

Professor Smith goes to Washington: Educational Interest Group Lobbying, 1998 - 2017

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Abstract

Congressional lobbying education interest groups is an understudied subject in education research. This paper uses lobbying expenditure data covering the past 20 years to examine trends in lobbying behavior by types of educational interest groups including teachers' unions, K-12 education providers, and public, private non-profit, and for-profit higher education institutions. Education interest groups spent in excess of \$2 billion lobbying Congress over the past two decades. Higher education institutions account for around 70 percent of all education interest groups lobbying and over 80 percent of the total Congressional lobbying expenditures in education. Lobbying expenditures steadily rose until 2011 when they began to decline. The research brief speculates as to the possible reasons for that decline and concludes with a call for greater research on Congressional lobbying for education.

Keywords: Lobbying, education policy, politics of education

JEL Codes: I21, I23, D72

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One of the hallmarks of American democracy – good or bad – is the ability of interest groups to influence public policy. When examining interest group influence, many researchers have focused on campaign contributions. Others have examined electoral strategy. Lobbying, in particular, is a major component of interest group political activity – especially for the education industry. Due to restrictions on campaign donations and working on behalf of political candidates, many public and non-profit organizations rely almost exclusively on lobbying as their means of political action.

Lobbying, therefore, represents a main political action expenditure for most interest groups. Lobbying expenditures exceed PAC contributions by over 500 percent (Milyo, Primo, and Groseclose, 2000). Lobbying expenditures also exceed campaign contributions by a similar factor. On average, interest groups spend \$3.5 billion lobbying Congress annually; they spend only around \$750 million annually in campaign expenditures (de Figueirido & Richter, 2014). Education interest groups alone spent almost \$100 million lobbying Congress in 2017, and a total of \$2.1 billion in the past two decades. While this amount accounts for only 3.9 percent of the total lobbying expenditures across all industries, it still represents a massive investment in political activity among education interest groups. Despite the fact that lobbying plays such a key role in education interest group political activity, few researchers have examined the trends in expenditures and Congressional lobbying behavior within the education sector (Cook, 1998; de Figueiredo and Sliverman, 2006; Ferrin, 2003, 2005; Hannah, 1996; Parsons, 1997; Smith, 1993, 1995). In this research brief, we examine the trends in the number of interest groups lobbying Congress and the amount of money they spent lobbying for the past two decades.

Our data come from the Center for Responsive Politics (CRP). The CRP is a non-profit organization that maintains data on lobbying, campaign expenditures, and other political activity at the federal level. Federal law requires lobbyists quarterly to give a good-faith estimate of their expenditures. The CRP collects these estimates for each interest group, and sorts interest groups by industry. We focus on those interest groups the CRP has denoted as members of the education industry. The resulting panel dataset consists of every education interest group that disclosed lobbying expenditures in a given year from 1998 to 2017. We define an interest group as any organization or individual that spent money lobbying Congress at a level that requires reporting expenditures. The technical appendix presents a further discussion of our data collection methodology.

Table 1 shows the 25 education sector organizations that spent the most lobbying Congress over the past 20 years. It lists lobbying expenditures in CPI-adjusted 2018 U.S. dollars. The National Education Association spent around \$50 million in the past two decades. However, only two teachers' unions – the NEA and the American Federation of Teachers – make the top 25. In all, labor unions (including those not shown in the table) spent around \$90 million over the past twenty years.

For-profit universities spent double that amount. A total of 77 individual for-profit higher education institutions spent over \$183 million lobbying Congress since 1998. DeVry Inc., Career Education Corporation, Corinthian Colleges, Warburg Pincus, and the University of Phoenix's parent company, the Apollo Education Group spent a combined \$87 million.

Yet, *for-profit* higher education institutions are not the only postsecondary providers lobbying. In fact, the amount of money spent by for-profit higher education firms pales in comparison to that spent by *public* and *non-profit* universities. Private, non-profit institutions

spent a total of \$607 million over the past twenty years. Public colleges, universities, and systems spent \$676 million. When combining the expenditures of public, non-profit, and for-profit universities with community colleges, accrediting bodies, international universities and umbrella groups like the American Council on Education, higher education as a sector spent more than 10 times the amount spent by K-12 interest groups. They spent more than four times the rest of the education industry combined.

