

Department of Education

Timeline of Growth

by Chris Edwards

- **1787:** The Northwest Ordinance provides grants of federal land for the establishment of educational institutions.¹
- **1862:** The Morrill Act provides grants of land to the states, which may be sold and the proceeds used to fund colleges that focus on agricultural and mechanical studies. However, "many states squandered the revenue from this endowment," according to a National Archives report.²
- **1867:** Congress appropriates \$15,000 for the creation of a Department of Education largely in response to lobbying by the National Teachers Association, which later became the National Education Association.³ The department, which has four employees, acts as a clearing house of data for educators and policymakers.
- **1868:** After a bitter fight over federal encroachment in education, Congress downgrades the new department to an Office of Education within the Department of Interior. Education did not regain its separate departmental status until 1979.
- **1890:** A second Morrill Act empowers the Office of Education to provide regular funding of the land-grant colleges.
- **1907:** The Morrill Acts are amended to add federal funding for vocational education.
- **1911:** The State Marine School Act authorizes funding of nautical schools in 11 specified cities.
- **1917:** The Smith-Hughes Act funds vocational schools. The Act imposes a range of detailed federal rules on recipient institutions, which is an early precedent of today's flood of top-down regulations on the nation's schools.
- **1930s:** The New Deal funds an array of educational activities including school construction and repairs, the hiring of teachers, loans to school districts, and grants to rural schools. These programs create precedents for later permanent education subsidies.
- **1939:** The Office of Education is moved to the new Federal Security Agency.
- **1941:** Amendments to the Lanham Act of 1940 provide temporary "impact aid" to school districts that host federal defense facilities.
- **1944:** The Servicemen's Readjustment Act—the G.I. Bill—is enacted to pay for education costs of World War II veterans. The bill is widely supported, but like most subsidy programs, oversight is poor and there is substantial waste and abuse. A 1951 General Accounting Office report found that substantial G.I. Bill funding is going toward frivolous activities, such as courses on hobby photography.⁴ Some schools respond to the G.I. Bill by increasing their tuition for veterans, which allow the schools to effectively pocket the subsidies, while other schools resort to outright fraud to garner benefits.
- **1946:** The George Barden Act expands vocational education subsidies.
- **1950:** Congress approves permanent impact aid for school districts that have a large presence of federal facilities. In the first year, the government distributes \$30 million to 1,172 school districts. By 1978, it is disbursing \$775 million annually to 4,368 school districts.⁵
- **1953:** The Office of Education is moved to the new Department of Health, Education, and Welfare.
- **1956:** The Library Services Act provides grants to the states for rural public libraries.
- **1957:** The Practical Nurse Training Act provides grants to the states for nurse training.
- **1958:** The National Defense Education Act is passed in response to the Soviet Union's launch of Sputnik. The Act funds higher education loans, vocational teacher training, and various courses in the K–12 schools.
- **1963:** A series of laws expands federal subsidies for the health professions, vocational education, and higher education facilities.
- **1964:** The Civil Rights Act authorizes the federal government to aid schools and higher education institutions to deal with problems related to desegregation.
- **1965:** The Office of Education has 2,113 employees and a budget of \$1.5 billion.
- **1965:** The Elementary and Secondary Education Act creates a huge increase in federal education spending and regulations. The legislation's Title I is supposed to provide aid to K–12 schools in high-poverty areas, but by the end of the 1960s it is providing aid to 60 percent of the nation's school districts. Today, Title I is the largest federal subsidy program for K–12 education. In addition to Title I, the 1965 act creates subsidies for teacher training, educational research, school libraries, textbooks, student literacy, school technology, school safety, and other items. It also beefs up state-level school bureaucracies directly with "grants to strengthen state departments of education."
- **1965:** The Higher Education Act is the basis for many of today's postsecondary education subsidies, including student loan and grant programs, college library aid, teacher training programs and fellowships, and many other subsidies.
- **1966:** A series of laws creates new subsidies for international studies, adult education, and marine resources education.
- **1972:** Amendments to the 1965 education laws add a slew of new subsidy programs for K–12 and higher education, and they create new education bureaus, institutes, and councils. In addition, Title IX is added, which bars gender discrimination in colleges and universities, but generates large bureaucracies of lawyers to administer, enforce, and litigate the complex rules.
- **1975:** The Individuals with Disabilities Education Act requires states to ensure free public education to all disabled students, and it spells out the services that school districts are required to provide. The law generates a great deal of legal and bureaucratic activities stemming from battles between parents and schools over whether federal mandates are being met. Today, special education is the second largest federal K–12 program.
- **1976:** Presidential candidate Jimmy Carter promises to create a Department of Education, and he is endorsed by the National Education Association. This is first time that the NEA has endorsed a presidential candidate in more than a century of existence.⁶
- **1979:** After much opposition, Congress narrowly passes legislation to split off a new Department of Education from the existing Department of Health, Education, and Welfare. The NEA and the American Federation of Teachers provide powerful lobbying

