

# EDUCATION STIMULUS WATCH



AMERICAN ENTERPRISE INSTITUTE

SPECIAL REPORT 5

## **Competitive Grant Making and Education Reform**

Assessing Race to the Top's Current  
Impact and Future Prospects

By Paul Manna | October 2010

AEI Working Paper



## Foreword

With much enthusiasm and high expectations, President Barack Obama launched the Department of Education’s “Race to the Top” (RTT) program in July 2009. Funded by \$4.35 billion in stimulus dollars from the American Recovery and Reinvestment Act, the competitive grant program urged states to embrace nineteen administration priorities on topics ranging from teacher quality to common standards. The venture dramatically expanded Uncle Sam’s role in school reform, building on the Bush administration’s efforts in No Child Left Behind. The president promised that RTT would reflect a new reform-minded sensibility at the federal level. As Obama vowed in his State of the Union address, “Instead of rewarding failure, we only reward success. Instead of funding the status quo, we only invest in reform.”

RTT has been widely praised across the political spectrum and remains one of the administration’s most lauded policy initiatives. At the same time, it has been criticized for the design and scoring of the competition, the quality and results of the judging, and its ultimate impact on the shape of schooling. Despite all this, there is remarkably little analysis to date that spells out what we have learned from this program. Indeed, while RTT was exceptional in the annals of K–12 schooling, it is far less exceptional when considered alongside other federal competitive grant programs. Seen in that light, it clearly has both strengths and weaknesses.

To aid reformers and policymakers in learning from RTT, the College of William and Mary’s Paul Manna has written this fifth installment of AEI’s *Education Stimulus Watch* series. “Competitive Grant Making and Education Reform: Assessing Race to the Top’s Current Impact and Future Prospects” analyzes the fundamental assumptions and features of RTT within the context of federal education policy, zeroing in on the lessons for implementation and future rounds of RTT or other educational competitive grant programs.

Manna highlights five key takeaways for federal education officials. These include arguments for making the application and evaluation process less onerous, emphasizing student outcomes rather than policy outputs in gauging success, and building into the process greater skepticism regarding state promises that they will faithfully implement their plans. As Manna cautions, “it is worth pondering whether RTT applicants were really just engaged in a ‘race to the trough’ rather than a race to the top.”

Given that RTT is playing an outsized role in the reform debates of the day, and that the aspirations behind it will continue to shape schooling for the foreseeable future, I am confident that you will find Manna’s piece as revealing and instructive as I have. For further information on the paper, Paul Manna can be reached at [pmanna@wm.edu](mailto:pmanna@wm.edu). For other AEI education working papers, please visit [www.aei.org/futureofeducation](http://www.aei.org/futureofeducation). For additional information on the activities of AEI’s education policy program, please visit [www.aei.org/hess](http://www.aei.org/hess) or contact Olivia Meeks at [olivia.meeks@aei.org](mailto:olivia.meeks@aei.org).

—FREDERICK M. HESS  
Director of Education Policy Studies  
American Enterprise Institute



## Executive Summary

During President Barack Obama's first two years in office, the administration's signature education initiative has been the Race to the Top (RTT) fund, a small part of the American Recovery and Reinvestment Act of 2009 that was passed to stimulate the nation's ailing economy. While celebrations and criticisms of RTT abound, serious attempts to understand the program in a larger context or grapple with its underlying assumptions and mechanisms have played smaller roles in the conversation. The goal of this paper is to carefully analyze RTT to identify the program's strengths and weaknesses and to suggest what it can teach future designers and implementers of federal education policy, especially policies involving competitive grants.

Today, our collective knowledge of RTT's impact and future prospects is quite small compared to what it will be after the 2010 elections and the four years that the winners have to spend their grants. Still, this paper's consideration of RTT's basic assumptions and features, as well as the history of federal education policy, does suggest the following recommendations for federal education officials as they continue to implement RTT and consider new competitive grant programs in the future:

1. Design competitions with more focused goals and applications that are easier for states to complete and reviewers to evaluate.
2. Continue efforts to promote transparency and expand them during the RTT implementation phase.
3. Do not assume that knowledge transfer from RTT winners will always be desirable or easy.
4. Expect that the winners will not deliver on all their promises and be willing to claw back funds when they stumble. Consider making those recaptured funds available to states that just missed the winners' circle.
5. Use substantive student outcomes, not just policy outputs, to judge state success.

Certainly, other lessons will become clear as states—both the winners and losers—act upon their plans. There will also be variation in how these plans unfold. Given that federal dollars will be supporting some actions but not others, policymakers and researchers may be able to glean additional insights about the conditions under which federal grants contribute most to valuable reforms and where less federal involvement might be desirable. These ideas could inform additional competitive grant programs and other larger policy efforts, such as future reauthorizations of the Elementary and Secondary Education Act.

