



K-12 EDUCATION

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THE ISSUE: COMPULSORY, “ONE-SIZE-FITS-SOME” K–12 PUBLIC EDUCATION DOES NOT MEET STUDENTS’ AND PARENTS’ DIVERSE NEEDS AND COSTS A GREAT DEAL FOR THE OUTCOMES WE GET

Elementary and secondary schooling is important to the workforce and economy, tasked with providing the next generation of American workers with foundational skills and knowledge. But the current system—dominated by an archaic, stagnant government schooling model—is ineffective for far too many students while costing taxpayers large sums of money. It also foments needless cultural strife. As a result, K–12 education in the United States has become more of an anchor than an engine for society and the economy.

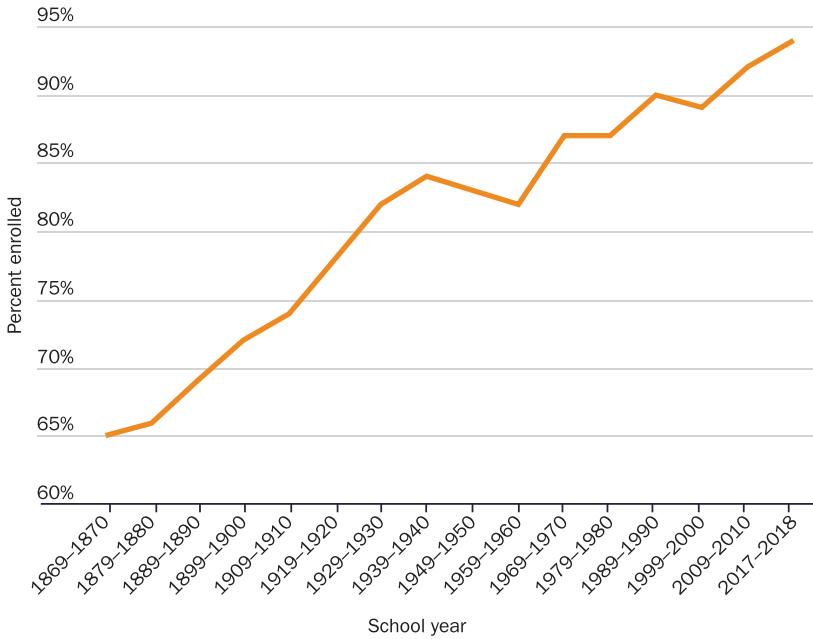
The current system may seem set in stone: students start attending public schools at age five, to which they are assigned by their home addresses at the time. They then progress through elementary, middle, and high schools and graduate at the age of 18, hopefully prepared to enter the workforce or go to college. This is not, however, how education has always been delivered in the United States. Compulsory schooling, in fact, was not adopted in all states until the early 20th century, and regular widespread use of public schooling was also limited until around that same time (see Figures 1 and 2).¹

Public schooling grew only in fits and starts, largely because families were already obtaining education in accordance with their needs. “Book learning,” such as reading, writing, and arithmetic, was complemented by learning real-world skills such as farming (working with parents) or other trades (through apprenticeships). Meanwhile, the primary goal of mass public schooling for many of its early advocates was not preparing children for a successful work life but turning them into patriotic members of their states and country who shared basic Protestant beliefs and supported the American system of government.

As the country became increasingly industrialized, the attention of elites was directed toward getting more children into schools in order to remove them from the workforce (for their sake and to end competition with older laborers); to assimilate immigrants; and to create an “efficient” system that identified children’s abilities and prepared them for the type of work, often industrial, for which experts deemed them suited.² Major parts of this reform included larger districts and schools, including high schools; ability tracking based on IQ tests; and overall “scientific” management.

Yet even as work in the United States has changed radically since the 1940s, the basic structure of K–12 education has remained essentially unchanged. The policy goal, on the other hand, has evolved from mainly workforce and character development to academic achievement, precipitated by shocks such as the Cold War

FIGURE 1 Near-ubiquitous public school enrollment is a relatively recent phenomenon in the United States

