Function 500: Education, Training, Employment, and Social Services
Sunset Head Start to Make Way for Better State and Local Alternatives

### SAVINGS IN MILLIONS OF DOLLARS

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### Heritage Recommendation:
Sunset Head Start over 10 years. Specifically:

- Appropriate 90 percent of the program’s FY 15 budget in FY 16.
- Appropriate 80 percent of the program’s FY 15 budget in FY 17.
- Appropriate 70 percent of the program’s FY 15 budget in FY 18.
- Appropriate 60 percent of the program’s FY 15 budget in FY 19.
- Appropriate 50 percent of the program’s FY 15 budget in FY 20.
- Appropriate 40 percent of the program’s FY 15 budget in FY 21.
- Appropriate 30 percent of the program’s FY 15 budget in FY 22.
- Appropriate 20 percent of the program’s FY 15 budget in FY 23.
- Appropriate 10 percent of the program’s FY 15 budget in FY 24.
- Appropriate 0 percent of the program’s FY 15 budget in FY 25.

This proposal saves $54.4 billion over 10 years.

### Rationale:
The federal Head Start program has failed to live up to its stated mission of improving kindergarten readiness for children from low-income families. In December 2012, the Department of Health and Human Services, the agency that administers Head Start, released a scientifically rigorous evaluation of more than 5,000 children participating in the program. It found that Head Start had little to no impact on cognitive skills, social-emotional well-being, health, or parenting practices of participants. Low-income families should not have to be dependent on distant, ineffective federal preschool programs.

As such, Congress should sunset the federal Head Start program over a period of 10 years. The sunset provision will provide states with adequate time to determine whether they need to provide additional state funding to subsidize day care for low-income families.

### Additional Reading:

Calculations:
Savings are expressed as budget authority and were calculated by using the FY 2015 requested spending levels as found on page 108 of Department of Health and Human Services, “Fiscal Year 2015: Budget in Brief, Strengthening Health and Opportunity for All Americans,” http://www.hhs.gov/budget/fy2015/fy-2015-budget-in-brief.pdf. The savings assume that current spending would continue to grow from its FY 2015 requested level at the same rate as discretionary spending over the 2016–2025 period, as specified in the most recent August 2014 CBO baseline. The alternative policy would reduce the FY 2015 level as specified. The savings represent the difference between the current and proposed policies.
Eliminate Competitive/Project Grant Programs and Reduce Spending on Formula Grants

SAVINGS IN MILLIONS OF DOLLARS

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Heritage Recommendation:
Eliminate competitive and project grant programs that fall under No Child Left Behind (NCLB), beginning with those that are duplicative and ineffective. At the same time, reduce spending on formula grant programs managed by the Department of Education by 10 percent.

- Elimination of competitive grant programs under NCLB ($1.6 billion annually)
- Reducing formula grant spending by 10 percent ($2.1 billion annually)

This proposal saves $3.7 billion annually, and $37 billion over 10 years.

Rationale:
Federal policymakers interested in limiting and better targeting education spending should streamline the existing labyrinth of federal education programs. Federal competitive grant programs authorized under the Elementary and Secondary Education Act (ESEA) should be eliminated, starting with those that are duplicative and ineffective, and federal spending should be reduced to reflect remaining formula programs authorized under Title I of ESEA and the handful of other programs that do not fall under the competitive/project grant category. Remaining programs managed by the Department of Education, such as large formula grant programs for K-12 education, should be reduced by 10 percent.

Since the 1970s, inflation-adjusted per-pupil federal education spending has nearly tripled. Spending increases reflect the number of federal education programs that have amassed over the decades. No Child Left Behind—just one federal education law—authorizes dozens of competitive and formula grant programs, many of which are redundant and ineffective. The numerous federal education programs have not only failed to improve K-12 education nationally, but have levied a tremendous bureaucratic compliance burden on states and local school districts. In order to stop the federal education spending spree, and to ensure that state and local school leaders’ focus is oriented toward meeting the needs of students and parents—not toward satisfying federal bureaucrats—program count and associated federal spending should be curtailed.

