

REPORT

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# MISSOURI EDUCATION POLICY WITH REDUCED FEDERAL OVERSIGHT

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ADVANCING LIBERTY WITH RESPONSIBILITY
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## KEY TAKEAWAYS

- The Every Student Succeeds Act (ESSA), enacted in 2015, significantly reduced the federal government's role in K–12 education relative to its predecessor, No Child Left Behind (NCLB). More recent rhetoric under President Trump raises the possibility of an even smaller federal role going forward.
- The U.S. Department of Education (USED) has openly encouraged states to pursue waiver requests to reduce administrative burden and provide greater flexibility in how federal education dollars are spent.
- The meaningful changes that are needed under federal law require congressional approval. If Congress were to grant states broader flexibility, Missouri could modernize how federal education funds, especially Title I funds for low-income students, are distributed to schools and students.
- Testing and accountability requirements weakened considerably when ESSA supplanted NCLB. ESSA requires only that states continue testing and publicly reporting the test results. ESSA does not include meaningful accountability for poor academic performance.
- Missouri has test-based accountability policies on the books, but they have gone dormant since NCLB. Missouri should revive test-based accountability for persistently low-performing districts. Missouri can also improve accountability to the public through clearer performance reporting and expanded school-choice opportunities.
- If the federal government were to reduce or eliminate its testing requirements, Missouri should maintain rigorous statewide testing. This is essential for meaningful school accountability, transparent public reporting, and informed school choice.

## INTRODUCTION

### A Brief History of the Federal Role in Education Policy up to the Present

Historically, the federal government played little to no role in American education. Education is not mentioned in the U.S. Constitution and has traditionally been understood as a state responsibility under the Tenth Amendment.

The federal government became involved in education in the middle of the 20th century as part of President Lyndon B. Johnson's War on Poverty.[1] In 1965, Congress passed the Elementary and Secondary Education Act (ESEA), which was an attempt to reduce the resource gap between "educationally deprived" children and their wealthier peers through a compensatory aid program.[2] "Educationally deprived" was a new term to describe a particular category of student who was to receive federal funding under Title I of the act.

For much of the late 20th century, the federal role in education remained relatively limited. Federal funding accounted for only about 8 to 10 percent of total K–12 education spending nationwide, and the federal government imposed few substantive conditions on states receiving the funds. Most federal dollars flowed through formula grant programs created under ESEA, along with separate funding streams for students with disabilities under the Individuals with Disabilities Education Act (IDEA) and school nutrition programs administered by the U.S. Department of Agriculture.[3]

The federal role changed substantially with the passage of No Child Left Behind (NCLB) in 2002. NCLB retained existing federal funding levels but imposed significant accountability requirements on states. To continue receiving federal funds, states were required to administer annual statewide assessments in math and reading in grades 3–8, and once in high school. They were also required to publicly report results and intervene in persistently low-performing schools. Students enrolled in persistently low-performing schools had to be given options to attend other schools.

Although NCLB's goal of universal student proficiency ultimately proved unrealistic, the law put sharp focus on academic achievement and growth. The accountability reforms of NCLB were highly controversial when they were introduced and remain controversial today. But research suggests these reforms improved academic performance, especially in math.[4]

The Every Student Succeeds Act (ESSA) supplanted NCLB in 2015, and ESSA is the law that governs current

federal involvement in education. Federal funding laws did not meaningfully change with ESSA, and ESSA requires states to continue testing students and reporting the results. However, the consequences for schools and districts for poor academic performance under NCLB have been greatly reduced or eliminated under ESSA. While the USED can still withhold funds if a state doesn't meet the testing and reporting requirements, there is no longer a threat of withholding funds based on the results of those assessments.

## How Could the Federal Role Change Going Forward?

The current political environment raises the possibility of a further reduction in the federal role in K–12 education. Both parties have moved away from the expansive federal accountability framework established under NCLB, and recent rhetoric under President Trump has emphasized returning greater control over education policy to the states. USED has openly encouraged states to pursue waiver requests that reduce federal oversight and compliance burdens.

There are three broad ways the federal government could change its role in K–12 education going forward. First, it could change the total amount of funding provided to states. Second, it could change the rules governing how federal funds are distributed and regulated within states. Third, it could alter or remove the testing and accountability conditions it imposes on states that receive federal funding.

This report focuses on the latter two possibilities. Although the last two presidential budget requests have reduced federal K–12 funding, the Senate has not honored those requests. Substantial changes to the funding levels are uncertain, and the nature of the Missouri response would depend on precise details of how funding would change. Because no changes are imminent, we do not have a reasonable basis for considering this possibility.