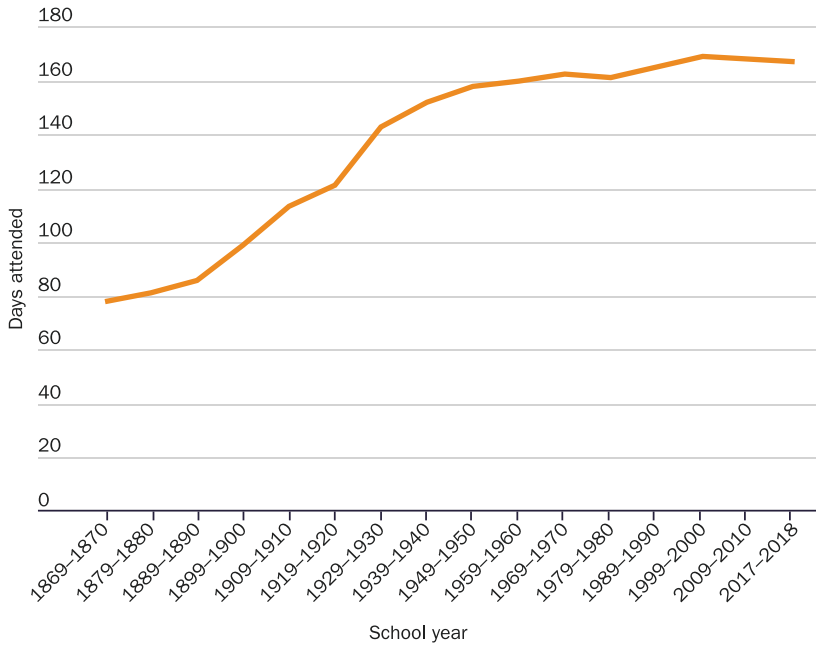


Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2020.

technology race and the 1983 federal report “A Nation at Risk,” which decried falling academic performance and its impact on American global competitiveness.³ A new focus on standards and accountability to improve academic achievement resulted in the 2002 No Child Left Behind Act (NCLB), which mandated nationwide math and reading proficiency by 2014, as determined by state standardized tests, and imposed penalties for public schools failing to make adequate yearly progress toward that goal. Further centralization occurred with the Common Core in 2010, a federally supported effort to have all students use the same curricular standards and to measure their progress with shared standardized tests. Amid a bipartisan backlash against this trend, Congress passed the 2015 Every Student Succeeds Act, which ended the goal of adequate yearly progress and federal Common Core coercion.

The demise of standards-based reform reflects diverse Americans seeing education as being about many things—character development, creativity, and more—not merely about standardized test scores. But public schooling is inherently one-size-must-fit-all, with all families in a district required to pay taxes for it, and policies increasingly made at the state and federal levels. The NCLB-based

FIGURE 2 Widespread regular public school attendance did not become the norm until after World War II



Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2020.

system put almost all children on a test-centric curriculum with a heavy emphasis on college enrollment, an endpoint that looked like the best outcome to policy-makers but that is not well suited to students who are poor test-takers, are interested in hard-to-test creative pursuits, or want technical skills training.

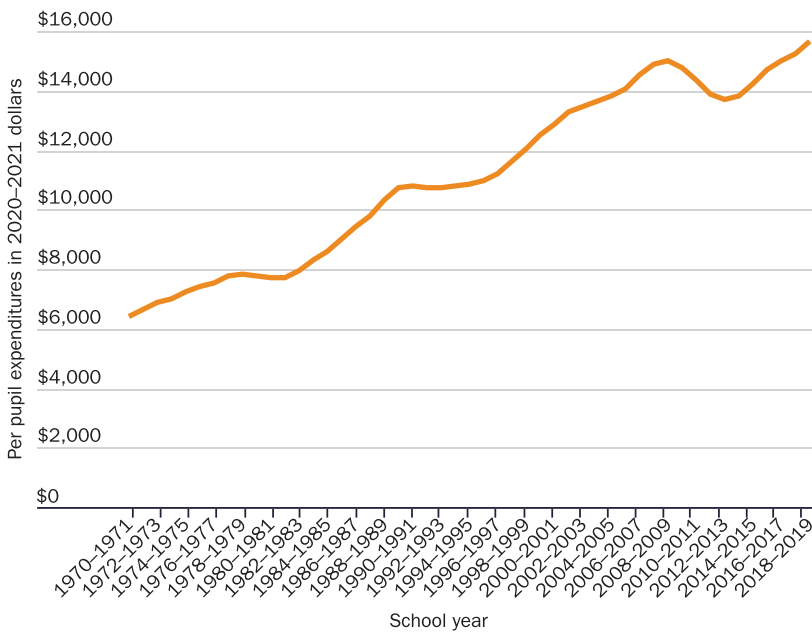
Indeed, college often does not produce what employers are seeking: employees with hard, up-to-date skills, not just theoretical knowledge. To make up for that, many employers take college grads and put them through expensive on-the-job training in what they will actually do.⁴

High schools' inattention to non-college career paths is particularly concerning given the high cost of college and the hundreds of thousands of high school students who annually enter the workforce immediately upon graduating.⁵ As discussed in the Introduction, American workers today are far more likely to work in services and jobs that require creativity and "soft skills" than they are to be put in shifts on an assembly line, and many non-college jobs can be lucrative and rewarding. Today's public schools, however, leave students unprepared for many jobs because the main goal of K-12 schooling is test scores and college attendance, not career and technical education.