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SPECIAL REPORT 5

**"We want you to hold us accountable** and make sure that not only is every dollar wisely spent, but these dollars are significantly improving the life chances of children."

**Secretary of Education Arne Duncan**

Briefing to education associations at the Department of Education, April 3, 2009

## Competitive Grant Making and Education Reform

Assessing Race to the Top's Current Impact and Future Prospects

By Paul Manna | October 2010

*This is the fifth in a series of special reports on the K–12 education implications of the federal government's economic stimulus package, the American Recovery and Reinvestment Act.*

During President Barack Obama's first two years in office, his administration's signature education initiative has been the Race to the Top (RTT) fund, a small part of the American Recovery and Reinvestment Act (ARRA) of 2009 that was passed to stimulate the nation's ailing economy. Out of the \$787 billion in the ARRA, Congress directed roughly \$100 billion to education. Most of those funds flowed to states and localities using predetermined formulas that Congress specified. The money primarily served to plug hemorrhaging budgets and prevent teacher layoffs. A smaller subset of ARRA's education dollars, \$4.35 billion, was reserved for RTT. Unlike with the vast majority of education stimulus dollars, states did not automatically receive RTT funds but competed for the money by submitting applications to the Department of Education.<sup>1</sup> Secretary of Education Arne Duncan called RTT "the equivalent of education reform's moon shot" because it would help all involved in

K–12 education focus their energy on "reform and innovation" rather than bureaucratic compliance. Duncan argued that RTT would create "a new federal partnership in education reform with states, districts and unions to accelerate change and boost achievement."<sup>2</sup>

Supporters of the fund have echoed Duncan's optimism, while critics have taken aim from several angles. The most energized RTT enthusiasts—such as the national, state, and local supporters of the Education Equality Project; officials at the Bill and Melinda Gates Foundation, which helped some states craft their RTT applications; and the bipartisan coalition of governors and business executives known as Achieve—have argued that RTT provides a rare opportunity to accelerate the development of improved standards and assessments and break political logjams that have blocked other needed measures, especially those linking student learning to principal and teacher evaluations. Diverse critics from Republican governor Rick Perry of Texas, to education historian Diane Ravitch, to leaders of the National Education Association (NEA), have charged that RTT represents yet another round of alchemists in the Department of Education whipping up highly complicated and prescriptive policy concoctions that are more likely to expand bureaucracy or line the pockets of testing contractors and school consultants than to improve student learning.

Paul Manna (pmanna@wm.edu) is an associate professor of government and a faculty affiliate in the Thomas Jefferson Program in Public Policy at the College of William and Mary.



Leaders of the country's teachers unions have been especially critical of RTT's elements that encourage states to link student progress on test scores to teacher retention and tenure decisions. In a sharp rebuke to Obama—whom they worked so hard to elect in 2008—the NEA's delegates, though divided, voted “no confidence” in RTT at their 2010 annual meeting. Randi Weingarten, president of the American Federation of Teachers, expressed concern that the competition “by design excludes millions of public school students across the country. Rather than creating a contest that picks winners and losers, our education policies and programs should offer all students the quality education they need to succeed in college, career and life.”<sup>3</sup>

While celebrations and criticisms of RTT abound, serious attempts to understand the program in a larger context or grapple with its underlying assumptions and mechanisms have played smaller roles in the conversation. This issue of *Education Stimulus Watch* analyzes RTT to identify the program's strengths and weaknesses and to suggest what it can teach designers and implementers of federal education policy, especially policies involving competitive grants. RTT presents more unknowns than knowns at this point, yet lessons from its design and initial implementation can point to improvements for future programs. Such early reflection is important given that Obama and Duncan have supported funding another round of RTT in the next budget year.<sup>4</sup>

### The Nuts and Bolts of RTT

In designing the RTT competition, federal education officials required states to address several issues simultaneously rather than move slowly with incremental reforms. In arguing for such a comprehensive approach, Joanne Weiss, who was RTT director until stepping down to become Duncan's chief of staff, recognized that critics think “taking on too much and biting off more than you can chew is a bad thing.” But she continued by saying, “There's a lot of evidence that shows that the inertial forces that stall reforms weigh greater than the biting-off-more-than-you-can-chew problem, and that if we don't attack this on multiple fronts simultaneously we might not break through.”<sup>5</sup>