Potentially, Missouri's leaders would have considerable discretion over what would happen if the federal government were to step back. Our leaders could even push for change. Several states have produced ESSA waiver applications that have been submitted to USED, and Missouri could follow suit.

As we consider Missouri's options, it is useful to distinguish between two categories of policy change. The first category includes changes that USED can approve under its existing authority. While only Congress can change federal law, USED has the ability to waive certain administrative and regulatory requirements under the current law if a state so requests and if the state can demonstrate that the waiver could improve student outcomes. A waiver can provide states with greater flexibility in spending and reporting on the use of federal funds, but it cannot override core statutory provisions established by Congress. For example, a state could request to consolidate separate streams of funding and reporting into a single block of federal aid.

The second category includes changes that would require congressional action. Many of the most consequential reforms fall into this category. For example, Title I funds are currently distributed to school districts using formulas specified in federal law, and states cannot redesign these formulas through administrative waivers alone. One reform that has been floated for decades is to change the funding structure so that these funds are distributed at the student level rather than the district level. For example, states could award the funding on a per-pupil basis directly to school districts that educate low-income students rather than to school districts based on poverty in their surrounding areas. This would permit students to "backpack" the funds. Of course, this would require a robust school choice environment. However, this kind of change is not permitted under current federal law, and USED does not have the authority to approve a waiver request from a state if the waiver would change this aspect of the funding structure.

## What Should Missouri Try to Do?

In finance and administration, Missouri would benefit from greater flexibility and fewer federal restrictions. Current federal funding structures are often rigid and administratively burdensome, and they do not leverage the power of modern student-level data systems. Missouri should pursue opportunities to simplify compliance requirements and modernize the way federal funds are distributed to districts and schools within the state.

Regarding accountability, Missouri could use stronger federal oversight, not weaker. Like its counterparts in many other states, DESE has settled into what is largely a compliance-oriented role in maintaining accountability. When ESSA supplanted NCLB and weakened federal accountability, the state did not step in to fill the void. Statewide testing, transparent reporting, and meaningful accountability for persistent academic underperformance remain essential components of an effective education system. With federal oversight that is already weak and that could weaken further, Missouri leaders will need to take greater responsibility for measuring academic performance and holding schools accountable for results.

## PART I: FUNDING

### Current Title Funding in Missouri

Under ESSA, about $333 million was allocated by the federal government to Missouri during Fiscal Year 2025 (FY25) under the law's various subtitles (hereafter referred to as "titles"). Title I is the largest title program by far, accounting for about 80 percent of all funding Missouri receives under ESSA.[5] The largest component of Title I is Title I-A, which provides funding to local education agencies (LEAs), also known as school districts and charter schools, that serve high numbers or proportions of low-income students.

Title I-A allocations are determined through multiple federal formulas that rely on Census-based estimates of child poverty and state spending levels.[6] These grants use a variety of unique weights, but they all start with poverty estimates based on the number (or percentage) of children living below the poverty line within a district's borders. The poverty estimates, known as the Small Area Income and Poverty Estimates (SAIPE), are generated by the Census Bureau using data from the American Community Survey (ACS).[7] Once the formulas under Title I-A are calculated, adjustments are made to account for factors such as congressional appropriations, hold-harmless provisions that protect districts from large funding declines, and minimum state allocation guarantees. (For more information on the SAIPE and ACS methodology, see the link in footnote 7.)

Ultimately, Missouri received approximately $248 million in Title I-A funding in FY25. Most of this funding—about $245 million—was distributed directly to 554 LEAs, with the small remainder used by DESE for administration, compliance, and reporting activities. Of the $245 million distributed to LEAs, $15 million was allocated specifically to improve schools designated as the lowest performing in the state as required by the program.

Missouri also receives funding through other Title I subprograms. Title I-B supports statewide assessment development. Title I-C provides support for migrant students. Title I-D supports educational services for neglected, delinquent, and at-risk youth, including students in correctional and residential facilities.

Additional federal funding flows through Titles II through V. These programs support activities such as teacher development, English-learner instruction, student enrichment programs, and rural education assistance. Table 1 provides a high-level overview of these funding streams.

Finally, title programs VI–IX are especially small, designed to address special circumstances, or both, and we do not cover them here.

By design, DESE operates as a pass-through entity for federal education funds. ESSA specifies how much funding states may retain for administration and how much must be distributed to LEAs, while also imposing separate reporting and compliance requirements for each title program. In addition, states must submit detailed plans and reports to the federal government describing how federal funds are used and how school performance is monitored.

