

June 2011

# RACE TO THE TOP

## Reform Efforts Are Under Way and Information Sharing Could Be Improved



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## Why GAO Did This Study

In the American Recovery and Reinvestment Act of 2009, Congress required the U.S. Department of Education (Education) to make education reform grants to states. Education subsequently established the Race to the Top (RTT) grant fund and awarded almost \$4 billion to 12 states related to developing effective teachers and leaders, improving the lowest-achieving schools, expanding student data systems, and enhancing standards and assessments.

This report, prepared in response to a mandate in the act, addresses (1) actions states took to be competitive for RTT grants; (2) how grantees plan to use their grants and whether selected nongrantees have chosen to move forward with their reform plans; (3) what challenges, if any, have affected early implementation of states' reform efforts; and (4) Education's efforts to support and oversee states' use of RTT funds.

GAO analyzed RTT applications for 20 states, interviewed state officials, visited 4 grantee states, analyzed states' planned uses of grant funds, and interviewed Education officials.

## What GAO Recommends

GAO recommends that the Secretary of Education (1) facilitate information sharing among grantees on additional promising practices and (2) provide nongrant states with related information. Education agreed with the first recommendation and partially agreed with the second; GAO modified that recommendation to clarify how Education can provide that information to nongrant states.

View [GAO-11-658](#) or key components. For more information, contact George A. Scott at (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov).

# RACE TO THE TOP

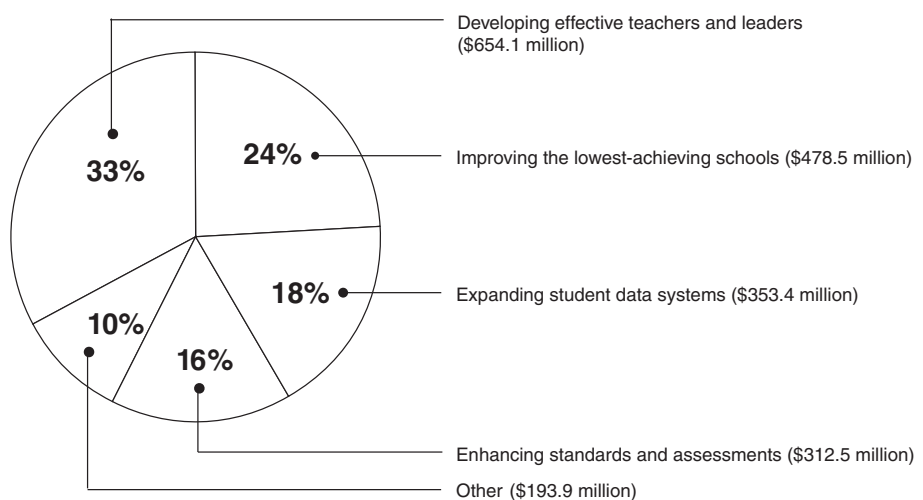
## Reform Efforts Are Under Way and Information Sharing Could Be Improved

### What GAO Found

State officials GAO interviewed said their states took a variety of actions to be competitive for RTT grants. Of the 20 states GAO interviewed, officials in 6 said their states undertook reforms, such as amending laws related to teacher evaluations, to be competitive for RTT. However, officials from 14 states said their reforms resulted from prior or ongoing efforts and were not made to be more competitive for RTT. While officials in all 20 states told us that applying for RTT took a significant amount of time and effort, several of them also said their state benefited from the planning that the application process required.

Grantees plan to use RTT grant funds to implement reforms in four areas. (See figure.) The largest percentage of state-level RTT funds will be used to increase the effectiveness of teachers and leaders. GAO interviewed officials in 8 nongrant states who said they expect to continue implementing parts of their RTT plans, though at a slower pace than if they had received a grant.

**Distribution of States' RTT Grant Budgets, by Reform Area**



Source: GAO analysis of states' approved RTT budgets.

Most grantee states have faced a variety of challenges, such as difficulty hiring qualified personnel, that have delayed implementation. As a result, as of June 2011, about 12 percent of first-year grant funds were spent, and some projects were delayed several months. Some state officials said they expect to spend more funds soon and may seek Education's approval to reallocate some first-year grant funds into later years.

Education has provided extensive support to grantee states and has begun monitoring. Education assigned a program officer to each state to assist with implementation and has developed ways for grantees to share information, such as hosting meetings on specific initiatives. Some officials from nongrant states said they would find this information useful, but they were generally unaware of these resources or were unable to access them.

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## Abbreviations

Education	U.S. Department of Education
ESEA	Elementary and Secondary Education Act of 1965
IES	Institute of Education Sciences
K-12	elementary and secondary
NCLBA	No Child Left Behind Act of 2001
Recovery Act	American Recovery and Reinvestment Act of 2009
RTT	Race to the Top
SFSF	State Fiscal Stabilization Fund

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**United States Government Accountability Office**  
Washington, DC 20548

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June 30, 2011

Report to Congressional Committees

The U.S. Department of Education (Education) established the \$4 billion Race to the Top (RTT) grant fund to encourage states to reform their elementary and secondary (K-12) education systems and to reward states that have improved student outcomes, such as high school graduation rates. RTT, referred to in the American Recovery and Reinvestment Act of 2009 (Recovery Act) as State Incentive Grants,<sup>1</sup> is the largest competitive grant fund ever administered by Education. RTT is also notable because it provides incentives for reform across multiple areas of K-12 education. Areas of reform include adopting standards and assessments that prepare students to succeed in college and the workplace and improving the lowest-achieving schools. Reforms similar to those in RTT are included in Education's proposal for reauthorizing the Elementary and Secondary Education Act of 1965 (ESEA); the proposal also includes other competitive grants as a way to drive innovation in K-12 education. In addition to Recovery Act funding already awarded, in fiscal year 2011, Education can award up to \$700 million in RTT grants to states with an emphasis on early childhood learning. The administration has proposed \$900 million for fiscal year 2012 for RTT grants to be made directly to school districts.

The Recovery Act requires GAO to evaluate the RTT grant fund.<sup>2</sup> This report, prepared in response to the requirement, examines (1) actions states took to be competitive for RTT grants; (2) how grantees plan to use their grants and whether selected nongrantees have chosen to move forward with their reform plans; (3) what challenges, if any, have affected early implementation of states' reform efforts; and (4) Education's efforts to support and oversee states' use of RTT funds.

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<sup>1</sup>Pub. L. No. 111-5, §14006, 123 Stat. 115, 283.

<sup>2</sup>Pub. L. No. 111-5, §14009, 123 Stat. 115, 285 (2009). The mandate requires GAO to evaluate the programs under sections 14006 and 14007 of the Recovery Act. These programs include not only the RTT grant fund, which is the subject of this report, but also the RTT Assessment Program (a separate grant fund created by Education) and the Innovation fund. GAO plans to evaluate these additional programs in the future.

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Because our review was conducted primarily during the first year of the 4-year grant period, we focused on states' experiences during the application process, their initial efforts to implement reform activities, and their plans for the next several years. We analyzed RTT applications for 20 of the 47 states that applied for RTT grants in the first, second, or both phases of the RTT grant competition: the 12 states (including the District of Columbia)<sup>3</sup> that received the grants and 8 selected states that did not receive grants. We interviewed officials in these 20 states about their efforts to apply for the RTT grant. In addition, we selected 4 grantee states—Delaware, New York, Ohio, and Tennessee—for in-depth data collection; we conducted site visits to those states and a total of 12 of their school districts.<sup>4</sup> During these visits, we interviewed officials in states and districts about their planned uses for RTT grant funds, their perspectives on the benefits of their planned uses, challenges they have experienced in beginning to implement grant activities, and support provided by Education. We also reviewed relevant federal laws, regulations, and guidance and interviewed Education officials. See appendix I for a more detailed description of our scope and methodology.

We conducted this performance audit from April 2010 to June 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>3</sup>Throughout this report, we identify the District of Columbia as a state.

<sup>4</sup>We use the term school districts to refer to local educational agencies.

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## Background

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### Education Reform Areas and Application Criteria

As part of the Recovery Act's State Fiscal Stabilization Fund (SFSF), Congress required Education to make grants to states that reform their education systems. Education subsequently created the RTT grant fund<sup>5</sup> and gave states the opportunity to compete for grants based on reforms specified in the act:

1. recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most;
2. turning around states' lowest-achieving schools, which can include interventions such as replacing school staff, converting the school into a charter school, or closing the school;
3. building data systems that measure student growth and success and inform teachers and principals about how they can improve instruction; and
4. adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy.

Based mostly on these reform areas, Education identified 19 primary criteria—such as adopting common content standards or using performance data to improve teacher effectiveness—to guide the selection of states to receive the grants. Education divided the criteria into two groups: (1) “reform conditions criteria,” referring to the state’s history of and current status in implementing reforms and (2) “reform plan criteria,” referring to the state’s plans to implement new reforms. States were required to provide a narrative response for each criterion and provide performance measures and other information for selected criteria. The applications also had to include budgets and timelines for implementing certain proposed reform efforts. In short, states were to provide

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<sup>5</sup>In the Recovery Act, Congress authorized funds for the RTT and Investing in Innovation grant funds. Grants awarded through the RTT and two related programs (the RTT Assessment Program and the Investing in Innovation funds) total almost \$5 billion, to be spent over multiple years. Appendix II provides a description of these grant programs and a summary of their award amounts. By comparison, the federal government spent about \$48 billion on K-12 education programs in the 2007-2008 school year alone (the most recent data available).

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information not only on the extent of their experiences implementing reforms in these areas, but also on their plans for moving forward.