Even for families focused on college, public schooling is too often unresponsive. The pandemic starkly illustrated this problem, with many public schools remaining closed to in-person instruction even as the COVID-19 danger subsided and many parents needed to return to work, leaving them scrambling for childcare arrangements.⁶ Recent studies, such as Goldhaber et al. (2021), have found that these remote-learning arrangements imposed substantial costs on students, both academically and emotionally, and forced many parents to work fewer hours or exit the workforce entirely.⁷ Meanwhile, private schools, which must attract paying families to stay in business, were much more likely to have returned to in-person instruction.⁸

In addition to being hidebound, public K–12 education has become increasingly costly, without providing commensurate improvements in the academic achievement on which it has been focused. As Figure 3 shows, inflation-adjusted per student spending on K–12 education in the United States has grown markedly over the decades, from \$6,427 in the 1970–1971 school year to \$15,621 in 2018–2019, a more than 143 percent increase. Of course, this is the average; some jurisdictions spend appreciably more, including an average total annual expenditure per pupil of \$26,799 in New York State and nearly \$30,000 in the District of Columbia.⁹

FIGURE 3 Inflation-adjusted, per pupil spending on public schooling has increased more than 143 percent since 1970



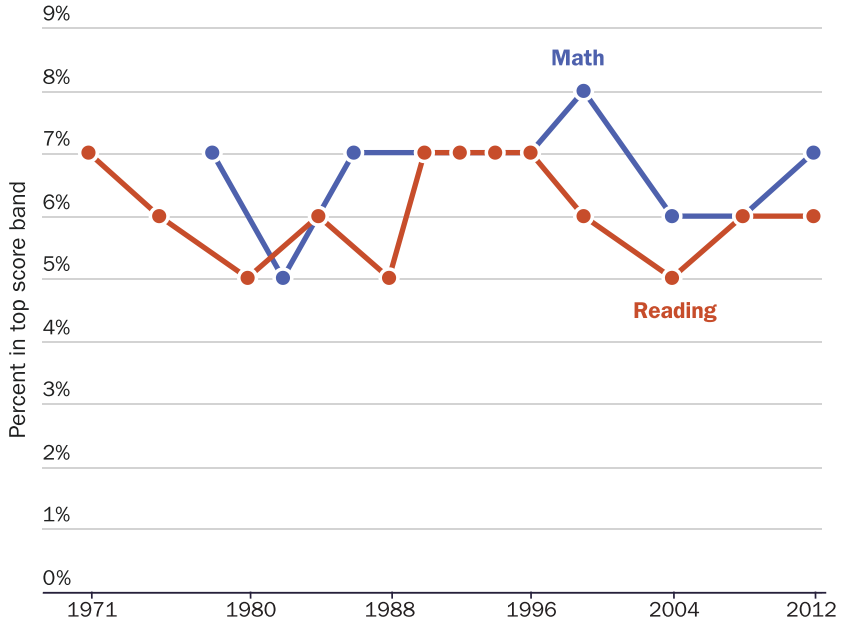
Source: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics, 2021.

These expenditures totaled almost \$800 billion in 2018–2019 and are paid by current and future American workers through various taxes, with state and local (especially property tax) sources constituting the vast majority of revenues.¹⁰ Thus, “free” public education is anything but.

High and ever-increasing per student expenses might be acceptable if the public K–12 system were achieving commensurate gains in student performance, but test scores for the “final products” of our public schooling system—high school seniors—have been basically stagnant for decades. As shown in Figure 4, the share of U.S. students scoring in the top level on the long-term-trend National Assessment of Educational Progress (NAEP), a federal test given to a representative sample of students that is comparable across time, has hovered around 7 percent in math and 6 percent in reading since the 1970s.