Although federal education funding programs have evolved since their creation in the 1960s, the changes have not kept pace with modern data advances and local educational needs. One issue is administrative burden. Missouri spends approximately $14 million annually on personnel to oversee federal compliance and financial reporting. Some programs, like Title IV-A, trigger exhaustive "needs assessments" and rigid spending mandates once a district receives a mere $30,000, often making the cost of the paperwork nearly equal to the

grant itself. Federal rules also make it difficult for LEAs to move money across categories to meet local needs, leaving some programs underfunded while other dollars sit idle in restricted accounts.

Secondly, some programs also distribute funding too thinly to meaningfully address the problems they target. In FY25, some 73 Missouri LEAs received roughly $5 million in Title III funds to serve limited English proficiency (LEP) students. That translated to between $92 and $102 per LEP student, on average. Forty-three of these LEAs received less than $50,000 in total. This is not enough to pay for one LEP teacher with federal funds, despite the fact that these LEAs had an average of 202 LEP students each.

A more important issue is that the formulas that govern the within-state allocations of title dollars to LEAs can lead to allocations that are perplexing and difficult to defend on substantive grounds. For example, under Title I-A, LEAs serving similar numbers of high-poverty students can get vastly different amounts per qualifying student.

**Table 1: Overview of Title I-B, I-C, I-D, II, III, IV, and V Funding in Missouri, FY25.**

| Title | Subpart | Brief description | Approximate Missouri funding, FY25 |
|---|---|---|---|
| I | B | Assists states in developing and administering assessments | $7.8 million |
| I | C | Supports education for migrant children | $0.3 million |
| I | D | Supports education for neglected, delinquent, at-risk students and students living in correctional facilities | $3.6 million |
| II | A | Supports effective instruction; targeted toward teachers and principals in the workforce | $36.8 million |
| | B | For "national activities" (e.g., the Teacher and School Leader Incentive fund, American history and civics education) | $7.0 million |
| III | | Support for limited English proficiency (LEP) students | $5.7 million |
| IV | | Other forms of student support; e.g., enrichment grants, Charter School Program grants, the Magnet Assistance Program | $19.7 million |
| V | B | Support for rural education; subpart B includes the Rural and Low-Income Schools Program and is the relevant part for Missouri | $3.6 million* |

*Source: Missouri House Bill 2002 as signed by the governor and DESE-reported allocations to districts, plus the administrative percentage retained by DESE (https://dese.mo.gov/quality-schools/essa-federal-accountability). Some numbers reflect appropriation amounts, and some are actual expenditures.*

* Title V-B also includes a separate stream of funds under the Small Rural School Achievement Program that goes directly from the federal government to school districts, bypassing DESE entirely. These funds are not included in the number reported here.

A central challenge is that Title I relies heavily on geographic poverty estimates rather than student-level measures of poverty. The geographic poverty estimates, based on SAIPE data, are not tied to public school enrollment. As an example of how this can be problematic, consider a mixed-income local area where wealthier families send their children to private schools and poorer families send them to public schools. The public schools in this area would serve a highly disadvantaged group, but this would not be fully reflected in the SAIPE data.

Even ignoring the fact that local-area poverty need not match poverty in public schools, the Title I-A allocation formulas can lead to odd allocations. To set a baseline for thinking about this, note that the FY25 SAIPE data indicate there are approximately 142,000 children living in households below the poverty line in Missouri (regardless of where they attend school), or 17 percent of total public school enrollment statewide. Spreading the roughly $245 million that Missouri LEAs received via Title I-A across

this population translates to additional funding equal to $1,725 per pupil. However, in some LEAs the per-pupil Title I add-on far exceeds this number, while in others it is far below. Some of this is to be expected, because the formula is not meant to distribute the funds evenly—for instance, a low-poverty district with just a handful of high-poverty students may not receive any Title I funds. But even in districts with very similar poverty levels, Title I allocations can be wildly different.

This is shown in Table 2, which compares FY25 Title I allocations per child in poverty for selected Missouri school districts over a range of poverty levels based on SAIPE data. The districts are ordered from the largest to smallest poverty share, over a range of 33 to 53 percent. The two districts with the highest allocations per student in poverty—Hayti R-II and Caruthersville 18—have 44 and 36 percent of children in poverty and receive between $3,300 and $3,500 per student in poverty, respectively. But some districts with similar shares of high-poverty students, and even with meaningfully higher poverty shares, receive much less. For example, Riverview Gardens, a large district with the same poverty share as Caruthersville 18 (36 percent), receives about half as much per pupil in poverty from Title I. Risco R-II, a small district with a poverty share of 46 percent, receives under $1,000 per student in poverty.