In addition, states could demonstrate that a sufficient number of their school districts were committed to participating in their RTT reform plans by having a memorandum of understanding signed by district superintendents, school board presidents, and local union representatives.<sup>6</sup> The Recovery Act requires that districts in each grantee state must receive at least 50 percent of the state's total grant,<sup>7</sup> and, according to Education, only participating districts receive these funds. States could also describe how they would work with participating districts to use RTT funds to improve student outcomes, such as increasing the rates at which students who graduate from high school are prepared for college and careers. See appendix III for more information on the criteria used to help select states for grant awards.<sup>8</sup>

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## RTT Grant Application Process and Awards

Education conducted the RTT grant competition in two phases. Education issued proposed requirements for the RTT grant fund in July 2009, and in November 2009, the department issued final requirements and a notice inviting state governors to apply for Phase 1 of the grant.<sup>9</sup> For a state to have been eligible to receive an RTT grant, Education must have previously approved the state's applications in both rounds of SFSF grant awards.<sup>10</sup> In addition, at the time they submitted their RTT applications,

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<sup>6</sup>Within grantee states, school districts that are not receiving RTT grants may work with the state to implement specific portions of the RTT plan that are being implemented statewide, such as academic content standards. States vary in terms of the proportion of their districts that are receiving RTT funds. In Delaware and Tennessee, all school districts are receiving RTT funds, compared with 86 percent of school districts in New York and about half of the districts in Ohio.

<sup>7</sup>Pub. L. No. 111-5, §14006(c), 123 Stat. 115, 284 (2009).

<sup>8</sup>For a discussion of the criteria, see 74 *Fed. Reg.* 59,688 (Nov. 18, 2009).

<sup>9</sup>The proposed requirements can be found in 74 *Fed. Reg.* 37,804 (July 29, 2009). The final requirements and notice inviting applications can be found in 74 *Fed. Reg.* 59,688 and 59,836 (Nov. 18, 2009), respectively.

<sup>10</sup>The Recovery Act provided \$53.6 billion (including funds for RTT grants) in appropriations for SFSF to be administered by Education. The act specifies that most of the funds were to be distributed to states to support education programs. To receive SFSF awards, each state had to assure it would, among other things, maintain state support for education at least at 2006 levels and make progress in the same four areas of education reform emphasized under the RTT program.



states could not have any legal, statutory, or regulatory barriers to linking data on student achievement or growth to teachers and principals for evaluation purposes. States had the option to apply in either phase of the competition but were only able to reapply in Phase 2 if they did not receive a grant in Phase 1.

Forty-one states applied for RTT funds in Phase 1 of the competition, and all applications were reviewed and scored by external reviewers using Education’s grant award criteria.<sup>11</sup> Sixteen states passed the initial review and were deemed “finalists” for the grants. In March 2010, Education announced that Delaware and Tennessee would receive grants of approximately \$100 million and \$500 million, respectively. Education posted all Phase 1 applications and reviewers’ scores and comments on its Web site. In April 2010, Education issued a notice inviting applications for Phase 2 of the RTT grant competition, and in August, Education announced that 10 states received Phase 2 RTT grants ranging from \$75 million to \$700 million. (Education was required to award all RTT grant funds by Sept. 30, 2010.) The size of each state’s award was based in part on the size of the state, among other factors. Table 1 lists RTT grantees and their award amounts. As in Phase 1, all applications and reviewers’ scores and comments were posted on Education’s Web site.

**Table 1: Race to the Top Grant Awards, by Phase and Amount Awarded**

Dollars in millions

State	Total amount awarded	State grant	School district subgrants
<b>Phase 1</b>			
Tennessee	501	250	250
Delaware	119	60	60
<b>Phase 2</b>			
Florida	700	350	350

<sup>11</sup>At Education’s invitation, over 1,500 prospective reviewers applied or were nominated to review RTT applications, and Education ultimately chose 58 reviewers. Education’s Inspector General conducted a review of Education’s process for screening and selecting external reviewers of Phase 1 RTT applications. The report found that the department’s process was generally appropriate but recommended the department improve the timeliness with which it verifies eligibility of reviewers in order to ensure the integrity of the review process. See U.S. Department of Education, Office of Inspector General, *The Department’s Process for Screening and Selecting Peer Reviewers for the Race to the Top Grant Program* (August 2010). ED-OIG/A19K0006.

State	Total amount awarded	State grant	School district subgrants
New York	697	348	348
Georgia	400	200	200
Ohio	400	194	206
North Carolina	399	199	200
Maryland	250	125	125
Massachusetts	250	125	125
District of Columbia <sup>a</sup>	75	33	42
Hawaii <sup>b</sup>	75	75	0
Rhode Island	75	38	38
<b>Total</b>	<b>3,941</b>	<b>1,997</b>	<b>1,944</b>

Source: Education.

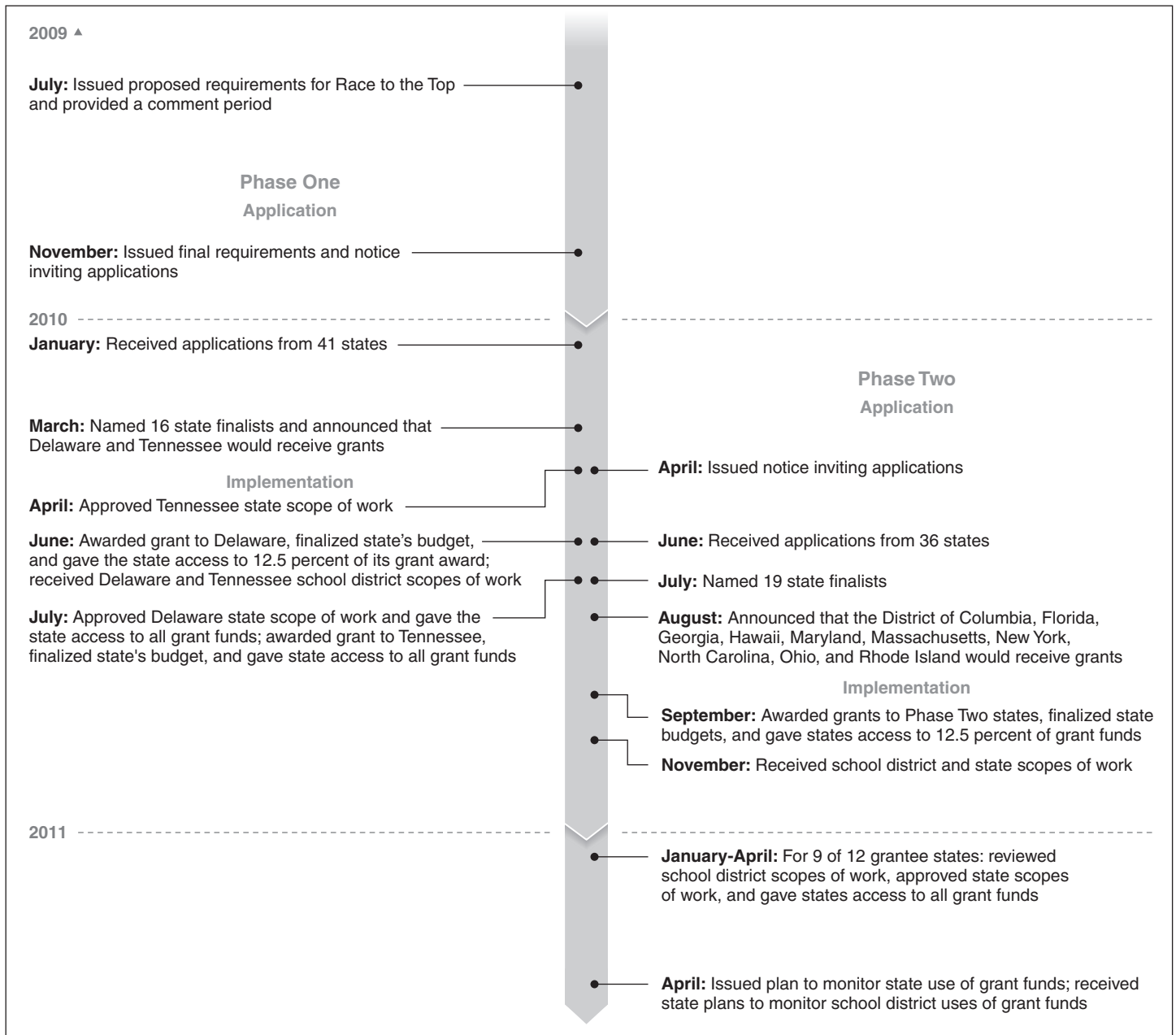
Notes: Because of rounding, state and school district funds do not sum to the total amount awarded in some states.

<sup>a</sup>In addition to the District of Columbia public school system, the District of Columbia has 31 charter schools that operate as independent school districts participating in its reform plan. The Office of the State Superintendent of Education, created in 2007 as the state education agency for the District of Columbia, administers RTT throughout the District. This office subgrants RTT funds to the District of Columbia public school system and to the participating charter schools.

<sup>b</sup>Because the Hawaii Department of Education serves as both the state educational agency and the state's only local educational agency, the approved grant budget for Hawaii does not have funds for participating school districts.

Following Education's announcement of grant recipients, states were given access to 12.5 percent of their award. This amount is approximately equal to the state portion of the first year grant amount for state-level activities only. To receive the rest of their grant funds, states had to submit, and the department had to approve, documents known as scopes of work, which were more streamlined implementation plans that updated and aligned timelines and budgets in the states' approved applications. Education also required states to submit scopes of work from each of their participating school districts 90 days after the grants were awarded. Education reviewed and approved the state scopes of work and also reviewed the extent to which district scopes of work aligned with their respective state's plans. Education granted states access to grant funds on a rolling basis as they approved their key documents. (See fig. 1 for a timeline of key RTT grant activities to date.)