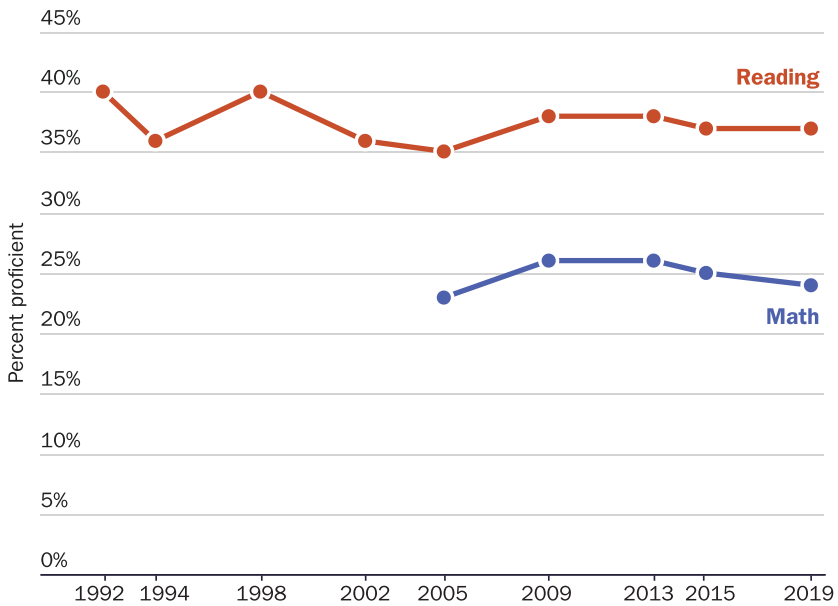
The long-term NAEP has not been reported for 17-year-olds since 2012, but the “main” NAEP results for essentially the same group, although less comparable from beginning to end, reveal similar trends. As shown in Figure 5, the share of test-takers scoring “proficient” on this test declined between 1992 and 2019 for

FIGURE 4 Despite more spending, the share of 17-year-olds achieving top National Assessment of Educational Progress scores has stagnated since 1970



National Center for Education Statistics, National Assessment of Educational Progress, Long-term Trend: Summary of Major Findings, 2012.

FIGURE 5 The percentage of 12th graders scoring proficient on the National Assessment of Educational Progress exam has stagnated in the 21st century



Source: National Center for Education Statistics, National Assessment of Educational Progress.

reading and stagnated in math between 2005 and 2019. Per pupil spending, meanwhile, rose from \$10,713 in the 1992–1993 school year to \$14,022 in 2005–2006 and then to \$15,621 in 2018–2019.

Results have been better for younger students and many racial or other student subgroups over time, but the final broad results for high school seniors show that greatly increased taxes and spending have not produced lasting academic benefits for the K–12 system’s “end product” (students graduating from high school and moving into the workforce or higher education). And this stagnation has occurred as overall wealth has increased markedly, with real per capita gross domestic product rising from \$24,303 in 1970 to \$58,619 in 2019—thus, worsening living conditions cannot explain poor K–12 progress.¹¹

Even working families that prefer the system’s focus on academic achievement and college admission have been forced to spend more every year to achieve essentially the same ultimate objective.

THE POLICY SOLUTIONS: LET FAMILIES CONTROL FUNDING AND GIVE EDUCATORS AUTONOMY TO CREATE DIVERSE DELIVERY METHODS AND CONTENT

American elementary and secondary education is essentially a government monopoly, with immediate control by elected school boards and heavy direction from state and the federal governments. It also is the victim of “capture” by people employed by the schools and their associations because most students cannot vote, and parents’ time is mostly taken up by their jobs and raising their children. Thus, teacher unions and administrator groups have the most potent combination of personal stakes and ability to act on them. They no doubt care about school children, but they also have normal human incentives to maximize their pay/membership and to minimize their accountability to others. This employee capture and government schools’ market power have rendered the system inefficient and unresponsive to the needs of the country’s diverse children and families. K–12 education needs to be fundamentally changed, with funding following individual students so that families can choose among myriad educational models and objectives.

There are many ways to effectuate this change, starting with vouchers, which allow government funding to follow a child to a chosen school. Another option is tax-credit-connected education savings accounts (ESAs), in which people donate funds to groups that put the money into savings accounts on which families can draw for expenses such as private school tuition, tutoring, or therapies for children with disabilities. Under such ESAs, donors receive tax credits for their contributions, giving families maximum choice and giving funders the freedom to direct donations to approaches that work. And because no one is compelled to fund these choices or participate in the program, incentives to demand heavy regulation of the program are minimized.