Additional Reading:
Calculations:
Savings were calculated based on FY 2015 estimated spending levels found in Department of Education, Department of Education Fiscal Year 2015 Congressional Action Table, December 19, 2014, http://www2.ed.gov/about/overview/budget/budget15/15action.pdf. Savings assume that ESEA competitive/project grant spending is eliminated ($1.622 billion annually) and that ESEA grant spending is reduced by 10 percent (a savings of $2.080 billion annually based on $20.803 billion annual spending).
Eliminate Titles II, VI, and VIII of the Higher Education Act (HEA)

Heritage Recommendation:
Streamline the Higher Education Act (HEA) to reflect the law’s primary purpose of authorizing federal student aid. Specifically:

- Eliminate Title II (Teacher Quality Partnership Grants)
- Redirect funding for Title VI (area studies centers)
- Eliminate Title VIII (additional programs)

This proposal saves $2.4 billion in 2016 and $25.2 billion over 10 years. Data on the costs of Title VIII programs is only available for the three largest programs (totaling $24 million), which are included in this savings estimate. Actual savings from eliminating all Title VIII programs would be greater.

Rationale:
Title II of the HEA includes Teacher Quality Partnership Grants, which are designed to enable university faculty to work with highly qualified teachers in high needs schools to provide professional development and to strengthen the content knowledge of elementary and high school teachers. Title II also includes a handful of other teacher-preparation-related grants. Such worthwhile local partnerships can take place more effectively and efficiently without federal involvement. Teacher development programs should be funded at the district level, not by federal taxpayers. Eliminating the programs that fall under Title II of the HEA provides an opportunity to reduce spending and limit federal intervention in higher education policy.

Title VI of the HEA authorizes 10 international-education programs, including area studies centers, which are designed to develop an understanding of “specific geographic regions of critical scholarly and policy importance.” Although it is critical for American national security to have a network of individuals who have expertise in specific regions and languages, Congress should pursue this goal by eliminating Title VI, repealing its authorization, and redirecting Title VI funding to the National Security Education Program (NSEP). The NSEP funds studies in languages and regions critical to national security and is administered by the Department of Defense. Title VIII authorizes more than two dozen additional programs. In order to control higher education spending, Title VIII should be eliminated.

Additional Reading:

Calculations:
Savings from eliminating Title II are based on the FY 2014 spending level found in U.S. Department of Education, “Programs: Funding Status, 2014,” http://www2.ed.gov/programs/teacherqual/funding.html. Title VIII savings are calculated by adding the costs of the three programs for which data are available at U.S. Department of Education, “Higher Education: Fiscal Year 2013 Budget Request,” http://www2.ed.gov/about/overview/budget/budget13/justifications/s-highered.pdf. No savings are assumed from redirecting Title VI funding. The FY 2014 spending levels were increased at the same rate as discretionary spending over the 2016-2025 period, according to the CBO’s most recent August 2014 baseline.
Decouple Federal Financing from Accreditation

Heritage Recommendation:
Decouple higher education accreditation from federal student aid.

Rationale:
Currently, higher education accreditation is a de facto federal enterprise, with federally sanctioned regional and national accrediting agencies being the sole purveyors of accreditation. Student aid can only flow to institutions accredited through the federally approved system. The result has been a system that has created barriers to entry for innovative start-ups by insulating traditional brick-and-mortar colleges and universities from market forces that could reduce costs. The existing accreditation regime has also made it difficult for students to customize their higher education experience to fully reach their earnings and career potential. And because entire institutions are accredited instead of individual courses, accreditation is a poor measure of course quality and a poor indicator of the skills acquired by students.

Decoupling federal financing from accreditation would enable states to determine who can accredit colleges, programs, and individual courses. Allowing federal student aid to follow students under the new state-based accreditation system to any college or course provider that has state approval holds the potential to create a much more nimble and meaningful system of knowledge and skill acquisition, particularly for those who have been underserved, historically, by the traditional college system.

Additional Reading:

Calculations:
No budget impact is assumed.
Expand the D.C. Opportunity Scholarship Program (OSP)

Heritage Recommendation:
Expand school choice in the nation’s capital in a budget neutral manner. Specifically:
- Expand the D.C. Opportunity Scholarship Program (OSP) with savings from other Heritage education recommendations not listed in this budget book.

Rationale:
Policymakers can advance the goal of growing school choice by expanding access to the D.C. OSP through existing funding authorized by the D.C. School Choice Incentive Act, most recently reauthorized as the Students for Opportunity and Results (SOAR) Act. These bills created and continued the D.C. OSP, which provides vouchers to children from low-income families in Washington, D.C., to attend a private school of choice. When the D.C. OSP was created in 2003, Members of Congress funded the new school choice option through what is known as the “three sector” approach: $20 million in funding for the D.C. OSP; $20 million in supplemental funding for D.C.’s public charter schools; and an additional $20 million for the D.C. Public School System. Federal policymakers should shift a portion of the additional federal funding provided to traditional public schools in the “three sector” approach to fund additional vouchers for students to attend a private school of choice. As the District of Columbia falls under the jurisdiction of Congress, it is appropriate for the federal government to fund the D.C. OSP. Moreover, 91 percent of students who used a voucher to attend a private school of choice graduated high school, according to a study by the U.S. Department of Education—a rate 21 percentage points higher than a control group of their peers who were awarded but did not use a scholarship.