**Figure 1: Race to the Top Grant Timeline—Education’s Actions to Facilitate States’ Efforts to Apply for Grants and Begin Implementation**



Source: GAO analysis of Education RTT documents.

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## Additional Grant Requirements, Monitoring, and Evaluation

Grantee states must meet additional requirements throughout the 4-year RTT grant period. Grantees must obligate all funds by the end of their 4-year grant period and must liquidate all obligations no later than 90 days after their grant term ends. Education, however, may grant extensions for states beyond the 90 days on a case-by-case basis. Any funds not obligated and liquidated by September 30, 2015, will revert to the U.S. Treasury, according to Education officials. Also, Education required RTT grantee states, school districts, and schools to identify and share promising practices—with the federal government and the public—that result from implementing RTT projects. This requirement includes making RTT data available to stakeholders and researchers and publicizing the results of any voluntary evaluations they conduct of their funded activities.

Education's policy is to monitor grantee states to ensure they meet their goals, timelines, budgets and annual targets, and fulfill other applicable requirements. According to Education officials, the department's monitoring plan for states emphasizes program outcomes and quality of implementation, while also ensuring compliance with RTT program requirements. They said the monitoring process for RTT grantees builds on the process that the department uses to monitor all discretionary grants. This process includes, among other things, (1) establishing working partnerships with grantees in order to effectively administer and monitor awards, (2) reviewing and approving administrative changes to grants, (3) monitoring projects for performance and financial compliance, (4) providing technical assistance and feedback to grantees on their progress, and (5) reviewing final outcomes and disseminating information about successful results. In addition, Education requires states to monitor how school districts use RTT funds.

Education's Institute of Education Sciences (IES) is conducting a series of national evaluations of RTT state grantees as part of its evaluation of programs funded under the Recovery Act. In September 2010, IES awarded two contracts to evaluate RTT implementation, outcomes, and impacts on student achievement. One evaluation will examine multiple Recovery Act programs, including RTT, and the other evaluation will focus on RTT and the School Improvement Grants program. Several briefs and reports are expected from these studies and, according to Education, the first one may be available in the summer of 2011.

## States Reported Taking a Variety of Actions and Investing Considerable Resources to Be Competitive for Race to the Top Grants

Officials in 6 of the states we interviewed—including 2 states that received an RTT grant and 4 states that did not receive one—reported making policy changes to reform their education systems in order to be more competitive for RTT. Those policy changes included new state legislation and formal decisions made by executive branch entities, such as the governor or state board of education (see table 2). For example, New York officials told us that their state enacted several new education reform laws to be competitive for RTT, including a law that allows school districts to partner with state-approved organizations to manage their lowest-achieving schools. California officials also told us that their state passed several laws to be competitive for RTT. California’s Governor called a special session of the legislature, during which it passed a variety of laws—such as adopting the Common Core State Standards and repealing an existing law that prohibited the use of student achievement data in decisions such as setting a teacher’s pay or deciding whether a teacher should be promoted.

**Table 2: Reported Policy Changes States Took to Be More Competitive for Race to the Top**

Policy change	CA	IL	LA	ME	NY	NC
Adopted new academic standards and joined a multistate assessment consortia	•					
Expanded or linked student data systems	•				•	
Removed prohibition of linking student and teacher data for teacher evaluations	•			•		
Required teacher or principal evaluations be based on student academic growth		•	•		•	
Increased the state’s ability to improve its lowest-achieving schools	•		•		•	•

Source: GAO summary of interviews with selected states.

In contrast, officials in the other 14 states we interviewed said that their states made education policy changes during the RTT application period, but those changes were not made specifically to be competitive for an RTT grant. State officials explained that the changes their state made reflected the culmination of education reform efforts that began prior to the RTT competition.<sup>12</sup> For example, Ohio enacted legislation in 2009 that required

<sup>12</sup>For example, in 2009, 49 states and territories joined the Common Core State Standards Initiative. This effort, led by the states through the Council of Chief State School Officers and the National Governors Association, established a single set of academic standards for English-language arts and mathematics that states can voluntarily adopt and share.

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the state to set more challenging statewide academic standards, created new ways for teachers to earn their teacher's license, and required college readiness examinations for high school students. Ohio officials said that the legislation was introduced before RTT was announced and was not an action that Ohio took to be competitive for the grant. However, they also told us that RTT being aligned with existing state policies influenced their decision to apply for the grant. Arizona officials told us that their state enacted legislation in 2010 that required a variety of changes to their K-12 education system. These changes included developing a new teacher evaluation system based on growth in student achievement and establishing a commission to set guidelines for student data collection and reporting. Arizona officials said these legislative changes would have been made regardless of RTT.

In addition to making policy changes, officials in all 20 states we interviewed said they conducted outreach to a variety of stakeholders—including school district officials, state legislators, and representatives from the business community—to build support for the state's RTT application. To demonstrate a state's ability to implement reforms statewide, the RTT application allowed states to submit signed memoranda from school districts that agreed with the state's reform plans. Officials in 10 states—4 grantee states and 6 nongranter states—told us they made significant efforts to secure the participation of their school districts. For example, officials in Ohio—a state with over 1,000 school districts (including more than 300 charter school districts)—said they met with district leadership, traveled to districts for in-person meetings, and attended teacher union meetings and training sessions on RTT to build consensus around the reforms. In addition, officials in all 20 states we interviewed told us they held meetings with education stakeholder groups, such as state legislators, and members of the business community to discuss the state's education reform plan and stakeholder roles in it. States received letters of support from many organizations and state legislators for their applications. For example, Pennsylvania reported receiving over 270 letters of support for its Phase 2 RTT application from a wide variety of individuals and groups, including some elected officials, teacher unions, and businesses.

Officials in the 20 states we interviewed also told us that applying for RTT required a significant amount of time and effort. Many officials we interviewed estimated spending thousands of hours to prepare the RTT application; however, they generally did not track the total costs associated with their efforts. One state official estimated that her state spent at least 4,000 hours preparing their RTT application. Also, all 20

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states we interviewed received grants to hire consultants who helped prepare the RTT applications. For example, the Bill and Melinda Gates Foundation reported funding technical assistance providers who assisted 25 states in developing their RTT applications.<sup>13</sup> Each of these 25 states, including 14 of the 20 we interviewed, received consulting services worth \$250,000 with these funds. With grants such as these, states hired consultants who provided a range of services, including drafting material for the application and conducting background research and analysis. State officials told us that consulting firms received between \$75,000 and \$620,000 for their services. According to Education officials, states commonly receive external support to apply for federal grants, such as the Teacher Incentive Fund,<sup>14</sup> in an effort to leverage their resources more effectively. However, Education officials also explained that the RTT competition was more comprehensive in scope than other federal discretionary grants, which may have prompted states to seek out a greater level of external support. Many state officials reported that high-level staff from multiple state offices helped prepare the application. For example, officials in North Carolina told us that the State Superintendent of Public Instruction and the Chairman of the State Board of Education led the team that wrote the state's application and that the Governor presented part of the state's application to a group of peer reviewers during the application review process. While state officials told us that they had to invest a significant amount of time and effort in applying for RTT, several officials in both grantee and nongranatee states also noted that their state benefited from the collaboration and comprehensive planning that the RTT application process required.

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<sup>13</sup>The 25 states are Alabama, Arizona, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Georgia, Illinois, Iowa, Kentucky, Louisiana, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Texas, West Virginia, and Wisconsin.

<sup>14</sup>Through the Teacher Incentive Fund, Education awards competitive grants to states and school districts to support efforts to develop and implement performance-based teacher and principal compensation systems in high-need schools.

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## Grantees Plan to Implement a Variety of Reforms and Selected Nongrantees Will Continue Some Reforms but at a Slower Pace

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### Grantee States Plan to Use the Largest Share of Their Funds to Increase Teacher Effectiveness

Education awarded over \$3.9 billion in RTT grants to states that implement reforms in four areas: (1) developing effective teachers and leaders, (2) improving the lowest-achieving schools, (3) expanding student data systems, and (4) enhancing standards and assessments.<sup>15</sup> States collectively plan to use the largest share of their \$2 billion in RTT funds—nearly one-third, or \$654.1 million—to improve the effectiveness of teachers and leaders. States plan to use the next largest share—nearly one-quarter, or \$478.5 million—to turn around their lowest-achieving schools. The remaining funds will be spent in multiple areas in their reform plans. Officials from several states said that RTT funds will allow them to implement reforms more quickly, to serve a greater number of students, or to leverage related federal grants, such as those awarded through the Statewide Longitudinal Data Systems Grant program,<sup>16</sup> to implement their reforms. See figure 2 for the distribution of RTT funds between states and school districts and, for states, by primary reform area.