The regulations governing RTT were published on November 18, 2009. They identified four specific priorities for states to address.<sup>6</sup> In their applications, the states needed to demonstrate how they were committed to “(a) adopting internationally benchmarked standards and

assessments that prepare students for success in college and the workplace; (b) building data systems that measure student success and inform teachers and principals in how they can improve their practices; (c) increasing teacher effectiveness and achieving equity in teacher distribution; and (d) turning around our lowest-achieving schools.”<sup>7</sup>

The Department of Education enlisted a group of peer reviewers to rate the states' proposals. In general, the states were evaluated primarily on their track records of policy development, with smaller consideration of student success (what the department called “state reform conditions”), as well as on their proposals for using the RTT money (their “reform plan”).<sup>8</sup> The department provided the reviewers with a scoring rubric based on a 500-point scale that defined its expectations. The rubric allocated points in seven areas, which were broken down into more specific criteria: state success factors (125 points), standards and assessments (70 points), data systems to support instruction (47 points), great teachers and leaders (138 points), turning around the lowest-achieving schools (50 points), other general areas (55 points), and the extent to which state applications prioritized the teaching of science, technology, engineering, and math—the so-called STEM subjects (15 points). Multiple reviewers examined each state's proposal, and overall scores were defined as the average of the reviewers' ratings.

The criteria and point values in the RTT rubric represented a tossed salad of ingredients, combined in varying quantities, but they did not emerge randomly. Two main factors seemed to drive federal officials' choices as they designed the RTT rubric. First, administration officials shaped the program's content based on their plans for the reauthorization of the Elementary and Secondary Education Act (ESEA). The ESEA revision has been overdue since 2007, and the law continues to operate as the No Child Left Behind Act of 2001 (NCLB). Duncan has called RTT an “opening act,” and others in the administration confirmed that it would be correct to see RTT as a precursor for the next ESEA.<sup>9</sup>

Second, RTT's criteria and their weights reflected the administration's other ongoing initiatives and political priorities. Attempts to stress certain reform agendas and initiatives meant that some criteria would be more important than others in RTT. For example, at a technical-assistance meeting with states, federal officials explained that criterion B(2) in the RTT rubric—which considered the extent to which states had developed common, high-quality assessments—was worth only ten points because a separate grant competition was underway to fund assessment development.<sup>10</sup>



# EDUCATION STIMULUS WATCH

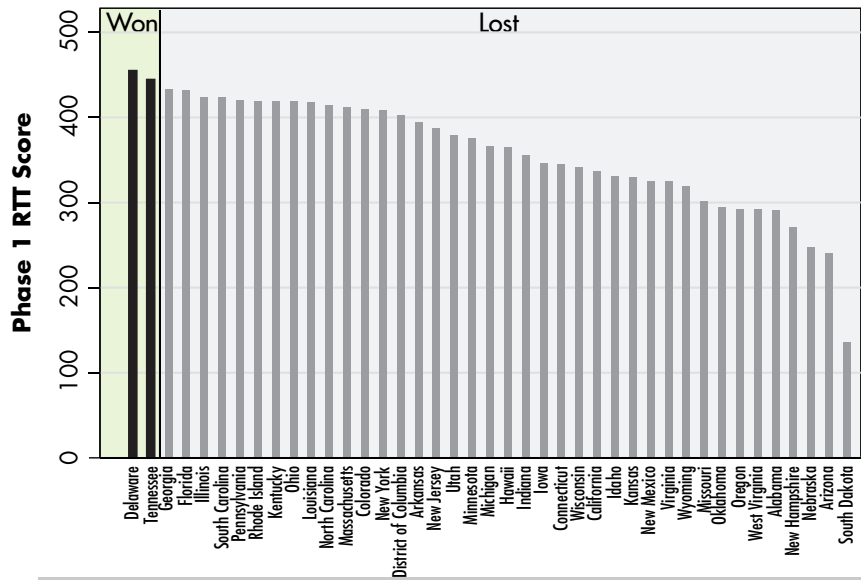
Similarly, criterion F(2) awarded up to forty points to states that had created conditions to promote the development of high-performing public charter schools and other innovative schools. The weighting clearly favored charter schools; if a state had policies to promote innovative magnet schools or creative schools within schools but was not enthusiastic about charters, then the most it could earn on this criterion was eight points out of forty. As Weiss explained, “Charters are the type of schools under law that are currently widespread and showing, when the accountability structure underlying them is good, showing high results. And therefore, we chose to elevate that in this [RTT] application to something that was worthy of earning points.”<sup>11</sup>

The RTT competition involved two application phases. Phase 1 applications were due on January 19, 2010. Those applying for Phase 2 (that is, states that did not apply or that lost in Phase 1) had to submit their applications by June 1, 2010. For each phase, the department ranked the states based on their average scores from the rubric and then identified a group of states as finalists. Those states came to Washington to make presentations on their proposals and respond to reviewers’ questions. After those presentations, reviewers could adjust the finalists’ scores if they wished. Figure 1 and figure 2 present the scores of all applicants.