Statewide, the correlation between the district poverty rate and per-pupil Title I funding is modest, at 0.62. This suggests the program is broadly targeting funds toward districts serving low-income areas, but with considerable deviations and inconsistencies, some of which are illustrated by Table 2. Furthermore, this does not even account for the complication that the poverty level among students enrolled in LEAs need not match local-area poverty if some students do not attend their local public schools. Finally, there are no adjustments made for cost-of-living differences.

## A Funding Waiver Request from USED Within the Bounds of Its Current Authority

In July 2025, Education Secretary Linda McMahon sent all state education leaders a "Dear Colleague" letter encouraging them to request "creative and effective waivers" under section 8401 of ESSA. Section 8401 allows the secretary to waive certain statutory or regulatory requirements if a state can demonstrate that doing so will "advance student academic achievement." USED does not have the authority to waive core features of ESSA, but it can reduce states' administrative burdens and give them more spending flexibility.

Just six months after Secretary McMahon's letter was sent, Iowa became the first state to receive such a waiver from USED. Under the waiver, Iowa can now consolidate federal funds over multiple title programs and carry over more funds from year to year. Iowa districts have more flexibility to combine funds across multiple title programs, and USED has delegated to the state its authority to approve district requests for additional flexibility with respect to some federal spending and reporting rules.

These changes are expected to reduce Iowa's administrative burden while allowing districts to use federal dollars more strategically. Iowa estimates that simplified reporting requirements alone could save approximately $2 million annually, though we note this is a very small share of total education spending in Iowa (about 0.02 percent).[8]

Iowa's successful waiver provides a roadmap for Missouri. Through its own waiver request, Missouri could maintain its underlying federal funding while simplifying spending and reporting requirements. Four areas are especially promising:

### *Apply for Universal Ed-Flex Authority*

Missouri's rural districts currently have some flexibility to combine funding under the different title programs through a provision called Ed-Flex. As part of a waiver, DESE could pursue this "Ed-Flex status" for all LEAs in the state. This would allow DESE to act on behalf of the secretary for all LEAs that request to combine funding from Titles I through V.

Expanded Ed-Flex authority would also allow districts greater flexibility in carrying over Title funds across fiscal years, which would dampen the inefficient "use-it-or-lose-it" cycle and allow districts to plan for larger multi-year investments.

**Table 2: Total and Per-Student Title I-A Amounts by Estimates of Children in Poverty: 2024–25.**

| LEA | Total Title I-A allocation, 2024–25 | Estimated population ages 5–17, 2024 | Estimated number of 5–17 year olds in poverty, 2024 | Estimated percent of children living in poverty, 2024 | Title I per child in poverty |
|---|---|---|---|---|---|
| Spickard R-II | $106,679 | 127 | 67 | 53% | $1,592.22 |
| Risco R-II | $43,743 | 112 | 51 | 46% | $857.71 |
| Hayti R-II | $939,607 | 622 | 272 | 44% | $3,454.44 |
| Seymour R-II | $1,692,233 | 1,956 | 839 | 43% | $2,016.96 |
| Middle Grove C-1 | $187,764 | 172 | 71 | 41% | $2,644.56 |
| Kennett 39 | $1,330,907 | 1,988 | 779 | 39% | $1,708.48 |
| Weaubleau R-III | $319,121 | 437 | 157 | 36% | $2,032.62 |
| Riverview Gardens | $4,579,877 | 7,182 | 2,575 | 36% | $1,778.59 |
| Caruthersville 18 | $1,270,889 | 1,055 | 377 | 36% | $3,371.06 |
| Naylor R-II | $148,721 | 235 | 83 | 35% | $1,791.82 |
| Jennings | $1,615,840 | 2,895 | 1,010 | 35% | $1,599.84 |
| Charleston R-I | $713,293 | 962 | 329 | 34% | $2,168.06 |
| Normandy Schools Collaborative | $3,796,710 | 5,031 | 1,661 | 33% | $2,285.80 |
| Campbell R-II | $286,347 | 525 | 171 | 33% | $1,674.54 |

*Sources: U.S. Census Bureau, Small Area Income and Poverty Estimates (SAIPE), data.census.gov; Missouri House Bill 2002 as signed by the governor and DESE-reported allocations to districts, plus the administrative percentage retained by DESE (https://dese.mo.gov/quality-schools/essa-federal-accountability). Some numbers reflect appropriation amounts, and some are actual expenditures.*

### *Waive Prescriptive Title IV-A Spending Rules*

Districts receiving more than $30,000 in Title IV-A funding are currently required to allocate funds across federally prescribed spending categories regardless of local priorities. While the ability to waive this requirement would be covered under the broad umbrella of Ed-Flex if Missouri requests to be an Ed-Flex state, this specific requirement could also be singled out and waived separately by USED. Either way, this would allow districts to consolidate 100 percent of their allocation into a single, high-impact local priority, such as a full-time mental health professional or a specialized STEM lab.