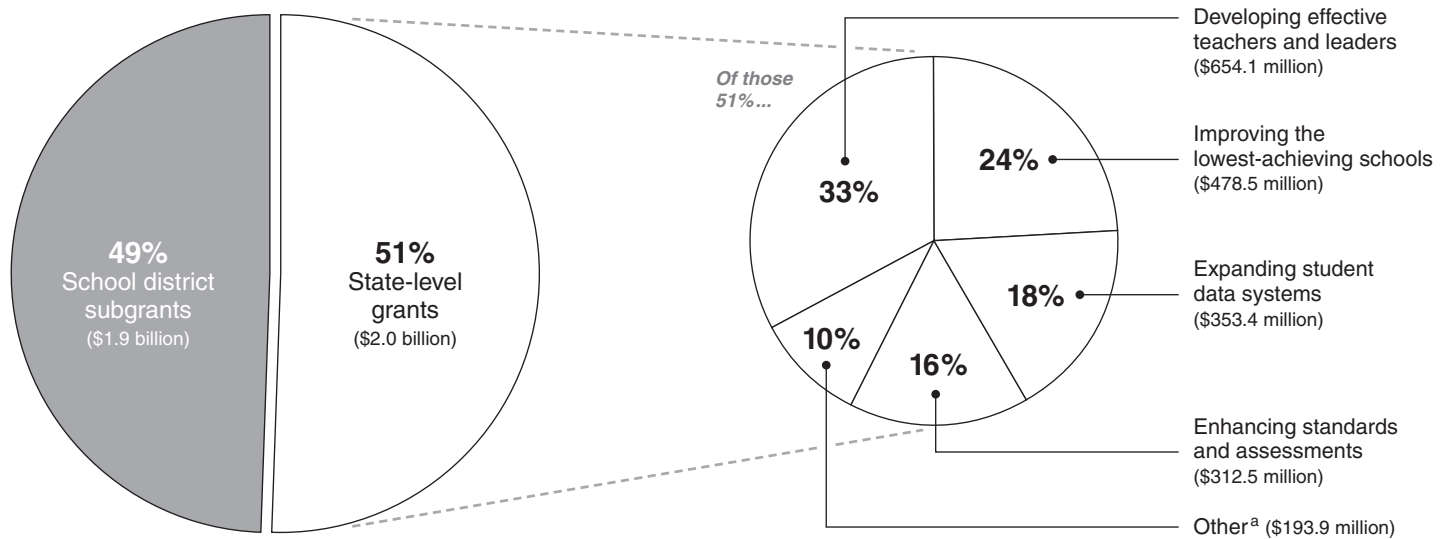
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<sup>15</sup>The Recovery Act required states to use at least 50 percent of their RTT grants to make subgrants to school districts based on the district's relative share of ESEA Title I, Part A allocations for the most recent year. Approximately 2,000 school districts in the 12 RTT grantee states are participating in their state's RTT plan and will receive subgrants.

<sup>16</sup>Through its Statewide Longitudinal Data Systems Grant Program, Education awards competitive grants to states to develop data systems that track student progress over time, based on individual student records.



**Figure 2: Distribution of RTT Grant Budgets**



Source: GAO analysis of states' approved RTT budgets.

Notes: We did not analyze school district spending because it was outside the scope of our review. However, Education officials told us that they reviewed school district scopes of work to ensure that they aligned with their state's RTT plans.

School district subgrants total to 49 percent because the Hawaii Department of Education serves as both the state education agency and the state's only local educational agency; therefore, the state's approved grant budget does not have funds for participating school districts.

<sup>a</sup>Other includes funds used for charter schools and funds used in multiple areas.

## Developing Effective Teachers and Leaders

Several states and selected school districts plan to implement one or more of three activities under the teachers and leaders reform area, including (1) training teachers to use student performance data to improve their instruction, (2) developing systems to evaluate teacher and principal effectiveness, and (3) providing professional development to improve the skills of incoming and current teachers and school leaders.<sup>17</sup> The following examples illustrate planned uses of RTT funds for these activities:

- **Training teachers to use student performance data to improve instruction.** Delaware plans to spend about \$7 million to hire 29 data

<sup>17</sup>States included some activities, such as professional development, in more than one reform area. We report the implementation of activities consistent with how states organized them in their RTT applications.

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coaches to work with small groups of teachers to improve instruction using student performance data. These teachers will use technology-based tools called instructional improvement systems<sup>18</sup> to guide them through this process. Under Delaware's new academic assessment system, teachers will be able to make instructional changes with real-time data from student assessments that will be administered several times a year. Delaware state officials said that RTT will provide funds for data coaches in schools with limited numbers of high-need students and that they would not be able to provide these resources without the funds. (Prior to RTT, the state had been using data coaches in schools with the greatest number of high-need students.) According to Delaware state officials, the first five coaches were scheduled to start working with teachers as a pilot program in March 2011 in five districts, and by July 2011 each school in the state will have access to a data coach for two full school years. After 2 years, state officials expect that data coaches will have built enough capacity in each school district, so that district leaders can independently provide support to teachers in using the data.

- **Developing systems to evaluate teacher and principal effectiveness.** New York plans to spend approximately \$2.6 million to develop and adopt a new value-added student growth model, which will measure annual changes in individual student academic performance and tie the performance to teacher evaluations. According to state officials and their RTT application, a new state law requires all classroom teachers and principals to be evaluated based in part on student data, which will include assessment results and other measures of achievement. The law also establishes annual teacher evaluations as a significant factor for employment decisions such as promotion and retention.
- **Providing professional development to improve the skills of incoming and current teachers and school leaders.** North Carolina plans to spend approximately \$37 million on professional development. The state plans to work with contractors with expertise in professional development and information technology to develop, maintain, and

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<sup>18</sup>Instructional improvement systems are technology-based tools and other strategies that provide teachers, principals, and administrators with support and data to manage continuous instructional improvement. These systems include activities such as instructional planning and using information for instructional decision-making. They may also incorporate other types of data, such as attendance, discipline, and grades. For more information on instructional improvement systems, see 74 *Fed. Reg.* 59,688, 59,805 (Nov. 18, 2009).

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support Web-based training on the transition to the new standards, analyzing student data, and using an instructional improvement system. North Carolina officials plan to develop training in the coming months and complete it by October 2013. According to North Carolina state officials, Web-based training will eventually be available in every school district and will help ensure that professional development materials are consistent. These officials told us that without RTT funds, they would not have been able to provide this training in every district. In addition, the state plans to spend \$18.6 million to create Regional Leadership Academies that, according to North Carolina state officials, are a major part of their professional development plan. These academies will recruit and prepare principals to serve in and improve the state's lowest-achieving schools.

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## Improving the Lowest-Achieving Schools

Several states plan to use RTT funds to give the state more authority to turn around their lowest-achieving schools, provide additional resources to those schools, or both. In particular, officials we spoke with in Tennessee are creating a statewide school district (governed by the state), and officials in Delaware, Massachusetts, and New York are working with external partners to improve their lowest-achieving schools. The states plan to provide these districts with additional resources and more flexibility in how they operate. For example, Tennessee plans to use approximately \$45.6 million to create a new entity known as the "Achievement School District" to improve the state's persistently lowest-achieving schools. According to the state's application, to be selected for the new state-run district, schools must be (1) persistently low-achieving, as defined by the state, and (2) have attempted to restructure for at least 1 year in accordance with the state's accountability plan under ESEA.<sup>19</sup> The state will remove selected schools from governance by their home districts and appoint a district superintendent to oversee the schools. Also, Tennessee will work with consultants to determine which one of the four intervention models outlined in the RTT application—turnaround, restart, closure, or transformation—will be applied to each school in the Achievement School District in the 2011-2012 school year and to help implement the selected models. One Tennessee state official said that although the state would have created the

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<sup>19</sup>Under ESEA, as amended, schools that do not make adequate yearly progress—a measure in the ESEA used to determine whether schools have met state academic proficiency targets—in 5 consecutive years must implement one of a variety of school turnaround models.

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Achievement School District without RTT funding, RTT accelerated the implementation of this reform effort.

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## Expanding Student Data Systems

Several states plan to improve their data systems to increase access to and use of data. For example, Maryland plans to use \$5 million on a 3-year project to design, develop, and implement a data system that links data on individuals as they progress from preschool through higher education and into the workforce. The data system will allow the state to conduct analyses on topics such as K-12 educational readiness and remediation and to provide this information to policymakers. The data system will also allow Maryland state officials to study key research and policy issues, such as the effect of the prekindergarten through 12th grade curriculum in preparing students for higher education, and the effectiveness of higher education in preparing students for careers after college. Maryland state officials told us they are using a combination of contractors and additional staff to implement their data projects, as well as to ensure their long-term sustainability.

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## Enhancing Standards and Assessments

Several states plan to implement activities under the standards and assessments reform area to support improvements in classroom instruction. The states will (1) train teachers on the Common Core State Standards and develop curricula that are aligned with these standards, (2) develop assessments to measure instructional improvement and evaluate student knowledge and skills throughout the year, or both. The following examples illustrate planned uses of RTT funds for these activities:

- **Training on Common Core State Standards and developing related curricula.** Rhode Island plans to spend \$5 million to provide professional development to teachers and principals to ensure that they understand the newly adopted common standards and how standards, curriculum, and assessments align with one another. Specifically, during the summers of 2011 and 2012, state officials plan to train 85 percent of the core teachers in urban districts and selected teachers in nonurban districts. In addition, some teachers in selected school districts, especially those with diverse student populations, will learn to develop activities that align with the common standards and use them in their schools. State officials told us that teachers will be more likely to use the assessment activities if the teachers are involved in the activities' design.