In the weeks leading up to the Phase 1 deadline, Duncan and his colleagues stressed that the competition would be stiff and that the losers would vastly outnumber the winners.<sup>12</sup> Despite those warnings, forty states and the District of Columbia applied in Phase 1. Among those applicants, sixteen were finalists, and only two, Delaware and Tennessee, were deemed winners. Some states were discouraged by those results and decided not to reapply in the next phase. Still, the majority clearly liked their chances, as

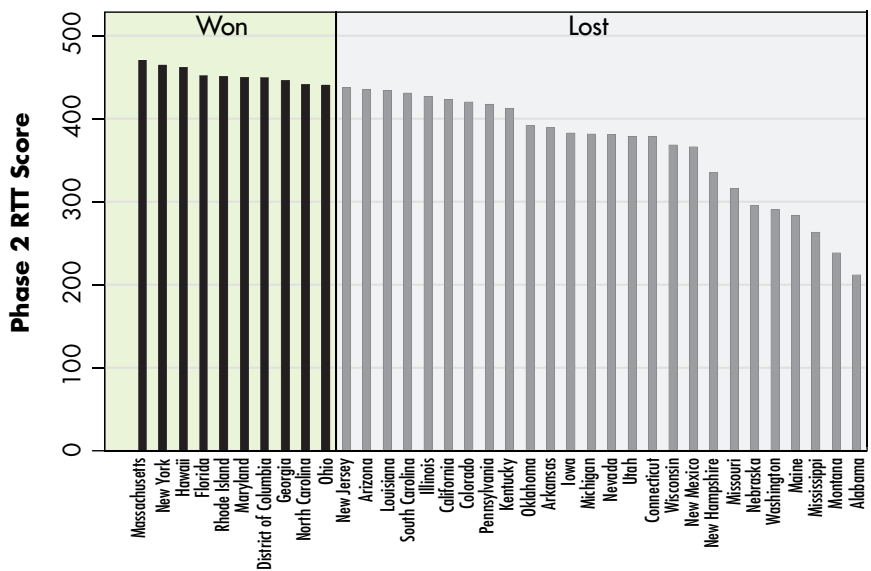
thirty-five states and the District of Columbia applied in Phase 2. Reviews began over the summer, and the department announced nineteen finalists in late July. It then named ten winners in late August, which included nine states and the District of Columbia.

**FIGURE 1**  
Phase 1 Race to the Top Proposal Scores



SOURCE: U.S. Department of Education, “States’ Applications, Scores and Comments for Phase 1,” available at [www2.ed.gov/programs/racetothetop/phase1-applications/index.html](http://www2.ed.gov/programs/racetothetop/phase1-applications/index.html) (accessed September 8, 2010).  
NOTE: The following states did not apply in Phase 1: Alaska, Maine, Maryland, Mississippi, Montana, Nevada, North Dakota, Texas, Vermont, and Washington.

**FIGURE 2**  
Phase 2 Race to the Top Proposal Scores



SOURCE: U.S. Department of Education, “States’ Applications for Phase 2,” available at [www2.ed.gov/programs/racetothetop/phase2-applications/index.html](http://www2.ed.gov/programs/racetothetop/phase2-applications/index.html) (accessed September 8, 2010).  
NOTE: The following states did not apply in Phase 2: Alaska, Delaware, Idaho, Indiana, Kansas, Minnesota, North Dakota, Oregon, South Dakota, Tennessee, Texas, Vermont, Virginia, West Virginia, and Wyoming. Delaware and Tennessee did not apply in Phase 2 because they won in Phase 1.





## RTT as a Competitive Project Grant

Amidst all the hoopla and novelty of RTT, one should remember that the fund itself is an example of a familiar type of federal program: the competitive project grant. Like other agencies, the Department of Education uses competitive grants quite frequently and operates several dozen in any given year. One recent compilation identified 214 such programs, most of which were allocated less than \$50 million—quite small in budgetary terms. Other larger and more well-known ones, including TRIO Upward Bound (\$311 million) and GEAR Up (\$323 million), also operated in fiscal year 2010.<sup>13</sup> At \$4.35 billion, RTT is an order of magnitude larger. Still, in assessing the program's current and potential impact, one should consider more than its price tag. Reflecting upon the general features of competitive grants and their administrative challenges is also valuable because it facilitates comparisons between RTT and other programs, including some with parallel aims.