- support for the creation of the new department. The Department of Education begins operations in 1980 with 6,400 employees.⁷
- **1980:** When campaigning for president, Ronald Reagan calls the Department of Education "President Carter's new bureaucratic boondoggle" and promises to abolish it.⁸
 - **1981:** Reagan's first budget consolidates some education grants into broader block grants and restrains education spending.
 - **1982:** Reagan crafts a proposal to eliminate the Department of Education, but it goes nowhere on Capitol Hill.
 - **1983:** A blue-ribbon commission releases the influential report *A Nation at Risk*, which sharply criticizes the mediocre state of the public schools. The report sets back Reagan's efforts to eliminate the Department of Education and reduce federal intervention in education.
 - **1984:** The Education for Economic Security Act funds new science and math programs at the K–12 and postsecondary levels.
 - **1986:** The Drug-Free Schools Act funds various anti-drug initiatives.
 - **1990:** Reversing Reagan's decentralization efforts, President George H. W. Bush pushes for the creation of "national goals" for the K–12 schools. Increasingly, the federal government is not just funding education, but trying to micromanage it.
 - **1991:** A Senate investigation finds that federal student loan programs are "plagued with fraud and abuse at every level," costing taxpayers billions of dollars.⁹ The investigation accuses the Department of Education of "gross mismanagement, ineptitude, and neglect."¹⁰ Annual losses from student loan programs rose from \$448 million in 1983 to \$2.7 billion in 1990.
 - **1993:** The Student Loan Reform Act creates federal direct lending for student loans as an alternative to subsidized private loans.
 - **1994:** The Department of Education admits that it is losing between \$3 billion and \$4 billion annually to waste, fraud, and loan defaults in its college aid programs. Education Secretary Richard Riley calls the department's financial management "worse than lax."¹¹ One problem is that the department wires billions of dollars each year to obscure trade schools based on undocumented claims about how many students are enrolled on federal scholarships.
 - **1994:** President Bill Clinton signs into law the Goals 2000: Educate America Act to promote "national education goals," building on ideas proposed by President Bush. Clinton also signs into law the Improving America's Schools Act, which requires states to develop federally approved education plans coordinated with Goals 2000 and to adopt a system of tests to ensure that students make yearly progress. If states do not comply with these and other mandates, they will lose federal subsidies.
 - **1996:** As in 1980, the Republican Party platform in 1996 includes the promise to abolish the Department of Education. However, the party's presidential candidate, Bob Dole, is a poor salesman for such limited-government reforms.
 - **1997:** The Taxpayer Relief Act creates various federal income tax credits for education. Today, there are 16 special income tax breaks for education, including breaks for college expenses, education facility bonds, and teachers' classroom expenses.
 - **1998:** The Reading Excellence Act funds reading classes as well as efforts to reduce classroom sizes in the elementary schools.
 - **2000:** Congress creates new subsidy programs to pay for school repairs and renovation.
 - **2001:** The GAO reports that there are \$22 billion of student loans in default.¹²
 - **2002:** A major fraud operation is uncovered in the Department of Education. A career employee forged more than \$600,000 of false overtime claims and steals hundreds of thousands of dollars worth of the department's electronics equipment.¹³
 - **2002:** The No Child Left Behind Act is signed into law by President George W. Bush. It is 650 pages in length and represents a major new federal thrust into the classroom.¹⁴ The law triggers a huge expansion in the department's K–12 spending: from \$20 billion in 2000 to \$37 billion by 2005.¹⁵ State officials complain bitterly about the onerous regulations of No Child Left Behind related to such items as student testing, teacher qualifications, Spanish language tests, and after-school tutoring.
 - **2005:** Federal student loan fraud continues at high levels. In one case, owners of a company called the CSC Institute steal \$4.3 million of the \$13 million it receives in Pell grants.¹⁶
 - **2007:** The America Competes Act creates a range of new science, engineering, and math education programs.
 - **2008:** Department of Education spending of \$68 billion is more than double the level in 2000 of \$33 billion.¹⁷
 - **2009:** The economic stimulus bill showers college students and state and local governments with \$45 billion in extra education funding.

¹ A useful chronology of federal intervention in education is in *Digest of Education Statistics* (Washington: U.S. Department of Education, 2008), p. 528.

² *Milestone Documents* (Washington: National Archives and Records Administration, 1995), p. 57. For an excerpt, see www.ourdocuments.gov/doc.php?doc=33.

³ Neal McCluskey, *Feds in the Classroom* (Lanham, Maryland: Rowman & Littlefield, 2007), p. 18.

⁴ Reported in "More Billions for GI Schooling," *U.S. News and World Report*, August 31, 1951.

⁵ Richard Apling, "The Impact Aid Program under Section 3 of Public Law 81-874," Congressional Research Service, Report EPW-88-440, June 17, 1988, p. 16.

⁶ Neal McCluskey, *Feds in the Classroom* (Lanham, Maryland: Rowman & Littlefield, 2007), p. 50.

⁷ *Budget of the U.S. Government, Fiscal Year 1982, Special Analyses*, p. 279.

⁸ Donald M. Rothberg, "Reagan Urges New Weapon to Overcome U.S.-Soviet Military Gap," *Associated Press*, May 5, 1980.

⁹ Jason DeParle, "Panel Finds Wide Abuse in Student Loan Program," *New York Times*, May 21, 1991.

¹⁰ Jason DeParle, "Panel Finds Wide Abuse in Student Loan Program," *New York Times*, May 21, 1991.

¹¹ Michael Winerip, "Billions for School Are Lost in Fraud, Waste, and Abuse," *New York Times*, February 2, 1994.

¹² Government Accountability Office, "Federal Budget: Opportunities for Oversight and Improved Use of Taxpayer Funds," GAO-03-922T, June 18, 2003, p. 17.

- ¹³ Neely Tucker, "Federal Worker Admits to Theft; Education Dept. Funds Financed Gifts for Family," *Washington Post*, January 31, 2002.
- ¹⁴ For a detailed discussion, see Neal McCluskey, *Feds in the Classroom* (Lanham, Maryland: Rowman & Littlefield, 2007), p. 86.
- ¹⁵ U.S. Department of Education, *Digest of Education Statistics, 2008*, Table 375, <http://nces.ed.gov/pubs2009/2009020.pdf>.
- ¹⁶ John Shiffman, "Pair Accused of Taking \$4.3 Million From Grants," *Philadelphia Inquirer*, July 1, 2005.
- ¹⁷ *Budget of the U.S. Government, Fiscal Year 2009, Historical Tables*, p. 79.

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