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- **Developing assessments to improve instruction and to evaluate student knowledge and skills throughout the year.** Florida plans to spend approximately \$81.5 million to develop and use assessments to guide improvements in reading and mathematics instruction and to evaluate student knowledge and skills throughout the year in multiple content areas. The goals of these assessments are to enhance student learning and support the transition to more rigorous K-12 standards that build toward college and career readiness. Florida state officials said this project may also help prepare the state and districts to use assessments being developed as part of the Partnership for Assessment of Readiness of College and Careers.<sup>20</sup>

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### Nongrant States Expect to Continue Implementing Some of Their Planned Reforms

In addition to our interviews with grantee states and review of their plans, we interviewed officials in 8 selected states that applied for—but did not receive—RTT grants to find out whether they plan to continue their reform efforts. Officials from the 8 nongrant states we interviewed expect to implement some of their planned reforms, even though they did not receive RTT grants; however, they told us that implementation would be slower than if they had received an RTT award and would involve using other funds:

- Officials in 5 of the nongrant states reported moving ahead with plans to implement teacher evaluation systems, but at a different scale or pace than stated in their RTT applications. For example, officials in California decided to allow districts to implement the new teacher evaluations on a discretionary basis rather than implementing the evaluations statewide. Officials in Illinois told us they are moving ahead with a requirement for districts to include student academic growth in teacher evaluations. However, they noted that if the state had received the RTT grant, they would have accelerated the implementation of that requirement by two to three school years.
- Officials in all 8 nongrant states we interviewed reported having to scale back or delay plans to expand state data systems, particularly those designed to provide teachers with real-time assessment data on students. For example, officials in Maine reported they are developing

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<sup>20</sup>Florida is a member of the Partnership for Assessment of Readiness of College and Careers, which received a grant through the RTT Assessment Program to develop advanced assessment systems aligned with the Common Core State Standards. These assessments will be ready for states to administer by the 2014-2015 school year, according to current timelines.

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assessments that teachers can use to improve instruction, but without RTT funds, the assessments will not be developed as quickly.

- Officials in the 8 nongrant states we interviewed told us that they still plan to implement the Common Core State Standards, but officials in 6 nongrant states mentioned having to scale back plans to offer professional development supporting this transition.

State officials in the 8 nongrant states said they planned to implement selected reforms indicated on their RTT applications, although with a combination of other federal, state, local, and private funds. For example, a Louisiana official said the state will seek private funds to help school districts recruit new teachers and principals, as well as retain and train effective teachers and principals, particularly in the lowest-achieving schools.

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## States Reported Facing a Variety of Challenges That Have Led to Some Implementation Delays

Officials in 9 of the 12 grantee states reported facing a variety of challenges—such as difficulty identifying and hiring qualified staff and complying with state procedures for awarding contracts—that led to several implementation delays. State officials in Massachusetts, New York, North Carolina, and Ohio encountered difficulties hiring qualified personnel to administer RTT projects. For example, officials from Ohio said they had difficulty hiring qualified people for their state-level RTT positions. They explained that when Education approved their RTT grant application in September 2010, many of the most qualified staff had already been employed in several school districts. Ohio officials added that many individuals with the skills and abilities to manage RTT activities and projects can earn higher salaries in some school districts than they can working for the state. In addition, officials in Florida, New York, and Ohio told us they encountered delays in awarding contracts. For example, New York is using \$50 million of its RTT grant to develop a data system that will provide teachers with data on areas where their students may be struggling in order to help the teachers improve their instruction. The state planned to issue a Request for Proposals in December 2010 to help identify a contractor who could help develop part of the system. However, state officials told us they needed more time to develop the request because the project was complicated and required input from multiple stakeholders. State officials said they planned to issue the request by the spring of 2011, but at the time of our review, the proposal had not yet been issued.

Officials in the states we visited—Delaware, New York, Ohio, and Tennessee—said they experienced other challenges that led to months-

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long delays in implementing 13 of 29 selected RTT projects.<sup>21</sup> For example, Delaware adjusted its plan for hiring data coaches, individuals who assist teachers with understanding the results of student assessment data and help them modify their instruction. Initially, the state planned to hire 15 data coaches in January 2011 and an additional 20 beginning in September 2011, assuming the cost for each coach was \$68,000. However, as they started the process of hiring coaches, state officials determined their cost estimate was insufficient to hire qualified personnel. Instead, they determined they needed about \$80,000 per coach and lowered the number of total coaches to 29. Also, state officials determined it would be too disruptive to hire 15 coaches in the middle of a school year. The state decided to hire coaches between February and May 2011, with the goal of having all 29 coaches in place by September 2011. Improved planning on the part of the RTT grantees could have minimized the timeline delays that resulted from complicated state-level procurement processes or hiring challenges. Officials from three states acknowledged that at least some of their timelines were overly optimistic. Nonetheless, challenges such as these are not entirely unexpected given the amount of planning needed to assemble a comprehensive reform plan that involves numerous local entities and stakeholders.

In addition to the challenges cited, Education's review of state documentation has taken longer than anticipated, in part because of the department's need to review changes to state plans. According to Education officials, when Phase 2 grantee states submitted their scopes of work in November 2010, they included changes to their original RTT budgets and timelines, which Education had to review and approve.<sup>22</sup> For example, Education approved Massachusetts's request to reschedule two activities in the teacher and leaders reform area from year 1 to year 2, due to hiring delays. For these reasons, Education has taken longer than it anticipated to approve state scopes of work. As of April 28, 2011, Education had approved scopes of work for 9 of the 12 RTT grantee states.

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<sup>21</sup>As part of their RTT applications, states had to identify specific projects through which they would implement their reforms. From the four states we visited, we selected 29 projects—based on the amount of funding planned for the project and to ensure variation across the four reform areas—for more in-depth review.

<sup>22</sup>Education created a process to review states' requests to make changes to their plans by submitting amendment requests to revise goals, activities, timelines, budgets, or annual targets. Although Education allows states to change specific parts of their plans, the overall scope and objectives of states' approved plans cannot be changed.

Department officials said they continue to work with the remaining states to complete the approval process for their scopes of work.

As a result of these challenges, states have been slow to draw down their RTT grant funds. As of June 3, 2011, states had drawn down about \$96 million, or 12 percent, of the year 1 total RTT grant funds totaling almost \$800 million (see table 3), although Delaware and Tennessee have had access to their funds for about a year, and the other grantees have had access to their funds for several months.<sup>23</sup>

**Table 3: RTT Grant Funds Drawn Down as of June 3, 2011**

State	Date Education approved state scope of work	Year 1 budget (dollars)	Grant funds drawn down	
			Amount (dollars)	As a percentage of year 1 budget
<b>Phase 1</b>				
Delaware	July 22, 2010	\$21,393,680	\$10,607,438	50
Tennessee	April 12, 2010	120,315,068	43,169,124	36
<b>Phase 2</b>				
District of Columbia	February 2, 2011	19,296,358	2,033,867	11
Florida	Not yet approved	127,952,874	14,499,739	11
Georgia	Not yet approved	94,138,298	1,662,320	2
Hawaii	March 22, 2011	17,384,801	205,616	1
Maryland	April 8, 2011	73,070,933	2,329,394	3
Massachusetts	January 12, 2011	34,923,353	3,778,260	11
New York	Not yet approved	88,948,722	854,565	1
North Carolina	January 31, 2011	80,596,382	8,774,268	11
Ohio	January 28, 2011	97,044,195	7,239,399	7
Rhode Island <sup>a</sup>	April 8, 2011	24,812,514	1,009,411	4
<b>Total</b>		<b>\$799,877,178</b>	<b>\$96,163,401</b>	<b>12</b>

Source: Education.

Notes: States had access to 12.5 percent of their total award when their grants were announced and prior to the deadlines to submit their scopes of work. All Phase 2 states submitted their scopes of work to Education on November 22, 2010. States received the rest of their grant funds, including funds for school district activities, once their scopes of work and other key documents were finalized and approved.

Year 1 budgets include revisions based on changes to state plans as approved by Education through May 23, 2011.

<sup>23</sup>State grant funds remain in the U.S. Treasury, and states receive their funds by submitting electronic fund transfer requests known as drawdowns.



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<sup>a</sup>The Year 1 budget for Rhode Island includes \$12,406,257 for state-level activities and an equal amount for school district activities; however, the amount for district activities is only an estimate. Education officials clarified that Rhode Island does not have a specific amount set aside for district funding on a year-by-year basis. Instead, funds will be disbursed to districts as services are provided according to district-level scopes of work. The state's proposed budget provides a 4-year total to ensure that districts receive at least 50 percent of the total grant by the end of four-year grant period (as required by law).

Education officials told us that states have the full 4-year grant period to draw down their entire grant funds. They said states that anticipate not drawing down the full amount of their year-1 budgets have requested changes to their reform plan that would allow them to make additional expenditures in later years. For example, Florida officials plan to request that Education allow them to revise their budgets and allocate some year-1 funds in their budget for year 2. In addition, some states have spent less of their grant funds than originally anticipated, to ensure that sufficient internal controls and cash management procedures were in place before requesting reimbursement. For example, an official from the District of Columbia told us that they can only make drawdowns after a payment has been made. This is due in part to the District's status as a "high-risk" grantee, a designation applied by Education to grantees that, among other things, have experienced significant challenges administering their grants in the past. The official explained that, as of March 2011, the District had spent almost \$13 million of its own funds for activities related to its RTT grant and that he expected the District to spend funds at a faster pace in the future.

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Education Provided Extensive Support and Is Monitoring States' Activities, but Its Efforts to Facilitate Information Sharing Are Somewhat Limited

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Education Provided Extensive Support and Guidance to States during Early Implementation

Education provided support to states as they have begun to implement their reform plans. For example, Education assigned program officers to each state to help determine how the department could support the grantee states as they implement their RTT plans. According to Education and several state officials, program officers talk with state officials by telephone at least once a month and review the state's monthly progress reports to determine if the state is on schedule and on budget and to provide assistance with any state-reported issues. Program officers identify and provide support or direct state officials to appropriate sources of support for any issues associated with implementing funded activities. Program officers also answer state officials' questions and provide guidance and support on an as-needed basis, seeking assistance from department officials when necessary. For example, Education officials told us that, after Delaware approved their school districts' scopes of work for year 1, they approved Delaware's request for an additional year to work with districts to update and improve their plans for years 2 through 4 of the grant period. Officials from most grantee states told us that Education generally provided helpful support after their initial grant awards.