Grants are a popular and flexible government tool.<sup>14</sup> They take several different forms, but all grants can be understood in terms of their intended applicants, the purposes they serve, and how they are distributed. These design elements, summarized in the table, matter a great deal. How program authors sort them out has implications for how complicated a grant will be to administer, its substantive reach, and the political dynamics it unleashes.

**Intended Applicants.** State governments are common recipients of federal grants; other recipients include local governments or nonprofit organizations. Individuals frequently receive federal grants, too, as when students use Pell grants to pay for college or professors win grants from the National Science Foundation to support their research. In the case of RTT, only states were eligible to apply, although the program's requirements directed the winning states to send a portion of those funds to local school districts. RTT contrasts with another competitive education grant program funded by the stimulus, the \$650 million Investing in Innovation fund (I3). That program was open to a broad array of

**Table**  
**Grant Program Design Elements**

Design Element	Options
Eligible Applicants	<ul style="list-style-type: none"> <li>• Broadly defined: Distribute widely across sectors (public, private, nonprofit, or individuals) or governments (state or local).</li> <li>• *Narrowly defined: Target one sector or level of government.</li> </ul>
Purposes	<ul style="list-style-type: none"> <li>• Revenue sharing: Transfer funds to recipients with limited concern for how funds are used.</li> <li>• Block grants: Fund activities in general areas and let recipients identify the specifics.</li> <li>• *Project grants: Fund specific activities that the donor determines in advance.</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>• Formula: Predetermined variables, typically identified in law, decide funding for each recipient.</li> <li>• Competition: Recipients compete with each other for funds; funding is not guaranteed.</li> <li>• *Combination: Allocate grants using formulas and competitions.</li> </ul>

NOTE: Items with an asterisk represent design features of RTT.

education providers at local levels, including school districts and nonprofits. The I3 competition received nearly 1,700 applicants, and forty-nine winners were announced in early August.<sup>15</sup>

Administrators of grant competitions open to a wide range of potential applicants (for example, state and local governments, nonprofits, and religious institutions) have a much harder time comparing applications and assessing whether allocated funds have supported the program's goals than administrators running programs where applicants are more similar (such as state agencies). Narrowly defining eligible applicants may help streamline program administration, but it may make it difficult to reach the populations the grants are designed to serve. Broadening the applicant pool increases the likely political support for a program because multiple constituencies can benefit from the funds.

**Purposes.** Grants also vary in the degree to which their sponsors impose specific conditions on the use of funds. The least restrictive federal grants come in the form of revenue sharing, which amounts to the federal government distributing money to states or localities with essentially no criteria for how recipients should spend it. One example of this in education is Impact Aid. This program sends federal funds to communities that miss out on local property-tax revenues due to the presence of large federal institutions such as military bases.<sup>16</sup>



It is worth pondering whether **RTT applicants were really just engaged in a “race to the trough”** rather than a race to the top.

Block grants also afford recipients much flexibility, but they are designed to support activities within broadly specified areas. One of the most famous federal block grants is Temporary Assistance for Needy Families, which in the 1990s reformed the longstanding federal welfare program Aid to Families with Dependent Children. In elementary and secondary education, ESEA Title I grants to local school districts have operated much like block grants given that they support the education of disadvantaged youth while providing local districts much flexibility in how they use the money to meet those students’ needs. That is one reason Title I is often considered a funding stream rather than a coherent program.<sup>17</sup>

Project grants, such as RTT, have the most conditions attached. Sponsors of these grant programs often outline specific purposes for which applicants must promise to use the funds. For example, some federal project grants established after the 9/11 attacks were designed to enable local emergency agencies to purchase equipment and communications technology. Similarly, the criteria in the RTT scoring rubric illustrated the specific activities that the program’s designers intended it to support. Unlike revenue sharing or block grants, project grants provide potential recipients with the clearest signals of grant givers’ policy preferences.

**Distribution.** Grants can also be understood in terms of the mechanism they use to award funds. Formula grants provide agency administrators with the least discretion because allocations typically are based on variables and formulas that Congress writes into law. These formulas serve powerful political purposes because they tend to distribute money widely across many states and congressional districts. Large Title I grants in the ESEA are governed by such formulas with the variable of poverty weighing heavily in the calculation.

Relying on potential recipients to compete for funds, with no guarantee of an award, is another way to distribute grants. In theory, those offering the best

proposals receive the money. While competitions may be more likely to produce applicants with deeper commitments to the program goals, it can be more difficult to sustain the political coalitions needed to maintain such programs, especially when the losers vastly outnumber the winners. That reality may affect Obama and Duncan’s ability to extend RTT in the future.