The trend of higher education interest groups as big spenders persists throughout the panel. Figure 1 shows the trends in the number of interest groups that lobbied in a given year on the left and the trends in amount spent by interest group type on the right, from 1998 to 2017; the underlying data are available in tables 1 and 2 of the technical appendix. In every year since 1998, higher education interest groups have accounted for at least 70 percent of the education interest groups that lobbied Congress. In only two years, 2007 and 2011, did higher education interest groups account for less than 80 percent of total education interest group lobbying expenditures. For comparison, K-12 education providers and labor unions accounted for between 5 and 9 percent of education sector lobbying expenditures from 1998 to 2017.

The number of interest groups lobbying Congress and total education industry expenditures generally rose from before beginning to decline in 2011. In 1998, 355 education interest groups spent \$52 million lobbying. By 2011, lobbying expenditures and the number of interest groups lobbying had risen over two-and-a-half times to almost \$141 million and 981 interest groups. By 2017, however, the number of interest groups and the amount they spent had declined precipitously across all interest group types. In all, higher education interest groups reduced their spending by around 33 percent from 2011 to 2017. K-12 interest groups cut their lobbying expenditures in half.

The decline in spending and the number of interest groups lobbying could be the result of changes in Congressional productivity. Figure 2 shows the number of bills passed by each Congress since 1998, along with party control of Congress and the Presidency. Congressional productivity – as measured by the number of bills passed in Congress – is in a general state of decline. In fact, the 115th Congress is on pace to be the least productive Congress since the end of World War II, with only 277 bills passed since January 2017. Interest groups may have reduced their lobbying activity due to the lack of Congressional productivity. Lobbyists attempt to gain favor for, or limit harm to their clients through legislation. There is little sense in lobbying a Congress that fails to legislate.

The end of earmarks may also have contributed to the decline in the number of interest groups lobbying and their expenditures. Earmarks are direct funding appropriated to interest groups by Congress, without the use of a competitive grant-making process. In 2010, the Democrat-led House of Representatives eliminated earmarks for the for-profit sector in 2010. Republicans banned their use for non-profit and public institutions, when they took control of the House a year later. Previous research has argued that the exclusive goal of lobbying expenditures for most colleges and universities is to earn earmarks (de Figuereido and Silverman, 2006). Without the possibility of receiving earmarks, education interest groups may have allocated their advocacy budget elsewhere. Further research is required to determine definitively the reasons education interest groups reduced their Congressional lobbying activity and expenditures.

We recognize that while the CRP data make this analysis possible, they also carry a major limitation. Lobbying firms that spend less than \$3,000 for a given client in a quarter do not have to report their lobbying expenditures for that client to Congress. Organizations that spend less than \$12,500 in a quarter lobbying on their own behalf likewise do not have to report their

expenditures. The CRP data rely on Congressional lobbying expenditure reports and therefore likely underreport the actual total of lobbying expenditures within the sector and interest groups lobbying Congress. Still, these data provide the best available estimate of lobbying expenditures within the education industry.

While popular media sources give much attention to for-profit higher education organizations and K-12 education interest groups like teachers' unions, public and non-profit postsecondary quietly - and expensively - lobby Congress (Ackley, 2018; Kelderman, 2017; Kriegbaum, 2018). This finding does not align with the focus of scholarly research on the subject of Congressional lobbying for education, with a relatively small amount of research dedicated to federal lobbying by higher education institutions (Cook, 1998; de Figueredo and Silverman, 2006; Ferrin, 2003, 2005). Furthermore, while our analysis can shed light on their lobbying expenditures over time, the goals of Congressional education interest group lobbyists and the tactics they use are largely understudied (Ferrin, 2003, 2005). The literature on the subject is in need of updating, especially considering dramatic changes in Congressional productivity and appropriations processes over the past few years. Further research should consider the behavior of educational interest groups in Congress.