In addition to the support provided by program officers, Education created a process to allow states to make changes to their reform plans and issued and updated written guidance and other documents to help states implement RTT activities. For example, Education posted on its Web site a "frequently asked questions" document, as well as state scopes of work, award letters, final budget summaries, and amendment decision letters. Several state officials we spoke with said that having these materials on Education's Web site is helpful. Education has also provided additional guidance on specific challenges. For example, the department helped Tennessee officials correct their indirect-cost calculations and submit a

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revised budget after being selected as a grantee in Phase 1.<sup>24</sup> After working with Tennessee officials to make the needed changes, Education provided additional guidance on calculating indirect costs for Phase 2 applicants and made this information available for all applicants on the department's Web site.

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### Education Has Begun to Monitor State Implementation of RTT-Funded Activities

Education has begun its process to monitor states' progress in meeting program goals. Since the grants were awarded, the department has been tracking states' activities and challenges by regularly communicating with states, reviewing their monthly progress reports, and reviewing other documentation, such as state scopes of work. Education's monitoring protocol uses a common set of questions to oversee state progress and to address specific needs and challenges of each grantee. This protocol requires states to submit a progress update each month that provides information on activities selected in consultation with Education and based on their state scope of work and application. In addition, Education will hold discussions with states twice a year. Prior to these discussions, states are to provide additional information, such as any updates needed to their monthly progress reports and their assessment of the extent to which they are on track to reach their performance goals. In addition, Education plans to conduct annual, on-site reviews of RTT program operations and activities in each state and to require states to submit an annual performance report that documents their progress in achieving planned education reforms. The department plans to finalize these reporting requirements in the summer of 2011. According to Education officials, the agency plans to issue various reports based on RTT monitoring: (1) annual state-specific progress reports on RTT starting in late 2011 that will include information on implementation and performance; (2) an annual report on the progress of all 12 states collectively; and (3) a report to be issued at the end of the 4-year grant period on the overall experience, including lessons learned.

In addition to federal monitoring, states will monitor school district implementation of grant activities. Education initially required state grantees to submit their school district monitoring plans within 6 months of their grants being announced. However, Education officials told us that

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<sup>24</sup>Indirect costs represent the expenses of doing business that are not readily identified with a particular grant project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. For example, indirect costs may include maintenance and operations of space, data processing, and communications.

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state officials wanted to review the department's monitoring plan before designing their own plans for school districts. In February 2011, Education informed states that their plans for monitoring districts would not be due until Education finalized its state monitoring plan. Education finalized its plan in April 2011, and all states subsequently submitted their plans.

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### Education Facilitates Information Sharing, but Grantees Want More Information, and Nongrantees Are Unaware of Plans to Share Lessons Learned

Education has taken steps to facilitate information sharing and collaboration among states. Specifically, Education is working with a contractor to provide technical assistance, such as developing a Web site through which RTT states can collaborate and hold meetings—known as communities of practice—on topics of common interest. Education officials said the secure Web site allows states to share ideas, documents, and other information. Communities of practice will address topics such as implementing new teacher evaluation systems. Education conducted two webinars in November 2010 on teacher evaluation, and in December 2010, Education convened officials from grantee states in Washington, D.C., to share guidance and challenges on the topic. Additional topics that have been covered include measuring academic growth in nontested subjects, such as music and art. Education officials said that in the future, the communities of practice will include a combination of in-person and online gatherings and will be flexible and responsive to state needs. Education is planning another meeting in the fall of 2011 for states to discuss strategies to turn around low-achieving schools.

In addition, while grantee states told us they contact each other to exchange information, they said they would like more opportunities to share promising practices. According to education officials from Delaware, for example, they shared information with Rhode Island and other states about providing technical assistance to school districts to help them implement reforms at the district level. Tennessee officials told us they shared their state-level plans and their template for school district scopes of work with several Phase 2 grantees before Education published examples on its Web site. However, grantee states expressed interest in additional opportunities to share promising practices. North Carolina, Ohio, and Rhode Island plan to develop statewide data systems to improve instruction, which state officials expect will help teachers analyze their students' performance data to better address academic material that students find difficult to understand. Officials from these states said they are interested in working with other states on developing and implementing these systems. In addition, Tennessee officials told us that once they begin implementing models to turn around low-achieving schools with their Achievement School District, they could share their

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experiences. They said doing so could be helpful since most states do not have experience with turning around low-achieving schools on the scale that Tennessee plans to attempt.

Many nongrant states continue to implement key reforms. However, officials from most (6 of the 8) nongrant states we spoke with told us they were not able to access the Web site and were not aware of the Education-sponsored communities of practice. For example, an education official from Arizona said that he receives many e-mails from Education, but the department has not notified him of any plans to share practices or information about RTT. He added that he would appreciate having the opportunity to gain knowledge from grantees. Because Arizona has other federal grants, such as the School Improvement Grant for turning around low-achieving schools, he would like to know how RTT states and school districts are leveraging other federal funding sources to implement activities that align with the RTT reform areas.<sup>25</sup>

In addition to states' interests in sharing information, Education has certain policies that support information sharing and collaboration. Education generally requires states and their subgrantees to make information about their RTT-funded projects and activities available to others by, for example, posting that information on a Web site identified or sponsored by Education. Education also requires all program officers responsible for administering discretionary grant programs to share program results and information about significant achievements, including the best available research and practices that could inform other projects with the public. As mentioned earlier, Education's technical assistance network has provided grantees, but not other states, with opportunities to collaborate on topics, such as teacher evaluation.

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<sup>25</sup>School Improvement Grants, authorized under section 1003(g) of the ESEA, as amended, are grants made by Education to improve student achievement in Title I schools identified for improvement, corrective action, or restructuring so as to enable those schools to make adequate yearly progress and no longer be identified for improvement. The Department of Education Appropriations Act, 2010, provided around \$546 million for School Improvement Grants in fiscal year 2010.

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## Conclusions

The RTT grant competition prompted a robust national dialogue about comprehensive education reform and the role of competitive grants to support these reforms. It led some states to undertake new initiatives and others to accelerate their existing and planned educational reform efforts. While it is too soon to know whether these initiatives will help close achievement gaps or significantly improve outcomes for K-12 students, the broader impact of RTT's reform efforts may be more evident over time through, for example, Education's impact evaluation study and other related studies. Whether the momentum around the reform initiatives and efforts to implement them can be sustained over time may depend on a number of factors, including the progress that states make as they begin to implement their reform initiatives. In addition, if state funding for K-12 education declines, states might face challenges sustaining RTT reform efforts once grant funds are no longer available.

The overarching goal of RTT is to foster large-scale education reform. Sharing information with nongrant states carrying out similar initiatives can accelerate the pace and scope of reform efforts and is a sound investment of resources. And if states are to get the greatest possible return on investment, efforts to facilitate sharing of information should begin soon. Information sharing among grantees is also important. Without opportunities for grantees to share information and experiences, states may miss opportunities to learn from each other and leverage their experiences.

Although Education provided support to grantees as they began implementing their initial activities, most grantees have faced challenges meeting some interim deadlines. While states might have done a better job of anticipating some of their challenges, they were tasked with developing comprehensive reform plans requiring extensive planning and coordination with a broad array of stakeholders. Missing interim deadlines has not yet derailed states from their original reform plans. However, short-term delays could eventually lead to longer-term delays, and grantees may risk falling short of their ultimate goals. While Education has begun monitoring grantee progress, it is important that Education ensure that states meet their required timelines and receive assistance to stay on track. It is also important that Education continue to gather information from states on their challenges and respond in a timely manner.

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## Recommendations for Executive Action

To ensure that the lessons learned from RTT are shared with all states, and not only grantees, we recommend that the Secretary of Education take the following two actions:

1. Facilitate grantees' sharing of promising practices on key topics of interest that the department has not yet addressed, such as the design and implementation of data systems to improve instruction.
2. Provide nongrant states with information from the department's existing mechanisms, including the secure grantee Web site and communities of practice.

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## Agency Comments and Our Evaluation

We provided a draft of this report to the Secretary of Education for review and comment. Education's comments are reproduced in appendix IV. Education agreed that it should facilitate information sharing among grantee states on topics that the department has not yet addressed, and the department said it will do so beginning in August 2011. However, while the department agreed that sharing information with nongrantees is important, it did not agree that nongrantees should have access to the secure grantee Web site or the communities of practice. As noted in its response, the department believes grantees should have more time to work together on common problems before providing access to specific information-sharing mechanisms to other states. Education also noted that it plans to make the resources and lessons learned from grantee states available to all states at some point in the future. We maintain that nongrant states that are implementing reforms similar to those funded by RTT could benefit from the discussions grantees have and related documents they may develop. However, we modified our recommendation to acknowledge that Education can provide information from the Web site and communities of practice to nongrantees without necessarily giving them direct access to those mechanisms.

Education said that it does not believe that the rate at which states are drawing down their grant funds is a reliable indicator of progress. However, we continue to believe that the relatively low amount of funds drawn down at this point is a result of challenges states have experienced to date. We highlight this issue to acknowledge the implications of—and provide context for—some of the challenges faced by grantee states as they implement the largest competitive grant program that Education has administered.