Short of private school choice is charter schooling, in which private groups ask public entities for permission to run a public school that is free of many rules and regulations governing traditional public schools. Accountability comes from having to attract enough families to fund operations and meeting performance objectives laid out in the school’s charter. Charter schooling is much more limited than private school choice because charter schools are public schools and hence are subject to standardized testing and punishments for underperformance. Charter schools are also often still subject to many public schooling regulations and cannot be religious. Charter schools can, though, specialize in areas like career and technical education, the arts, and more, making charter schooling preferable to traditional public schooling.

This new educational system would encourage diversity of educational options and competition among providers, thus increasing quality and innovation,

tempering costs, inhibiting regulatory capture, and meeting the varied needs of *all* students. Research has repeatedly shown that more competition drives public schools to improve their academic performance, making choice the proverbial tide that lifts all boats.¹² Research also suggests that students randomly selected into voucher programs perform better on standardized tests than students who applied but did not receive a voucher, though not by much (and outcomes vary by program).¹³ That said, these latter results may well be because private schools typically are not as focused on standardized tests, especially state tests, as are public schools. Thus, private school scores are less likely to reflect testing strategies or a long-term fixation on testing.

More choice would also produce significant cost savings: while the national average per pupil expenditure in public schools is nearly \$16,000, average private school tuition is about \$12,000.¹⁴ Private schools often have revenue sources in addition to tuition, but were American families given \$12,000, it would open access to numerous schools while significantly easing tax burdens that the current system places on today's families and future generations.

Freedom from state standards and testing mandates would maximize educational variety, allowing educators to provide offerings tailored to the needs of unique subsets of children. Autonomy over teacher hiring, school hours, school calendars, and more is also important. But perhaps the greatest advantage of expanded school choice is that schools would need to attract families to stay in business, thus making them more responsive to family needs. This dynamic played out during the pandemic, with private schools much more likely to be open in-person than public schools and more likely to satisfy parents.¹⁵

Expanded choice allows families to select arrangements that are best for them and their children; it is also the best path forward to efficiently and effectively train the future American workforce. As the Higher Education chapter details, for many people the returns on a four-year college education cannot justify the increasingly high cost of tuition and student debt. With cultural attitudes warming to careers that do not require a college degree (and many employers eager to offer them), moreover, there has been renewed interest in career and technical options for high-school-age students. For example, farming equipment manufacturer John Deere has created an apprenticeship program open to high school students.¹⁶ Nazareth Prep in Pittsburgh coordinates apprenticeships for students in the Manchester Craftsmen's Guild, Energy Innovation Center, and Carnegie Science Center.¹⁷

Schools might also prepare students for other types of employment through essentially early internships. For example, Cristo Rey Catholic schools—a network of 38 schools enrolling about 12,300 students—partner with local companies for which students work part-time and the businesses provide the schools some funding, a win-win-win scenario. In 2011, IBM helped found the P-TECH school in New York City, where students prepare for “new collar” jobs that require postsecondary training but not a full degree.¹⁸ Were educational choice more

widespread, such options would no doubt be greater. Also, directly funding students allows families to freely choose these alternatives, mitigating concerns about racially or otherwise biased “tracking” (dividing students into classes based on their perceived abilities) and making it more likely that students want to learn in these environments rather than being shunted there.

ACTION PLAN

There is much that federal and state governments and school districts can do to decentralize elementary and secondary education so that it is much less constrained and more responsive to families and students.

Congress should

- change federal law to allow districts to choose among numerous tests so that they can have more flexibility in what they provide—the Every Student Succeeds Act is less prescriptive than NCLB but still mandates that all public schools use state standards and administer state tests; and
- consider significant cuts to federal K–12 spending because there is no constitutional authority for it, and use block grants to distribute what funds remain to states.

State governments should

- enact private school choice, preferably tax-credit-connected education savings accounts, in which donors to groups that bundle ESAs get income, property, or other tax credits for their donations;¹⁹
- consider coupling ESAs with personal-use credits for families that pay for private school;
- consider scholarship tax credits, in which donors to private school scholarship funds receive tax credits;
- consider ESAs that receive deposits directly from the state;
- consider vouchers, which involve direct state funding only for private school tuition, if other private school choice vehicles are unavailable; and
- pursue charter schooling only if private school choice is politically impossible. Regulations should be minimized and full state funding should follow students to the schools.

Local districts should

- allow some part of district funding to follow students to schools of choice, if permitted by state law. There is no active example of this, but Douglas County, Colorado, enacted a local voucher program in 2011 that was struck down by the Colorado Supreme Court in 2015 for allowing vouchers to be used at religious schools;²⁰ and
- consider cutting property taxes, enabling residents to save money and use it for their individual needs.

NOTES

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