Additional Reading:

Calculations:
The proposal shifts funding within the District of Columbia’s education budget, making it a budget-neutral recommendation.
Eliminate the PLUS Loan Program

SAVINGS IN BILLIONS OF DOLLARS

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Heritage Recommendation:
Rein in college costs and loan debt burdening students and families by limiting borrowing. Specifically:

- Eliminate Parent PLUS loans.
- Eliminate Grad PLUS loans.

Under fair value accounting, this proposal costs $3 billion in 2016, and $33 billion over 10 years. This proposal is included because PLUS loans have led to higher levels of individual and family debt without easing the cost of college.

Rationale:
Part B of Title IV of the Higher Education Act authorizes federal PLUS loans. The $21 billion PLUS loan program provides federal loans to graduate students and the parents of undergraduate students. Parents of undergraduate students are able to borrow up to the cost of attendance at a given college. During the 2011–2012 academic year, the PLUS loan program provided 879,000 parents of undergraduate students with an average of $12,575. There is no limit (either in number of years or aggregate dollars) on how much a parent can borrow, and the loans are available in addition to federal loans that are already available to the students themselves. The availability of Parent PLUS loans, created in 1980, has resulted in families incurring substantial debt, while failing to ease the cost of college over time. The Parent PLUS loan should be terminated.

Similarly, the Graduate PLUS loan program, open to graduate students who take out loans to finance graduate school, enables students to borrow up to the full cost of attendance. A graduate student may borrow up to the cost of attendance at a given school, less any other aid received. During the 2011–2012 academic year, the PLUS loan program provided 360,000 graduate students with an average loan of $19,958. Undergraduate and graduate students already have access to up to $138,500 in federal loans through the Stafford Loan program, and students enrolled in school to become health care professionals can borrow up to $224,000. Borrowing above those already high amounts should not be encouraged, and the Grad PLUS program should be eliminated.

Additional Reading:

Calculations:
Privatize the Corporation for Public Broadcasting (CPB)

SAVINGS IN MILLIONS OF DOLLARS

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Heritage Recommendation:
Privatize the Corporation for Public Broadcasting (CPB). This proposal saves $445 million annually, and $4.5 billion over 10 years.

Rationale:
In 2012, total spending on public broadcasting, derived from all federal and non-federal sources, amounted to $2.8 billion. In that year, 82 percent of this spending came from non-federal sources. The CPB made up only $444 million, or 16 percent, of this amount. Without federal funding for the CPB, services such as the Public Broadcasting Service (PBS) and National Public Radio (NPR), which receive funding from the CPB, could make up the lost money by increasing revenues from corporate sponsors, foundations, and members.

The goal of CPB is also increasingly met by other media sources. The range of television options has increased dramatically since the CPB was created in 1967. At that time, households faced very limited television options. In 2013, the average household had 189 channels.

Additional Reading:

Calculations:
Savings are expressed as budget authority and were calculated by using the FY 2014 enacted spending levels as found in page 3 of CPB, “Corporation for Public Broadcasting Appropriation Request and Justification: FY 2014 and FY 2016,” April 2013, http://www.cpb.org/appropriation/justification_14-16.pdf, While most other spending items are assumed to grow at the same rate as discretionary spending as specified in the CBO’s most recent August 2014 baseline, we assume that the spending on the CPB would hold steady at $445 million per year because spending on CPB has not grown in recent years (it was $444 million in 2012 and will be $445 million for 2014–2016).
Eliminate the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH)

Heritage Recommendation:
Eliminate federal funding for both the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). This proposal saves $296 million in 2016, and $3.2 billion over 10 years.

Rationale:
Private contributions to the arts and humanities vastly exceed the amount provided by the NEA and NEH. According to the nonprofit Americans for the Arts, private giving to arts and humanities amounted to $13.1 billion in 2011, which compared to $292 million for the NEA and NEH combined. According to The Washington Post, Kickstarter alone provides more funding for the arts than the NEA does. The Post goes on to explain:

Individuals have always been the backbone of arts funding. The NEA has never tried to compete with individual donors, and that’s the premise of Kickstarter—it’s a platform that allows individual donors to fund projects. In 2011, individuals contributed $13 billion to arts and cultural charities. According to the NEA, individuals make up 75 percent of all private giving, much more than corporations or foundations. Kickstarter, in essence, simplifies the long-held American tradition of individual private donors giving to the arts.