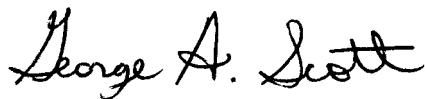
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Education provided us with additional information about its program review process and clarified some information related to reasons that states may have delayed spending their first year grants. We modified our report to reflect these clarifications and incorporated the department's technical comments, where appropriate.

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We are sending copies of this report to the appropriate congressional committees and the Secretary of Education. In addition, the report is available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made major contributions to this report are listed in appendix V.



George A. Scott  
Director, Education, Workforce,  
and Income Security Issues



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*List of Congressional Committees*

The Honorable Tom Harkin  
Chairman  
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United States Senate

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The Honorable Norman D. Dicks  
Ranking Member  
Committee on Appropriations  
House of Representatives

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The Honorable Darrell E. Issa  
Chairman  
The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight and  
Government Reform  
House of Representatives

# Appendix I: Scope and Methodology

To address our first objective about actions states took to be competitive for Race to the Top (RTT) grants, we reviewed proposed and final requirements for the RTT grant competition, as well as documents from the U. S. Department of Education (Education), including the grant application template, scoring guidelines, and guidance materials. We reviewed RTT applications for 20 of the 47 states that applied for RTT grants, as listed in table 4.

**Table 4: States with RTT Applications That We Reviewed**

<b>States that received an RTT grant</b>	<b>Selected states that applied for but did not receive an RTT grant</b>
Delaware	Arizona
District of Columbia	California
Florida	Illinois
Georgia	Indiana
Hawaii	Louisiana
Maryland	Maine
Massachusetts	Pennsylvania
New York	West Virginia
North Carolina	
Ohio	
Rhode Island	
Tennessee	

Source: Education.

The 8 nongrant states we selected varied in several respects, including the phase in which the state applied, the number of elementary and secondary education students in the state, and the geographic location of the state. We interviewed state education agency officials from the 20 states to review information in their RTT applications and to discuss state efforts to apply for the grant. We identified several policy decisions or legislative actions states took to be competitive for RTT grants in the four major reform areas—enhancing standards and assessments, expanding data systems, developing effective teachers and leaders, and improving states’ lowest-achieving schools. We also identified other actions states took to apply for RTT grants. To determine whether a state changed a certain policy or law to be competitive for RTT, we used the following criteria: (1) the change in law or policy occurred within the RTT application period, (2) state officials attributed the change or the effort to being a factor in applying for the RTT grant, and (3) state officials reported

that the change would not have happened without the RTT competition. To describe state laws or policy changes, we relied on interviews with state officials and documentation they provided, but did not independently analyze or otherwise review state laws or policies.

To describe how grantee states planned to use their RTT grant funds, we reviewed states' RTT applications, RTT grant budgets, and scopes of work. We reviewed narrative statements in the applications in each grantee state in each of the four reform areas. We analyzed RTT grant budgets by calculating the total planned expenditures for all projects by reform area, as well as total planned expenditures for different types of budget categories. Major budget categories included personnel expenses, contracts, or state allocations to school districts. We reviewed grant draw-down amounts provided by Education. We interviewed state education officials from all 12 grantee states, including telephone interviews with 8 grantee states and site visits to 4 grantee states—Delaware, New York, Ohio, and Tennessee. We selected site visit states to provide variation across several criteria, including the grant phase in which the state applied, the number of elementary and secondary education students in the state, the geographic location of the state, and the percentage of school districts participating in the RTT application. During our site visits, we interviewed state officials and officials from three to four school districts per state. To provide a range of perspectives, we selected school districts that varied across several criteria, including the extent to which the district was mentioned in the state RTT application; whether the district was in an urban, suburban, or rural area; the percentage of high-minority schools in the district; and the percentage of high-poverty schools in the district. In total, we interviewed officials from 15 school districts, including three interviews by telephone. We interviewed officials in grantee states and districts about their planned uses for RTT grant funds, their perspectives on the benefits of their planned uses, challenges they have experienced in beginning to implement grant activities, and support provided by Education. To summarize the extent to which nongrantee states have chosen to implement reforms planned in their RTT applications, we reviewed the relevant RTT applications and interviewed state education officials from the 8 selected nongrantee states by telephone. We chose major policy actions outlined in their RTT applications and asked the nongrantees about the status of those actions.

To summarize challenges that grantee states faced when implementing the RTT grants, we interviewed state education officials from all 12 grantee states, including the four site-visit states. Across the four site-visit states, we selected 29 projects for in-depth review. The projects were selected

based on the amount of funding planned for the project and to ensure variation across the four reform areas. To assess how Education was responding to states' challenges and otherwise providing support to states and planning to monitor states, we interviewed officials from the Office of Elementary and Secondary Education and the Implementation and Support Unit. We also interviewed officials in the Institute of Education Sciences about its RTT evaluation and officials in the Risk Management Service about their role in monitoring high-risk RTT states. We also reviewed relevant federal laws, regulations, and Education guidance documents, including

- the notice inviting applications for RTT,
- the final rule for the competition,
- the RTT application template,
- an internal handbook for administering discretionary grants,
- a document describing Education's process for making amendments to RTT applications,
- documentation related to Education's RTT monitoring plans,
- a "frequently asked questions" document, and
- technical assistance presentation slides and meeting transcripts.

We also reviewed selected states' monthly reports submitted to Education. These documents helped us determine the extent to which Education provided support and guidance to states during the application process and as states began to implement their grant activities.

We conducted this performance audit from April 2010 to June 2011 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix II: Race to the Top and Investing in Innovation Grant Funds

The following table provides a description of RTT, RTT Assessment Program, and the Investing in Innovation grant funds.

**Table 5: Race to the Top and Investing in Innovation Grant Funds**

Grant fund	Description of grant program	Funds authorized through the Recovery Act (dollars)	Funds awarded by Education (dollars)
<b>Race to the Top and Investing in Innovation grant funds</b>		5 billion	
Investing in Innovation grant fund	Education provided grants to 49 school districts and nonprofit organizations to implement and expand a variety of education reform efforts.	Up to 650 million	646 million
Race to the Top grant fund	Education awarded grants to 12 states related to four reform areas: developing effective teachers and leaders, improving the lowest-achieving schools, expanding student data systems, and enhancing standards and assessments.	Remainder of funds	3.9 billion
Race to the Top Assessment Program	Education awarded grants to two consortia of states—including all states that received grants through the RTT grant fund—to develop advanced academic assessment systems.	not applicable	362 million

Source: Recovery Act and Education.

# Appendix III: Criteria Used to Guide the Selection of States to Receive RTT Grant Awards

The following table provides the criteria Education identified for application reviewers to use as part of the process to make RTT grant awards.

**Table 6: Criteria for Race to the Top Grant Awards**

Reform area	Criteria	
State success factors	<ul style="list-style-type: none"> <li>Articulate state's education reform agenda and school district participation in the state's reform efforts</li> <li>Build strong statewide capacity to implement, scale up, and sustain proposed plans</li> <li>Demonstrate significant progress in raising achievement and closing gaps</li> </ul>	
	<b>Reform conditions criteria</b>	<b>Reform plan criteria</b>
Standards and assessments	<ul style="list-style-type: none"> <li>Develop and adopt common standards</li> <li>Develop and implement common high-quality assessments</li> </ul>	Support transition to enhanced standards and high-quality assessments
Data systems	Fully implement a statewide longitudinal data system	<ul style="list-style-type: none"> <li>Access and use state data</li> <li>Use data to improve instruction</li> </ul>
Teachers and leaders	Provide high-quality pathways for aspiring teachers and principals	<ul style="list-style-type: none"> <li>Improve teacher and principal effectiveness based on performance</li> <li>Ensure equitable distribution of effective teachers and principals</li> <li>Improve the effectiveness of teacher and principal preparation programs</li> <li>Provide effective support to teachers and principals</li> </ul>
Lowest-achieving schools	Intervene in the lowest-achieving schools and school districts	Turn around the lowest-achieving schools
General criteria	<ul style="list-style-type: none"> <li>Make education funding a priority</li> <li>Ensure successful conditions for high-performing charter schools and other innovative schools</li> <li>Demonstrate other significant reform conditions</li> </ul>	None

Source: 74 Fed. Reg. 59,688, 59,801-59,804 (Nov. 18, 2009).

Note: In addition to these criteria, Education gave states the option to include other proposals in their plans, such as proposals to prepare more students for advanced study and careers in science, technology, engineering, and mathematics fields and proposals for states to work together to develop joint longitudinal data systems.

# Appendix IV: Comments from the U.S. Department of Education



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, DC 20202

June 6, 2011

Mr. George A. Scott  
Director, Education, Workforce, and Income Security Issues  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Scott:

Thank you for the opportunity to comment on the Government Accountability Offices's (GAO's) draft report on "Race to the Top: Reform Efforts Under Way, Information Sharing Could Be Improved." The draft report includes "Recommendations for Executive Action," which read as follows:

To ensure that the lessons learned from RTT are shared with all states, not only grantees, we recommend that the Secretary of Education:

- facilitate grantees' sharing of promising practices on key topics of interest that the department has not yet addressed, such as the design and implementation of data systems to improve instruction; and
- provide non-grantee states with access to existing tools to receive information, including the secure grantee Web site and communities of practice.

We appreciate the time that your office devoted to this study and, in particular, the efforts that were made to obtain the views of both Race to the Top grantee States and States that applied but were not awarded a Race to the Top grant. The views of both grantee and non-grantee States are important in understanding the impact of the Race to the Top program and its overall goal of driving States to implement bold reforms to ensure that every child has access to a high-quality education.