### *Allow Blended Funding for Schoolwide Innovation*

Missouri could seek permission to blend Title I (Poverty) and Title IV (Student Support) funds for high-poverty schools operating Title I schoolwide programs. This would simplify compliance requirements that currently force districts to document staff time and expenditures separately across multiple federal funding streams. Treating these funds as part of a unified instructional budget would allow educators to focus more on student outcomes and less on administrative accounting.

***Modernize State Reporting Systems***

Finally, Missouri could propose to develop a modern transparency dashboard. In exchange for a substantial reduction in state-level compliance paperwork, Missouri LEAs would provide USED with live access to spending and performance data. This digital transparency would eliminate the need for burdensome reporting and would allow the state to recover an estimated $5 million annually in administrative savings ($20 million over a 4-year waiver period). This estimate is based on the maximum 1% administrative set-aside for Title I-A ($2.5 million) and the maximum 5% set-aside for the remaining titles ($4.23 million). Assuming DESE could build a data dashboard for $1.75 million in the first year, there is a potential for at least $5 million in annual savings. These funds could be redirected to support Missouri's core educational objectives, like improved literacy. Such a portal would change the state's role from auditor to more of a partner with LEAs.

These changes would represent a step in the right direction, but operationally they amount to movements at the margin. Moreover, the funding involved is small in the context of Missouri's approximately $14 billion in annual total public K–12 education spending. More substantive changes that could meaningfully improve K–12 education in Missouri would require congressional approval. Noting that this raises the degree of difficulty, it could be worth pushing forward on a waiver request to see how USED would respond. USED may be willing to work with Congress to expand the types of waivers it could consider if a state like Missouri put forth a compelling case. We return to this possibility below.

## PART II: ACCOUNTABILITY

### The Current Testing and Accountability Landscape in Missouri

While federal funding rules under ESSA remain highly prescriptive and administratively burdensome, accountability policy under ESSA has moved in the opposite direction. The federal accountability framework under ESSA is much weaker than under NCLB.

An effective accountability system requires two core components: reliable measurement of academic performance and meaningful consequences when outcomes are persistently poor. Statewide testing provides the foundation for measuring academic performance. NCLB established the modern statewide testing framework. Under both NCLB and ESSA, states are required to administer annual assessments in math and English language arts in grades 3 through 8 and at least once in high school. These assessments allow student performance to be measured consistently across schools and districts. Early-grade performance on Missouri's state test—the Missouri Assessment Program (MAP) test—is highly predictive of long-term student success.[9]

Testing alone, however, does not create accountability. Accountability also requires consequences.

Broadly speaking, there are two forms of accountability in education. The first is sanctions-based accountability, in which higher levels of government intervene when schools or districts consistently fail to meet performance standards. The second is accountability to the public, in which families receive clear information about school performance and have opportunities to choose alternative schools when outcomes are poor.

NCLB imposed sanctions-based accountability in the spirit of the original law passed in 1965, which included a provision that states must "meaningfully differentiate" between schools and districts based on performance. Schools that repeatedly failed to meet performance benchmarks faced escalating interventions, including student transfer options, staff replacement, restructuring requirements, and in some cases state takeover. These interventions were controversial, but they created real pressure for schools and districts to improve academic performance.

ESSA removed these federally enforced sanctions while retaining statewide testing requirements. In principle Missouri could implement its own sanctions based on test results, and in fact, this was a stated intent of ESSA—to shift the "consequences" part of school accountability policy to the states. However, in practice, meaningful test-based accountability effectively ended in most of the United States, and in Missouri, when ESSA replaced NCLB.

Missouri technically maintains accountability policies through its district accreditation system. Accreditation decisions by the state board of education are based on a range of financial and academic indicators, and districts that lose accreditation may face student transfers, increased state oversight, and possible state intervention.

However, the threat of becoming unaccredited for academic underperformance has become increasingly remote. The most recent district to lose accreditation for academic reasons was Normandy Public Schools in 2012. Before that, Kansas City Public Schools lost accreditation in 2011. This is despite persistent low performance in some Missouri districts and statewide academic declines since ESSA replaced NCLB. (Note that St. Louis Public Schools was moved to provisional status in 2026, which is less than accredited but a step above fully unaccredited, but this was for financial shortcomings only.)

Missouri's sanctions-based accountability system has effectively gone dormant.

With sanctions-based accountability weakened, accountability to the public becomes increasingly important. But this form of accountability is also limited in Missouri. Effective public accountability requires clear information about school performance and meaningful opportunities for families to choose alternative schools. Missouri struggles on both fronts.

