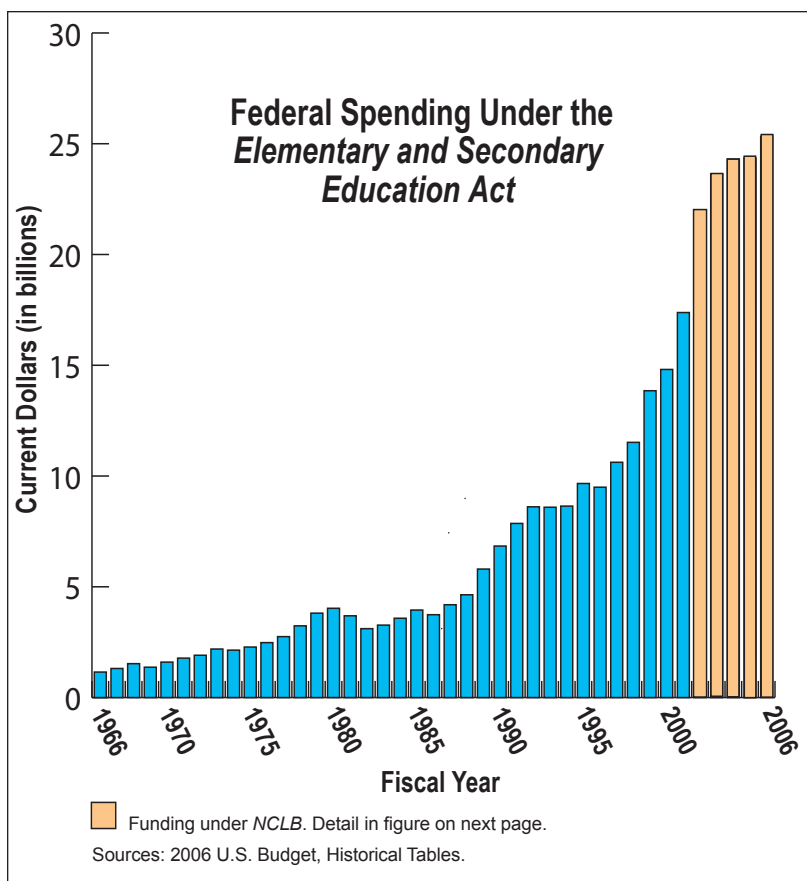


The federal commitment to education can be found in the actual dollars earmarked for education.

Like all laws passed by Congress, many federal education statutes include limits on how much future Congresses can spend. These are called “authorization caps.” Actual amounts spent on education are called “appropriated levels,” and they represent the actual federal commitment to education. Authorization caps are occasionally claimed to be “promises” or “goals” for federal education spending. Failure to meet these levels

is sometimes claimed to demonstrate that an “unfunded mandate” exists.

The claim is simply untrue. In the history of the United States, actual appropriations have rarely matched authorization levels. If this were the standard, nearly all federal programs supporting agriculture, health, safety, construction, job training and transportation would be below their congressional “goals.”

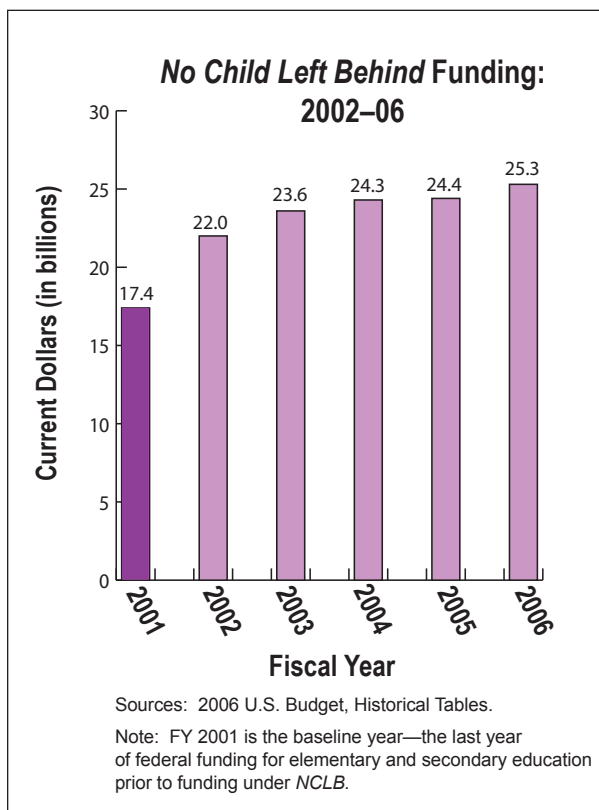


K–12 education is funded at the federal level through a variety of laws and programs.