In general, most project grants are distributed using competitions, yet combinations can exist. In the case of RTT, state winners were determined through a competitive process. After those winners were identified, predetermined formulas that Congress wrote into the law dictated the portion of RTT funds that states needed to direct to local districts and how much each district received. Specifically, state governments that won RTT grants were allowed to keep 50 percent of the grant to fund state initiatives. Formulas allocated the other 50 percent to local school districts that had signed on to implement the winners’ RTT plans.

Viewing RTT as a competitive project grant with grand ambitions to promote major reforms, one could ask: has RTT begun to realize the promise that advocates of competitive grants envision, or is the Obama administration’s design and early implementation of RTT already revealing the limits of this popular policy tool?

## Influencing the Policy Agenda

Federal policymakers frequently design grant programs to make state and local policy agendas more consistent with federal priorities. Although some states or localities have an interest in advancing federal objectives, others are reluctant or slow to do so. Federal grants to states offer incentives that make the adoption of certain agendas more likely. This presumes that, first, federal grants provide an indispensable financial boost to support new initiatives and, second, they provide valuable political cover to advocates pursuing reforms in state and local arenas.<sup>18</sup>

Evidence across time and program areas illustrates that when state and local governments receive federal grants, they adapt their policies in ways that federal officials prefer. For example, in her famous study of social-welfare policy in Massachusetts, University of Virginia political scientist Martha Derthick concluded that “change [in the state] took place faster than it would have in the absence of federal participation, and took specific forms and directions that it might not otherwise have taken.”<sup>19</sup> Similarly, University of Chicago political scientist and law professor Gerald





Rosenberg's analysis of school desegregation in the South found that federal court decisions may have increased pressure for integration, but the pace remained quite slow until federal dollars began flowing from the original ESEA. "The question," Rosenberg observed, "is whether federal funds caused the increase in desegregation. The answer appears to be a clear yes. Financially strapped school districts found the lure of federal dollars irresistible. To obtain and keep the money, however, they had to desegregate."<sup>20</sup> More recently, the 1994 and 2001 reauthorizations of the ESEA's Title I helped accelerate the development of state accountability systems based on standards and testing.<sup>21</sup>

**When the dust** of RTT's application phase **settles**, state and federal government **officials should not be surprised when things do not work out** as planned.

The initial dynamics that RTT has unleashed appear consistent with these historical patterns of state and local governments altering policy to obtain federal funds. Echoing Derthick's findings, several of today's state leaders agreed that RTT created a sense of urgency that moved them to act.<sup>22</sup> In Tennessee, a state that eventually won an RTT grant, Democratic governor Phil Bredesen called the legislature into special session in January 2010 to debate a number of education measures designed to better position the state's application. "The whole Race to the Top just provided a focal point for a whole range of things that might have been difficult to do in other times," Bredesen explained.<sup>23</sup> Similarly, Kelly Hupfeld, an assistant dean at the University of Colorado at Denver, noted, "We've had a lot of good ideas floating around the state for a long time, but we don't have any money to implement them." She perceived RTT as providing "a chance for us to really accelerate all of the things that we've been talking about."<sup>24</sup> The winners from Delaware and Tennessee echoed these points in a technical-assistance

meeting with other states, which the Department of Education held before the Phase 2 deadline.<sup>25</sup>

The focus of such state legislative sessions appears to have produced policy changes consistent with federal hopes. One examination of states applying in Phase 1 found that for policies governing teachers, eighteen states made changes in 2009 and early 2010 in advance of the RTT Phase 1 deadline, compared with four states making changes in 2007 and five in 2008.<sup>26</sup> The rapid nature of these and other state responses led one observer, former Bush administration official Andy Smarick, to call them "the greatest achievement of Secretary Duncan's tenure." Similarly, Joe Williams, executive director of Democrats for Education Reform, said it was "brehtaking" that RTT appeared to have such influence on the policy dynamics across the states.<sup>27</sup>

The states' changes addressed several areas, including policies that overhaul teacher evaluation and link it closely to student-achievement data; policies governing entry into the teaching profession, through traditional or alternative routes; and policies to facilitate the development of public charter schools, which in some cases altered the rules governing how charters are operated and increased state caps that limited the number of charters in a state. Other changes gave the states additional options to intervene in schools that perform poorly for several consecutive years.<sup>28</sup>

These policy changes highlight the importance of RTT's competitive design. By releasing its scoring rubric for state proposals in advance and not guaranteeing funding for all states, the Department of Education encouraged states to key their policy changes to the specific items in the RTT rubric. State leaders admitted as much, including those from states that chose not to apply in Phase 1, such as Maryland, because they wanted more time to adjust state policies before the Phase 2 deadline.<sup>29</sup> (Maryland won an award in Phase 2.) Had RTT been distributed to states on the basis of predetermined formulas, it is unlikely that the same pace and depth of policy change would have occurred.