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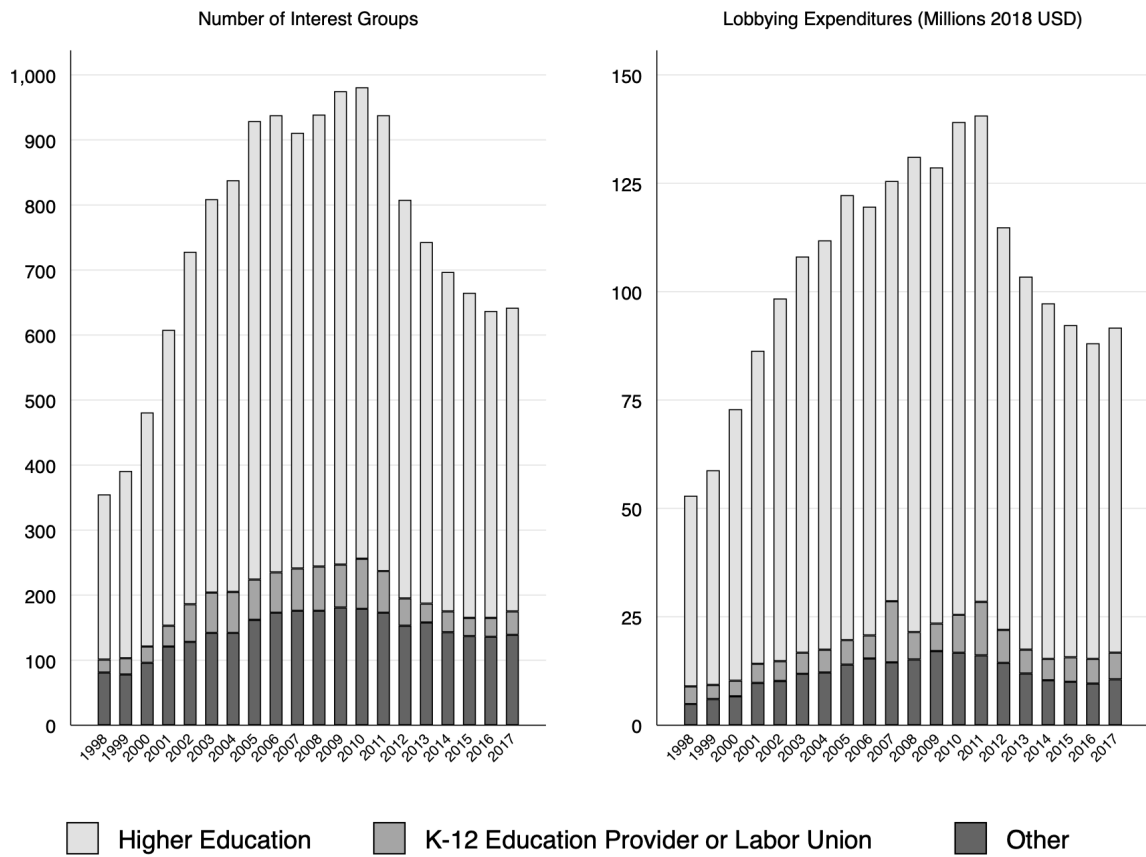
Figures and Tables

Table 1: Top 25 Education Interest Groups by Lobbying Expenditures, 1998 – 2017

<i>Rank</i>	<i>Name</i>	<i>Category</i>	<i>Total Expenditures</i>
1	National Education Association	Teacher Union	\$50,352,227
2	Apollo Education Group	For-Profit College or University	\$33,875,087
3	Association of American Medical Colleges	Non-Profit Organization	\$33,357,619
4	State University of New York	Public University System	\$25,925,825
5	American Federation of Teachers	Teacher Union	\$22,939,651
6	California State University	Public University System	\$22,117,806
7	Johns Hopkins University	Private University	\$20,124,202
8	Boston University	Private University	\$19,617,863
9	Warburg Pincus	Private Equity Firm	\$16,897,968
10	Corinthian Colleges	For Profit College or University	\$16,736,928
11	University of California	Public University System	\$16,736,543
12	New York University	Private University	\$15,393,765
13	Harvard University	Private University	\$14,656,636
14	University of Massachusetts	Public University System	\$13,912,430
15	Columbia University	Private University	\$13,217,499
16	Northwestern University	Private University	\$12,904,688
17	Texas A&M University	Public University System	\$12,773,498
18	University of Texas	Public University System	\$12,684,716
19	University of Colorado	Public University System	\$12,363,371
20	Wake Forest University	Private University	\$12,046,427
21	University of Pennsylvania	Private University	\$11,949,105
22	Yale University	Private University	\$11,650,650
23	University of Miami	Private University	\$11,260,967
24	University of Southern California	Private University	\$10,727,740
25	Purdue University	Public University System	\$10,452,369