DESE produces annual report cards for Missouri schools that should provide useful information about academic performance, but the report cards are poorly designed. They contain large amounts of information but communicate academic performance ineffectively to parents and community members. Important indicators are often buried within dense and difficult-to-interpret reports.

At the same time, Missouri has a limited school choice landscape. Charter schools are only allowed to operate in a handful of places, the state does not have public school open enrollment, and its private school voucher program, MOScholars, is small. Most Missouri families are bound to their residentially zoned schools.

Ultimately, Missouri has not maintained strong accountability for academic performance—either through sanctions or through meaningful public accountability mechanisms—since the NCLB era ended.

## New Missouri Policies That Will Improve Accountability to the Public are Cause for Optimism, but We Must Keep Testing and Expand Access to School Choice

There is cause for optimism that school accountability in Missouri is improving, especially accountability to the public. In January 2026, Governor Kehoe issued an executive order requiring DESE to assign A–F letter grades to schools and districts based on academic performance. Unlike the current DESE report cards, the new letter grades will be clear to parents and community members.

Letter grades work because everyone understands what they mean. An A signals excellence. An F signals failure. And by basing the grades on academic proficiency and growth—rather than diluting them with peripheral and nonacademic metrics—the new policy keeps attention where it belongs: on students' academic outcomes.

Missouri is also gaining some ground, albeit slowly, in expanding school choice. Most notably, in 2025, Missouri's Education Savings Account (ESA) program, MOScholars, was infused with $50 million in public funding. MOScholars provides scholarships to eligible children to attend schools other than their residentially zoned public schools, including (and primarily) private schools. While much more funding is needed, this is a great start.

More encouragingly, the federal government will implement a much larger program to fund ESA programs nationwide using federal tax credits. The federal tax credit program has the potential to expand scholarship opportunities for Missouri children and their families substantially by building on MOScholars.

However, there is still much more to do. Charter schools remain heavily restricted in terms of where they can operate in Missouri, which is unfortunate because test data overwhelmingly indicate students learn more in charter schools, at least on average.[10] And Missouri has virtually no interdistrict open enrollment. Many states have expansive open enrollment policies, but we don't. Currently, open enrollment is only an option in Missouri

for school employees and contractors who wish to enroll their children in the districts where they work.

The combination of clear information on school performance and expanded school choice could substantially strengthen accountability to the public. Evidence from Florida suggests that pairing transparent school grades with robust school choice policies can improve outcomes not only for students using choice programs, but also for students who remain in traditional public schools.[11]

It is important to acknowledge, however, that the potential for progress requires that we maintain rigorous and consistent statewide testing. It has become an unfortunate annual tradition of late for anti-testing bills to be introduced in the Missouri Legislature. It is unclear what problem the sponsors of these bills are trying to solve, or whether they understand the devastating impact such a change would have on our ability to monitor school performance. But if they succeed, we will have no way to determine which Missouri schools are performing well and which schools are performing poorly. Even if we can move legislation forward to give families more school options, they'll have less information with which to make good choices if we stop testing.

As of yet, proposed anti-testing legislation has failed to gain traction in Jefferson City. It may even be illegal under federal law, which means if we were to pursue this path, we could lose all federal funding.[12] But as discussed above, we should not count on the federal government to hold Missouri's feet to the fire on testing—this is not the direction of the rhetoric coming out of Washington, D.C. Missouri should take a strong, pro-testing position. Consistent statewide testing is essential for transparent reporting, informed school choice, and meaningful accountability based on academic performance.

### *Should Missouri Bring Back Sanctions-Based Accountability?*

Accountability to the public is appealing because it relies on information and family choice rather than direct government intervention. In theory, schools improve because families leave persistently low-performing schools and enroll elsewhere. However, public accountability works best when families possess both clear information and meaningful educational options. Despite recent cause for optimism in these areas, historically our education system has provided neither consistently, which limits the effectiveness of public accountability alone.

The alternative is sanctions-based accountability, in which the state intervenes directly when districts consistently fail to meet academic expectations.

Sanctions-based accountability is unpleasant, but it works. The best evidence on this comes from a 2011 study conducted by Thomas Dee and Brian Jacob on the academic-achievement effects of NCLB. NCLB is hard to study because it applied to all states at the same time—there was not a "control group" of schools untreated by the policy. But Dee and Jacob cleverly recognized a path to evaluation: They compared states that already had strong accountability systems before NCLB to states that had relatively weak systems. The former is a control group of sorts, as these states were less affected by NCLB because they already had similar policies in place. Dee and Jacob found that states with weaker pre-existing accountability systems experienced larger gains in student achievement after NCLB was implemented, particularly in math.[13]

They describe their findings as follows: "Our results indicate that NCLB generated statistically significant increases in the average math performance of fourth graders. . . . There is also evidence of improvements in eighth-grade math achievement, particularly among traditionally low-achieving groups and at the lower [test] percentiles." They further note their findings may understate the impacts of NCLB if NCLB-driven reforms represented a stronger form of accountability than pre-existing state systems, which their research suggests is likely (this is because if NCLB reforms were stronger, even the "control group" states would have received some treatment, dulling the evidence they provide of NCLB's effect).