### **Policy Change versus Substantive Improvement**

Despite the evidence of RTT's impact on state policies, there are four reasons to exercise caution and not overestimate the program's initial impact or its potential to improve schools. These involve the sincerity of states



applying to the competition, the coherence and quality of the states' applications, the assumptions that states made about their capacity to implement their plans, and the need to make challenging political decisions to sustain the more difficult elements of reform.

First, it is worth pondering whether RTT applicants were really just engaged in a “race to the trough” rather than a race to the top. There may have been widespread efforts to change state policies in response to RTT’s requirements, but it is hard to assess whether those changes represent genuine commitments from state leaders or simple legislative gamesmanship to better position states to receive federal money. While many state leaders, especially those responsible for assembling and submitting RTT applications, maintained that their proposals were sincere and represented initiatives that they wanted to pursue anyway, others spoke more bluntly about state motives. Phil Berger, the Republican minority leader in the South Carolina Senate, explained that “the purpose of this [RTT] is mainly, quite frankly, to draw down federal dollars. Federal money is not just money that falls out of the sky.”<sup>30</sup> Another state legislator from Wisconsin echoed that by bluntly observing, “This is basically a race for the money, not a race for the top.”<sup>31</sup> Related suspicions emerged in New York, where Democratic governor David Patterson incorporated \$750 million of RTT funds into his fiscal year 2011 budget proposal, even though state applications had not yet been evaluated.<sup>32</sup>

Second, even if state policy proposals and changes have been sincere, the real test of their quality and coherence will come when state and local officials begin to implement their plans. State proposals were designed quite rapidly given RTT’s relatively short application timeline. Certainly, the program’s supporters should be encouraged that so much state action seemed to produce changes consistent with the program’s ambitions. Still, the reform packages that states assembled sometimes were cobbled together quickly and clumsily, with many hands not working in coordinated fashion, as evidenced by the incoherent narratives in some proposals. Other packages came together without much substantive debate or consideration of potential unintended consequences.<sup>33</sup>

For example, the RTT rubric placed weight on states adopting common standards. In response to that emphasis, several states tried to bolster their applications by adopting the standards being developed by the Common Core State Standards Initiative, even though the Phase 2 deadline came before the Common Core standards were finalized. One can reasonably wonder how seriously those adoption decisions were considered, not only at the state level but also across school districts. Regarding the application

process more generally, some state legislators in Michigan and North Carolina felt uneasy at the hurried pace at which their states’ education-reform packages were considered as a result of RTT.<sup>34</sup>

Third, state and local limitations may present roadblocks that undermine the implementation of state plans. When the dust of RTT’s application phase settles, state and federal government officials should not be surprised when things do not work out as planned. It is entirely possible, for example, that states have made sanguine assumptions about their capacity to implement their promises and that the reviewers were unable to detect such exaggerations. A common analysis after the Phase 2 judging ended was that some of the winners, such as New York and Hawaii, had relatively limited capacities while others that lost, such as Louisiana, seemed better positioned to succeed.<sup>35</sup> Effectively executing RTT initiatives will require mustering administrative capacity and altering bureaucratic routines—two actions that are often difficult to accomplish for large government organizations, such as state education agencies and local school districts.

Fourth, the political will to effect policy changes and leverage their possibilities will be crucial during implementation. The development of state data systems, an important focus of RTT, provides one example. Creating the legal environment and technical capabilities to better use student-achievement data to drive teacher evaluations or curriculum development is certainly important. But as Aimee Guidera of the Data Quality Campaign correctly observed, “It doesn’t matter if they [the states] have the capacity to do it. The real power comes from the use of data. The real value of the information will be seen when states take action” in response to the data they collect.<sup>36</sup> Because data-driven decision making requires both technical capabilities and political commitment, many political forces, including changes in state leadership coming in the 2010 elections, could derail states’ efforts to follow through on their promised plans.

## Officiating a Transparent Race

One key difference between formula and competitive grants is that the latter involve more judgment calls to determine who receives funds. Formula grants are allocated based on variables such as state or local population size and poverty rate; this involves agency administrators using basic math operations in a formula determined by Congress. In contrast, the allocation of competitive grants creates some political challenges. In competitions such as RTT, where the merits of applicants’ proposals



are evaluated, critics may accuse judges or agency officials of playing favorites.<sup>37</sup> Such perceptions can move skeptics, often the competition's losers, to encourage congressional allies to exert pressure on the agency.