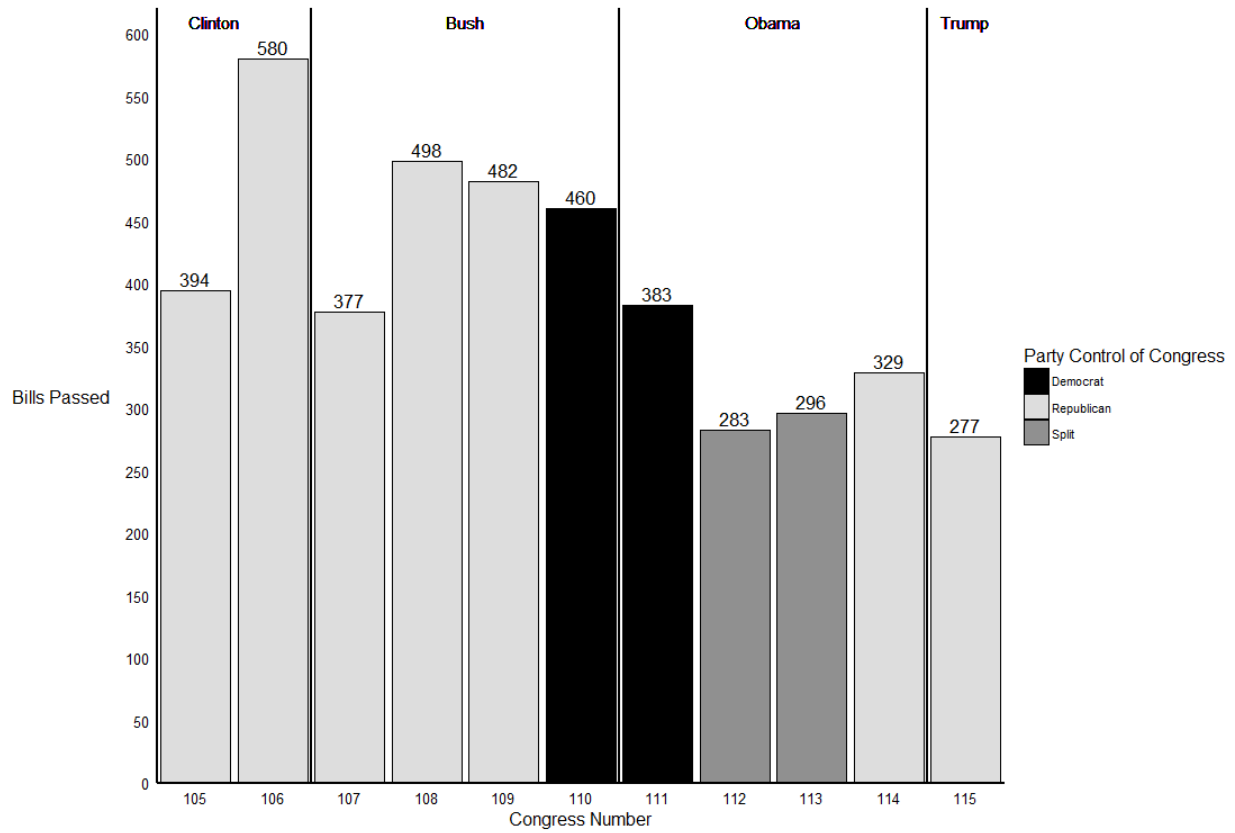
Notes: Data come from the Center for Responsive Politics lobbying expenditure dataset at *opensecrets.org*. Total expenditures represent the CPI-adjusted sum total of lobbying expenditures in 2018 USD. Warburg Pincus is a private equity firm that has heavily invested in for-profit higher education. The Association of American Medical Colleges administers the Medical College Admission Test and owns and operates the American Medical College Application Service which facilitates students applying to medical schools. It also operates the Electronic Residency Application Service which matches medical school graduates with residency programs. The remaining 23 interest groups are labor unions or public, non-profit, or for-profit universities or university systems.

Figure 1: Trends in Education Interest Group Lobbying, 1998 - 2017



Data Source: Center for Responsive Politics, *opensecrets.org*

Figure 2: Congressional Productivity in Decline, 105th - 115th Congresses



Data Source: Library of Congress, *congress.gov*

Technical Appendix

Lobbying Expenditure Data

The lobbying data compiled by the Center for Responsive Politics comes from the lobbying disclosure reports interest groups must file quarterly with the Secretary of the Senate and Clerk of the House of Representatives. Interest groups must provide a good-faith estimate of their lobbying expenditures rounded to the nearest \$10,000 on the 20th of January, April, July, and October.

Two different types of lobbyists – in-house lobbyists and K-street lobbyists - have two different reporting requirements. In-house lobbyists are under the employ of interest groups, and within their organizational structure. They must report any expenditures of at least \$12,500 per quarter. Any in-house lobbyists that spend less than \$12,500 per quarter do not have to report. The Center Center for Responsive Politics does not attempt to find those expenditures and treats them as zero. K-street lobbyists are employees of lobbying, law, or accounting firms and are contracted by interest groups for their expertise. K-street lobbyists – named after the street in Washington on which many lobbying firms are located – must report all lobbying expenditures over \$3,000 for each client every quarter.