✓ The **No Child Left Behind Act (NCLB)** gives our schools and our country groundbreaking education reform based on stronger accountability for results, more flexibility for states and communities, an emphasis on proven education methods, and more options for parents. Passed with bipartisan support in Congress and signed by President Bush on Jan. 8, 2002, the law represents the most comprehensive revision of federal education programs since the passage of the *Elementary and Secondary Education Act of 1965*. NCLB programs in the president's FY 2006 proposed budget include:

- **Title I**, the largest federal K–12 program, would provide over \$13 billion to local districts to improve the academic achievement of children in high-poverty schools.
- **Reading First** would supply over \$1.1 billion to states to promote the use of scientifically based research to provide high-quality reading instruction for grades K–3.
- **Improving Teacher Quality Grants** would provide states with \$2.9 billion for teacher professional development and training.

- **English Language Acquisition** would provide \$675.8 million to states to assist schools in improving the education of limited English-proficient children by teaching them English and helping them meet state academic standards.



- **Other NCLB programs** include those to support charter schools; strengthen high school education; improve math and science education; support after-school learning programs and assist American Indian, Alaska Native and migrant students.

✓ The ***Individuals with Disabilities Education Act (IDEA)*** assists states and local schools in educating children with disabilities. Grants to States under Part B—the second largest federal K–12 program—would provide over \$11 billion to states and local schools to assist their efforts.

✓ The ***Education Sciences Reform Act (ESRA)***, passed in 2002, created the Institute of Education Sciences (IES), which replaced the Office of Educational Research and Improvement. The law requires more rigorous standards for the conduct and evaluation of education research. *NCLB* requires that federal funds support educational activities that are backed by scientifically based research. Through sustained programs of research, evaluation and data collection, IES provides evidence of what works to solve the problems and challenges faced by schools and learners.

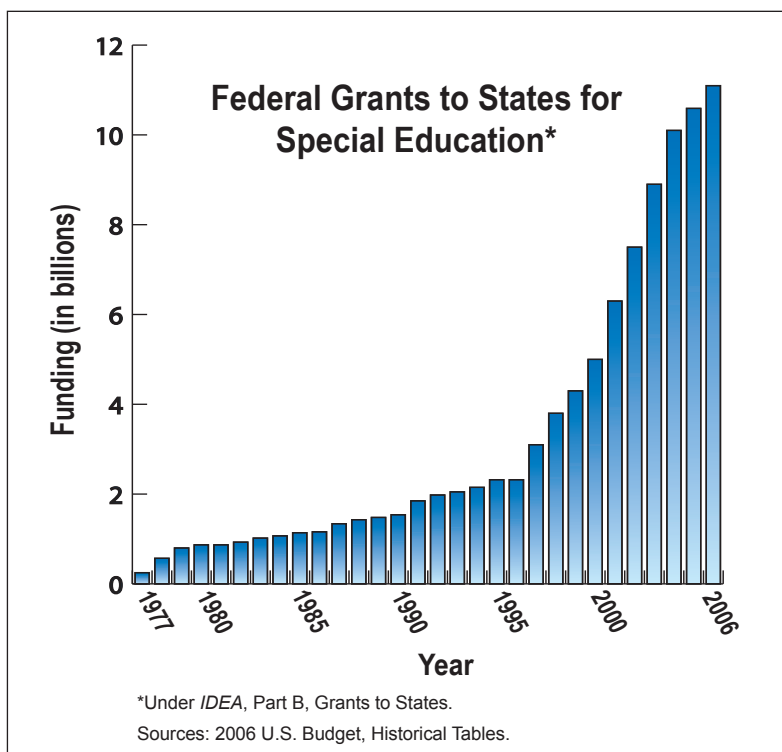


Photo by Leslie B. Williams



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