Every State that applied to Race to the Top showed a tremendous amount of leadership and commitment to education reform. That the non-grantee States in your study acknowledged the benefits from the collaboration and comprehensive planning that the Race to the Top application process prompted illustrates that the benefits of the Race to the Top program extended well beyond the grantee States. We were especially pleased that officials in the non-grantee States in your study said that they are implementing some of the reforms they proposed in their applications using other federal, State, local, and private funds. We want to support these States and ensure that all States continue to benefit from Race to the Top.

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With regard to your first recommendation, that the Department “facilitate grantees’ sharing of promising practices on key topics of interest that the department has not yet addressed,” please note that the Department conducted a number of webinars, conference calls, and meetings for grantee States beyond the two webinars and one meeting on teacher evaluation that are mentioned in your report. These webinars, conference calls, and meetings focused on a variety of topics: stakeholder engagement, school turnarounds, and teacher and leader effectiveness. Enclosed is a list of these activities (see Enclosure A). In response to grantee States’ requests that we not hold any technical assistance activities in the months of June and July due to their heavy workloads during these months, we will begin an additional series of activities in August 2011, that will focus on key topics of interest that the Department has not yet addressed and provide grantee States with additional opportunities to share promising practices and lessons learned.

We agree with your report that grantees are eager to share information with their counterparts in other States. At their suggestion, in February we began monthly conference calls with the Race to the Top leads in each State to provide a forum for them to discuss issues and topics of their choice, including promising practices and lessons learned. We loosely focus the calls on the successes and challenges identified by those States. In addition, on March 29 and 30 of this year, we brought together the Chief State School Officer from each grantee State to discuss amongst themselves and with the Secretary and senior Department officials the support they need to be successful in their reform efforts.

Race to the Top grantees also share information using the secure Web site that we launched last October. As noted in your report, the Web site allows grantees to share ideas, documents, and other information. Grantees post both documents and links on the Web site to share with their grantee colleagues, and our technical assistance contractor populates the Web site with relevant information as well. In addition, the Web site includes a shared calendar and permits grantee States to identify colleagues in similar roles (e.g., the teacher and leader evaluation lead, the turnaround lead), so that grantees can collaborate with each other on specific topic areas. In April, we launched an enhanced Web site to provide grantees with many more tools with which to collaborate (e.g., enhanced document sharing and navigation, discussion forums, subscriptions and notifications, and member profiles).

It has always been our intention to share lessons learned from Race to the Top grantees with all States. In this first year of implementation, we believe we have appropriately focused our efforts on helping the Race to the Top grantee States make progress in achieving their goals and objectives. As your report notes, we are using a combination of technical assistance strategies, including communities of practice, that bring the grantee States together with experts in the field in order to collaborate on topics of common interest, such as the development of new teacher and leader evaluation systems. We plan to make the resources and lessons learned from these communities of practice, which are currently in the development stage, available to all States. In addition, we plan to bring all States together in annual meetings to help support their work implementing reforms in the areas of adopting college- and career-ready standards, building data systems to support instruction, increasing teacher effectiveness and achieving equity in teacher distribution, and turning around our lowest achieving schools. However, we do not intend to provide non-grantees with access to the secure grantee Web site or the communities of practice,

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at least in this initial development and implementation phase. With forethought, we determined that it was important for grantees to be able to share information and work together on common problems, before we open up the community to all States. Therefore, while we agree with your second recommendation to “provide non-grantee states with access to existing tools to receive information,” we respectfully disagree that such tools should include access to the secure grantee Web site and communities of practice at this time. Of course, the Department will continue to provide all States and local educational agencies with valuable technical assistance opportunities that focus on a variety of topics, including topics related to implementing educational reforms that improve the quality of education for all students. For example, the Department recently completed a series of four regional conferences for school, district, and State leaders who are working to turn around their lowest-performing schools.

Aside from these responses to the report’s recommendations, there are three discussions in the report that we believe would benefit from more clarity. We discuss each of these areas below. In addition, we are enclosing a list of suggested technical edits (see Enclosure B).

Description of the program review process. We appreciate that the report highlights that our monitoring plan for States “emphasizes program outcomes and quality of implementation, while also ensuring compliance with RTT program requirements.” However, we believe that the authors of the draft report may have been confused about the actions taken by a State versus a district in the review process. For your consideration and convenience, we have enclosed a suggested revised version of the paragraph under the heading, “Education Has Begun to Monitor State Implementation of RTT-Funded Activities,” which we believe clarifies and more accurately describes our program review process (see Enclosure C). Our edits to this paragraph are provided in tracked changes.

Description of the implementation delays. The draft report describes the variety of challenges that States faced in implementing their large and comprehensive reform plans. We agree that delays in State implementation resulted for a variety of reasons, including difficulties States had in hiring qualified personnel and addressing State procedures for issuing Requests for Proposals and awarding contracts. However, we do not agree that the Department’s establishment of the Implementation and Support Unit (ISU) contributed to the delay. The administrative processes required to establish this new unit to assist States in implementing Race to the Top and other Recovery Act grants were managed by staff who were not involved in the day-to-day work of the Race to the Top program. The ongoing work of our program officers and technical assistance staff and contractors continued uninterrupted, and no delay was caused by the establishment of the ISU.

In addition, although the report contends that States have been “slow” to draw down their grant funds, it is not clear to us that the rate of draw-downs in this program is slow. Given that this is the first year of a unique discretionary grant program with awards of unprecedented size, we do not have a basis on which to judge the rate of draw-downs as being slow or fast. It is also important to note that if grantees have obligated funds for contracts, these obligations might not be reflected in the draw-down data in Table 3 of the report. As contractors provide services and payments for contracted services are provided, the expenditure of these funds will be reflected in the draw-down data. We are carefully monitoring grantees’ progress toward meeting their goals

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**Appendix IV: Comments from the U.S.  
Department of Education**

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and ensuring that funds are properly used, and we do not believe that rates of drawing down funds are a reliable indicator of progress.

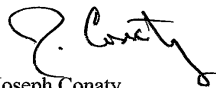
Example of how funds are being used. In the “GAO Highlights” section of the report, under the heading, “What GAO found,” the report provides “professional development” as an example of a way that Race to the Top funds will be used to increase the effectiveness of teachers and leaders. We believe that a better example would be “developing systems to evaluate and improve teacher and principal effectiveness.” Professional development is only a part of the systems that States are developing to evaluate and improve teacher and principal effectiveness, and we believe that using “professional development” as the example will lead some to conclude that the Department’s or the States’ main strategy for increasing the effectiveness of teachers and principals is professional development in isolation, which is clearly not the case.

Thank you again for the opportunity to comment on the draft report. Please let us know if you have any questions or would like to discuss our comments. We look forward to receiving the final report.

Sincerely,



Ann Whalen  
Director, Policy and Program Implementation



Joseph Conaty  
Acting Director, Technical Assistance and Support

**Enclosures**

- Enclosure A: Community of Practice (CoP) Webinars, Conference Calls, and Meetings
- Enclosure B: Suggested Technical Edits
- Enclosure C: Track Changes of Program Review Paragraph
- Enclosure D: Updated Information for Table 3

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# Appendix V: GAO Contact and Staff Acknowledgments

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## GAO Contact

George A. Scott, (202) 512-7215 or [scottg@gao.gov](mailto:scottg@gao.gov)

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## Staff Acknowledgments

Elizabeth Morrison, Assistant Director, and Jason Palmer, Analyst-in-Charge, managed this assignment and made significant contributions to all aspects of this report. Jaime Allentuck, Corissa Kiyan, and Rebecca Rose also made significant contributions. Additionally, James E. Bennett, Alexander G. Galuten, Bryon Gordon, Kirsten B. Lauber, Steven R. Putansu, Kathleen van Gelder, and Sarah Wood aided in this assignment.

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*Department of Education: Improved Oversight and Controls Could Help Education Better Respond to Evolving Priorities.* [GAO-11-194](#). Washington, D.C.: February 10, 2011.

*Grant Monitoring: Department of Education Could Improve Its Processes with Greater Focus on Assessing Risks, Acquiring Financial Skills, and Sharing Information.* [GAO-10-57](#). Washington, D.C.: November 19, 2009.

*Student Achievement: Schools Use Multiple Strategies to Help Students Meet Academic Standards, Especially Schools with Higher Proportions of Low-Income and Minority Students.* [GAO-10-18](#). Washington, D.C.: November 16, 2009.

*No Child Left Behind Act: Enhancements in the Department of Education's Review Process Could Improve State Academic Assessments.* [GAO-09-911](#). Washington, D.C.: September 24, 2009.

*Teacher Quality: Sustained Coordination among Key Federal Education Programs Could Enhance State Efforts to Improve Teacher Quality.* [GAO-09-593](#). Washington, D.C.: July 6, 2009.

*No Child Left Behind Act: Improvements Needed in Education's Process for Tracking States' Implementation of Key Provisions.* [GAO-04-734](#). Washington D.C.: September 30, 2004.

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## Recovery Act

*Recovery Act: Opportunities to Improve Management and Strengthen Accountability over States' and Localities' Uses of Funds.* [GAO-10-999](#). Washington, D.C.: September 20, 2010.

*Recovery Act: One Year Later, States' and Localities' Uses of Funds and Opportunities to Strengthen Accountability.* [GAO-10-437](#). Washington, D.C.: March 3, 2010.

*Recovery Act: Status of States' and Localities' Use of Funds and Efforts to Ensure Accountability.* [GAO-10-231](#). Washington, D.C.: December 10, 2009.

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