It is possible, therefore, that in one year an in-house lobbyist for an interest group could spend up to \$49,996 (\$12,499 per quarter for four quarters) and not report that expenditure. That same interest group could hire a K-street lobbyist for up to \$11,996 (\$2,999 per quarter for four quarters) and not report a lobbying expenditure. Under that scenario, an interest group could spend \$61,992 lobbying in a year and not have to report lobbying expenditures for that year. While this certainly represents a limitation of the data, we have no reason to believe lobbyists undertake this behavior due to the steep penalties that could happen if a lobbyist accidentally

exceeded their expenditures or failed to put forth a good-faith effort to report applicable expenditures. *The Lobbying Disclosure Act of 1995* (LDA) sets forth a \$200,000 penalty for each lobbying disclosure violation. “Corrupt” violations may carry a penalty of up to five years of jail time.

There are three processes for filing lobbying expenditure disclosures as set out in the LDA and the Internal Revenue Code (IRC). Different processes apply to different organizations. Filers following the LDA processes have a narrower list of behaviors that count as lobbying, and thus may have inflated lobbying expenditures when compared to those required to report expenditures by the IRC.

The Center for Responsive politics collects all lobbying disclosure data as reported to the Secretary of the Senate. When the Center compiles the data, it sums the expenditures reported by K-street lobbying firms with the in-house lobbying disclosures for each quarter, then sums the total for each year. It then categorizes lobbying expenditures by industry. The data for this research brief represent the lobbying expenditures for all interest groups deemed by the Center for Responsive Politics as part of the education industry.

Once collecting all education-related industry interest groups from the Center, the authors classified each organization into smaller subgroups of the following categories:

- Accrediting Body
- Community College System*
- Counties/Municipalities
- For-Profit University or System*
- General Education-Related Client
- Higher Education Umbrella Group or Professional Association*
- Individual Contributor
- International University*
- K-12 District or School^
- Labor (Teachers’) Union^
- Lobbying Non-profit
- Non-profit Organization
- Online Platform
- Other Professional Association
- Private University or College*
- Public University, College, or System*
- State
- Testing Company

We then classified the subcategories into broader groups of higher education interest groups, K-12 interest groups, and other education interest groups. Subcategories with asterisks make up higher education interest groups, and subcategories with carets make up K-12 interest groups. All other subcategories fall into the “other” category. It is possible that interest groups in our “other category” may engage in either the K-12 or Higher Education sectors. Furthermore, some teachers’ unions like the National Education Association have higher-education-related members, such as graduate students or workers. We did not account for this in our classification system, and associate all but one education-related labor union in the K-12 interest group category. We included American Association of University Professors with Higher Education Professional Associations rather than labor unions in order to ensure its placement among higher education interest groups. Data by year for subcategories and categories listed in appendix tables 1 and 2.

Congressional Productivity Data

Congressional productivity data come from the Library of Congress’s “congress.gov” online legislative database. We collected the number of bills passed in Congress for every congress since the 105th Congress which began in 1997. We present bills passed totals by Congress not by year because Congress passes fewer laws in the second year of every Congress when compared to the first year. We acknowledge that the number of bills may not accurately represent Congressional productivity as the number of bills passed does not necessarily represent the amount of legislative change a Congress undertakes. For example, H.R. 1 and H.R. 1988 are both considered “one bill passed” in this dataset. The latter named a Bakersfield, CA Post Office after country musician Merle Haggard. H.R. 1 is colloquially known as the “Tax Cuts and Jobs Act” and resulted in a complete overhaul of the American tax system. We acknowledge this limitation.

Appendix Tables:

Appendix Table 1: Total Lobbying Expenditures, Number of Interest Groups by Category of Education Interest Group, 1998 – 2017

