

# Eliminate Competitive/Project Grant Programs and Reduce Spending on Formula Grants

SAVINGS IN MILLIONS OF DOLLARS

2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016-2020	2016-2025
\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$3,702	\$18,510	\$37,020

## 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:

- Lindsey M. Burke, "How the A-PLUS Act Can Rein in the Government's Education Power Grab," Heritage Foundation *Background* No. 2858, November 14, 2013, <http://www.Heritage.org/research/reports/2013/11/how-the-a-plus-act-can-rein-in-the-governments-education-power-grab>.
- 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>.



## 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).