Student achievement data from the National Assessment of Educational Progress (NAEP) are also consistent with NCLB having a positive impact on student achievement. NAEP scores improved consistently during the NCLB era, then stalled and began to decline in the mid-2010s, when ESSA supplanted NCLB. The change in federal law

was not the only thing that happened around that time. Still, the trend is consistent with the idea that the loss of accountability under NCLB contributed to the decline in NAEP scores.[14]

Missouri already has the infrastructure in place to restore sanctions-based accountability through its accreditation process. Districts that persistently fail to meet academic benchmarks could be disaccredited, freeing children trapped in these districts to attend other public schools. And the state could provide oversight to help get the struggling districts back on track. However, as noted above, the threat of losing accreditation has not been real in Missouri for quite some time, so it would require a shift in the mindset of DESE and our state board of education to restore sanctions-based accountability.

Our view is that Missouri should move in this direction. Given Missouri's current school-choice policies, most districts in the state quite literally can hold families captive. Outside of moving residences or paying private tuition (or nonresident tuition to another public school district) while also paying taxes in their local jurisdictions, most Missouri families are not allowed to send their children to other schools. In this setting, external quality controls are necessary.

At the same time, the need for sanctions-based accountability would be greatly diminished if Missouri pursued policies to meaningfully improve accountability to the public. Missouri is making real strides in improving the quality of information available about academic performance through the new A–F letter grades for schools and districts. Complementary reforms that expand families' opportunities to "vote with their feet" when they enroll their children in school would be a valuable addition.

## PART III: THINKING BIG: A FUNDING OVERHAUL WAIVER REQUEST

When ESEA was passed in 1965 there was debate as to whether the program should fund students—essentially an entitlement program for low-income students—or fund the districts that serve them. Ultimately, the latter option was chosen. Just seven years later, however, the former option was chosen for funding at the higher-education level. This program, known as the Pell Grant, directly funds the accounts of income-eligible students at the higher-education institution of their choosing.

One highly ambitious strategy for Missouri would be to submit a waiver request to USED that asks for a fundamental restructuring of how Missouri uses and distributes the over $300 million in annual federal funding it receives in total under the ESSA title programs, while concurrently shifting to a universal school choice accountability system.

What might a "fundamental restructuring" look like? A powerful and compelling request from Missouri would be to use Title I to fund students rather than schools and districts. As noted above, the current basis for distributing Title I funding is to send money to districts serving higher numbers or percentages of educationally disadvantaged students based on local-area poverty estimates. But the formulas are convoluted—the money goes to the state education agency (DESE), then to districts, then, theoretically, out to school buildings, with funds withheld at every step.

If Congress cannot be convinced to scrap the formulas, Missouri could request to continue to receive the calculated total from the formulas, but to distribute the funds directly to each eligible student's school. DESE could identify eligible students through the Direct Certification (DC) system. DC data identify students from families eligible for multiple social assistance programs, most notably the Supplemental Nutrition Assistance Program, or SNAP. Research shows that DC status is an accurate indicator of family poverty.[15] Specifically, it accurately identifies children living in families with incomes at or below 130 percent of the federal poverty line.

If Missouri restructured how Title I dollars are allocated to students based on individual DC data, each student could receive approximately $1,300 (the existing total of $248 million for Title I-A divided by the 190,000 DC students identified in 2024–25). In a student-centered funding model, this amount could be added to the funding received by the schools and districts educating these students.

A student-funded system would permit low-income students to "backpack" their funds rather than having the funds trapped at their local neighborhood school. If Missouri's school-choice environment can be improved, this could be a great advantage. For instance, these funds could be added to the student's scholarship amount in an expanded MOScholars program. In locales with charter schools, the funds could follow students there. And if Missouri enacts interdistrict open enrollment, low-income students could take these funds with them to any public school in the state with open seats.

An obvious rationale for a student-centered funding model is that it is fair and transparent. It is also important to acknowledge that the current structure used to distribute Title I funding has failed to deliver the outcomes targeted by the original legislation. Achievement gaps between wealthy and poor students persist, with little indication of improvement.