Lobbying C.	Year																				
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
General Educ	1.43	1.59	1.06	2.06	2.36	2.84	2.57	3.12	4.26	4.16	3.95	5.29	4.49	3.41	3.54	2.76	2.94	2.94	2.64	3.13	
Labor Union	3.08	2.47	3.05	2.94	2.58	2.97	2.93	3.16	3.33	12.44	3.13	3.75	5.69	10.45	6.26	4.40	4.06	4.15	4.51	4.75	
For-Profit U1	3.31	1.37	1.87	2.03	3.12	4.70	5.07	6.49	5.96	3.83	8.47	7.08	17.29	24.89	18.86	16.89	14.68	12.58	12.43	12.71	
International	0.49	0.59	0.70	0.66	0.72	1.08	0.52	0.82	1.07	0.60	0.88	0.71	0.62	0.39	0.41	0.50	0.62	0.57	0.88	0.77	
Community c	1.15	1.32	1.77	2.23	2.70	3.70	3.85	6.25	5.65	5.21	4.78	5.25	5.55	4.19	2.73	2.40	2.45	2.53	2.67	2.34	
Public Unive	11.30	12.97	15.27	19.50	23.07	25.99	29.24	30.74	29.09	33.44	33.29	33.44	33.10	30.56	28.37	26.44	23.94	23.18	21.79	22.11	
Private Univ	17.66	21.16	29.37	31.15	35.36	36.75	36.98	40.10	39.85	40.98	41.67	38.09	37.43	30.84	25.30	23.02	21.05	20.87	19.59	20.02	
K-12 District	0.98	0.79	0.56	1.45	1.98	1.92	2.32	2.49	1.99	1.66	3.17	2.59	3.05	1.89	1.33	1.10	0.87	1.51	1.20	1.41	
Accrediting E	0.06	0.06	0.03	0.00	0.07	0.27	0.34	0.38	0.35	0.43	0.39	0.28	0.42	0.36	0.26	0.18	0.14	0.09	0.32	0.24	
Higher Educ	4.97	6.74	6.76	7.49	7.90	8.31	8.56	8.31	7.88	8.21	8.78	8.64	7.88	11.00	9.15	9.16	12.39	10.44	9.19	10.78	
Testing Conpl	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Online Platfo	0.06	0.00	0.17	0.27	0.08	0.11	0.48	0.69	0.46	0.43	0.48	0.54	0.76	0.61	0.13	0.13	0.13	0.32	0.47	0.59	
Other Profess	1.59	2.19	2.29	2.36	2.94	3.04	2.89	3.74	4.53	4.03	5.09	5.19	4.74	4.48	4.77	4.44	3.99	3.35	3.48	3.48	
Non-profit O	0.69	1.04	1.19	2.47	2.06	2.28	2.44	2.52	2.18	2.55	2.63	3.03	3.18	3.39	2.71	2.14	1.49	1.44	1.20	1.42	
Lobbying No	0.83	0.91	1.12	1.62	1.36	1.72	1.73	2.10	2.43	2.11	2.04	2.27	2.68	3.13	2.53	1.99	1.39	1.52	1.32	1.34	
Individual Cc	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Counites/Mtu	0.23	0.24	0.17	0.28	0.58	0.58	0.66	0.62	0.52	0.44	0.40	0.31	0.30	0.20	0.15	0.09	0.19	0.19	0.21	0.29	
State	3	4	3	5	6	6	6	7	5	5	5	5	5	6	3	4	4	4	5	6	
All Interest C	52.94	58.81	72.91	86.38	98.43	108.11	111.85	122.29	119.61	125.54	131.12	128.67	139.15	140.65	114.86	103.48	97.31	92.30	88.10	91.71	

Notes: Total expenditures by category for a given year CPI-adjusted and in 2018 U.S. dollars. Number of interest groups by category for a given year in parentheses.

Appendix Table 2: Total Lobbying Expenditures, Number of Interest Groups by Simplified Category of Education Interest Group, 1998 – 2017

Lobbying Category Simplified	Year																			
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Higher Education Interest Groups	43,990	49,519	62,632	72,221	83,663	91,375	94,427	102,666	98,901	96,938	109,641	106,224	113,687	112,195	92,878	86,054	82,004	76,629	72,791	74,973
K-12 Education Providers or Labor Unions	0.831	0.842	0.850	0.845	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844	0.844
Other Education Interest Groups	2.88	3.60	4.55	5.42	6.05	6.63	7.05	7.05	7.03	6.70	6.95	7.28	7.25	7.01	6.13	5.56	5.00	4.72	4.67	4.67
All Interest Groups	52.94	58.81	72.91	86.38	98.43	108.11	111.85	122.29	119.61	125.54	131.12	128.67	139.15	140.65	114.86	103.48	97.31	92.30	88.10	91.71

Notes: Total expenditures by category for a given year CPI-adjusted and in 2018 U.S. dollars. Number of interest groups by category for a given year in parentheses. Percent of total expenditures in braces. Percent of interest groups in braces.