The exchange also highlights another misconception about the arts: that the U.S. government once funded the arts so heavily as to compete with private donors. In reality, the NEA has always made up a small part of overall arts funding when compared to private philanthropy.59

Additional Reading:

Calculations:
Savings are expressed as budget authority and were calculated by using the FY 2014 enacted spending levels of the NEH as found on page 11 of NEH, “Appropriations Request for Fiscal Year 2015,” March 2014, http://www.neh.gov/files/neh_request_fy2015.pdf, and NEH, “National Endowment for the Arts Appropriations History,” 1966 to 2014, http://arts.gov/open-government/national-endowment-arts-appropriations-history. FY 2014 spending levels were increased at the same rate as discretionary spending for 2016–2025, according to the CBO’s most recent August 2014 baseline.
Eliminate Job Corps

Heritage Recommendation:
Eliminate Job Corps. This proposal saves over $1.7 billion in 2016, and $19 billion over 10 years.

Rationale:
The National Job Corps Study, a randomized experiment—the “gold standard” of scientific research—assessed the impact of Job Corps on participants compared to similar individuals who did not participate in the program. For a federal taxpayer investment of $25,000 per Job Corps participant, the study found:

- Compared to non-participants, Job Corp participants were less likely to earn a high school diploma (7.5 percent versus 5.3 percent);
- Compared to non-participants, Job Corp participants were no more likely to attend or complete college;
- Four years after participating in the evaluation, the average weekly earnings of Job Corps participants were a mere $22 higher than the average weekly earnings of the control group; and
- Employed Job Corps participants earned only $0.22 more in hourly wages compared to employed control group members.

If the Job Corps actually improves the skills of its participants, it should have substantially raised their hourly wages. A paltry $0.22 increase in hourly wages suggests that Job Corps does little to boost the job skills of participants.

A cost-benefit analysis based on the National Job Corps Study found that the benefits of the Job Corps do not outweigh the cost of the program. Job Corps does not provide the skills and training to substantially raise the wages of participants. Costing $25,000 per participant over an average participation period of eight months, the program is a waste of taxpayers’ dollars.

Additional Reading:

Calculations:
Savings are expressed as budget authority as reported on page 233 of “Analytical Perspectives, Budget of the United States Government, Fiscal Year 2015, Table 29-1. Federal Programs by Agency and Account,” http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/29_1.pdf. Budget authority is not provided for 2025, but is assumed to increase at the same rate as the geometric mean of the previous nine years.
Eliminate Workforce Innovation and Opportunity Act (WIOA) Job-Training Programs

SAVINGS IN MILLIONS OF DOLLARS

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Heritage Recommendation:
Eliminate the Workforce Innovation and Opportunity Act (WIOA). This proposal saves $3.4 billion in 2016, and $27 billion over 10 years.

Rationale:
The Department of Labor has a history of operating ineffective job-training programs. The evidence from every multi-site experimental evaluation of federal job-training programs published since 1990 strongly indicates that these programs are ineffective. Based on these scientifically rigorous evaluations using the “gold standard” of random assignment, these studies consistently find failure. Federal job-training programs targeting youth and young adults have been found to be extraordinarily ineffective.

According to a 2009 GAO report,

little is known about what the workforce system is achieving. Labor has not made such research a priority and, consequently, is not well positioned to help workers or policymakers understand which employment and training approaches work best. Knowing what works and for whom is key to making the system work effectively and efficiently. Moreover, in failing to adequately evaluate its discretionary grant programs, Labor missed an opportunity to understand how the current structure of the workforce system could be modified to enhance services for growing sectors, to encourage strategic partnerships, and to encourage regional strategies.80

The simple fact is that there is abundant evidence suggesting that federal job-training programs do not work.

Additional Reading:

Calculations:
Savings are expressed as budget authority as reported on page 233 of “Analytical Perspectives, Budget of the United States Government, Fiscal Year 2015, Table 29-1. Federal Programs by Agency and Account,” http://www.whitehouse.gov/sites/default/files/omb/budget/fy2015/assets/29_1.pdf. Budget authority is not provided for 2025, but is assumed to increase at the same rate as the geometric mean of the previous nine years.
Endnotes: Education, Training, Employment, and Social Services