Acknowledging that it is difficult to narrow income-related achievement gaps, it is nonetheless true that there is little evidence to suggest the current system is working. This is unsurprising, because the incentive structure is flawed.

Currently, schools in high-poverty areas continue to receive Title I funding regardless of what happens to students. Under a student-centered model, poor-performing districts in low-income areas would either improve or risk losing the extra funding attached to their students through school-choice vehicles in the state. Of course, this only works if Missouri parents can choose the best schools for their children.

Beyond this major change, Missouri could also request to consolidate the remaining federal formula grants under Titles II through V into a single Missouri Opportunity Block Grant. By eliminating the silos that separate the existing title programs, this combined pool of funds could serve as a grant program for LEAs to request funds based on their needs. Under this model, a rural district, for example, could request funds for an LEP reading teacher and a mobile STEM lab. An urban district could request funds for after-school programs and teacher professional development.

To satisfy the federal mandate to advance student achievement, Missouri could propose a 5% set-aside within the consolidated block grant. These funds would be withheld from initial distribution and released to LEAs only upon reaching state-defined growth targets based on the initiatives that are funded (e.g., improvements in literacy for a literacy-focused program).

Pursuing reforms on this scale would be difficult. Internally in Missouri, a major restructuring of Title I funding would create distributional trade-offs across districts, and some districts would resist changes that reduce their current allocations. At the federal level, USED does not currently have the authority to approve many of these reforms without congressional action. USED would need to press Congress on the issue. Nevertheless, the current system is increasingly difficult to defend. Missouri has the opportunity to propose a funding structure that is transparent, student-centered, and better aligned with the goals federal education policy is intended to achieve.

## CONCLUSION

In recent history, Missouri education leaders have approached federal education policy primarily through the lens of compliance. DESE's role has largely been to ensure that Missouri satisfies federal spending, reporting, and accountability requirements attached to federal funding streams.

This approach is becoming increasingly insufficient.

Federal oversight of education policy weakened when ESSA replaced NCLB under the Obama administration, and rhetoric under the Trump administration raises the possibility of further retreat. If Congress takes the initiative to implement President Trump's vision of sending education back to the states, Missouri would no longer be able to operate in its compliance-oriented role. This points to an increased need for independent, strategic leadership on education in Missouri.

In finance and administration, Missouri would benefit from greater flexibility. One option would be to push the federal government to simplify its federal spending and compliance requirements. This could lead to improvements in spending efficiency and reduce the administrative costs associated with the receipt of federal

funds. USED has openly welcomed waiver requests of this kind from states already. Missouri should be at the front of the line.

Missouri could also pursue more ambitious reforms. Most notably, the state could advocate for a modernization of Title I funding so that federal dollars are attached directly to low-income students rather than flowing to districts through formulas. There is no incentive for schools in poor areas to improve because they continue to receive Title I funds regardless of their students' performance. Ultimately, despite decades of the federal government allocating Title I-A funding to schools in poor areas across the country, there is little indication of improvement in the achievement gap between wealthy and poor students.

Paired with expanded school choice policies, such a reform to Title I funding could fundamentally reshape incentives within Missouri's education system by allowing low-income students to "backpack" federal funding across educational settings. Although a reform of this scale would require congressional approval and would face substantial political obstacles, the potential benefits are significant enough that it warrants serious consideration.

In any case, Missouri must maintain accountability in the face of weakening federal requirements. Missouri should strengthen its independent commitment to accountability through rigorous statewide testing, improving public reporting of school performance, expanding school choice opportunities, and restoring credible consequences for chronically low-performing districts.

These efforts are complementary, not contradictory. A more flexible funding system would allow schools and districts greater freedom to innovate and respond to local needs. Strong accountability systems would ensure that this flexibility remains connected to student outcomes and public transparency.

An overarching theme from our report is that Missouri must shift from its compliance-oriented mindset to a more proactive and strategic approach. What do we want from our schools? How can we ensure they are delivering what we want? And whom will we empower to act in the event that they are not? Compliance does not blaze a path to a world-class school system. Innovation, accountability, flexibility, and transparency might, if the will exists to use them.

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## NOTES


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12. Whether ending statewide testing with a common assessment would be viewed as illegal under current law is unclear. It is certainly in violation of the spirit of the law, which requires comparable testing across districts, but like all legal matters, interpretation is everything. Oklahoma is pushing the boundaries of the law in this regard.

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14. Perhaps the most notable concurrent event is the rapid rise of smartphone use among teenagers (Haidt, 2023). Importantly, however, the declines in NAEP scores are apparent at the earliest NAEP testing grade—grade 4—which is before most children in the United States get smartphones (or, at least, before most children in the 2010s got smartphones).

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