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A potential solution to sidestep charges of bias is to distribute competitive grants via open and transparent processes.<sup>38</sup> Transparency helps ensure that the results of grant competitions are reasonable and legitimate. Losers may still be disappointed, but at least they have opportunities to learn what went wrong with their applications, what went right for the winners, and how to improve in the future.

The Department of Education took several steps to attempt to promote transparency and inoculate RTT from claims of bias or cronyism, including making several items easily accessible from its website.<sup>39</sup> Those items included the scoring rubric with point values for each criterion, which was released along with final regulations governing the competition; state applications for Phase 1 and Phase 2 of the competition; a complete spreadsheet of state scores, including individual reviewer scores for each criterion in the RTT rubric and reviewers' written comments; video files of the RTT finalists' presentations and question-and-answer sessions with the reviewers and department officials; short biographies of the project reviewers; information on how the reviewers were selected; the training and orientation materials provided to the reviewers; and transcripts and handouts from three technical-assistance meetings conducted for states and other interested observers, two before the Phase 1 deadline and one before the Phase 2 deadline, which included presentations from the Phase 1 winners. To help the reviewers render honest judgments, their identities were released

in a single large document, which did not indicate the specific projects that each one reviewed.

Still, legitimate criticisms of the process emerged along with others that were either inaccurate or somewhat unfair. Some critics of the department's claims about transparency, such as Frederick M. Hess of AEI and *Education Week* reporter and blogger Michele McNeil, focused on the project reviewers.<sup>40</sup> These arguments included complaints that the reviewers' names were only released *after* the Phase 1 application deadline; that details of the reviewers' training were kept secret from outsiders; and that Duncan's remarks before the RTT judging about positive initiatives already underway in some states may have biased the judges to see them more favorably. The decision to keep the reviewers' names secret initially made some sense given the department's desire to have the reviewers work without undue pressure. But if that were the rationale, it is curious that the names were released before the Phase 2 judging was complete. If revealing their names made them subject to potential pressures, then that pressure would have been present during the judging for both phases.<sup>41</sup>

Regarding reviewer training, the department released reviewer guidelines, slides from training sessions, and even reviewer comments on the quality of the training.<sup>42</sup> Certainly, the written record provides only a partial glimpse into how the training process actually worked. Questions and discussion emerging in the sessions are perhaps equally or more important. It is unclear how the department could have captured and released the knowledge transfer of those verbal interactions in an effective way. Perhaps transcripts of the training sessions could have been provided, as they were for technical-assistance meetings with states. Yet doing so still would have missed the ideas exchanged in postsession follow-ups among the reviewers and with agency staff. Furthermore, transcribing and posting the training sessions online may have made participants more likely to address delicate topics in one-on-one interactions, which would have deprived the entire group of the discussion.

Duncan's decision to name as winners the two top-scoring applicants from Phase 1 and the ten top-scoring applicants from Phase 2 suggested he was willing to let the reviewers' collective judgments determine the outcome, rather than his own preferences. Interestingly, Duncan faced a sort of "damned if you do, damned if you don't" situation given that states with strong or growing reform reputations (such as Louisiana and Colorado) did not win an RTT grant. By turning away those states, some complained about the department's

exercise of poor judgment. The Fordham Institute's Michael Petrilli, for example, called the Phase 2 results "a disastrous outcome" that had turned RTT into a "farce."<sup>43</sup> Yet, if Duncan had invited such states into the winner's circle, critics would likely have said that he was not impartial and that the judging was essentially a sham designed to make the contest appear fair.

Even though the winners scored the most points, some critics complained that a few particularly harsh judges skewed the results. They argued that the department should have accounted for the presence of outliers by throwing out the highest and lowest marks, averaging three rather than five scores. The department could have done more to assure observers that the outliers were not unduly punishing a few states, beyond explaining that the pattern of outlier scores did not systematically bias the results. For example, identifying the reviewers by anonymous codes would have allowed neutral parties to analyze patterns with more granularity than releasing the scores without reviewer codes. Allowing people outside the agency to have anonymous reviewer codes to reach their own judgments would have established more confidence in the claim that outliers posed no problem.

One benefit of the department's efforts at transparency was that states failing to win a grant in Phase 1—all but two applicants—could learn how they might improve their prospects in Phase 2. Each state could see the other states' applications, scores, and reviewer comments, including videos of the finalists' presentations. The documents containing the applications and reviewer comments were searchable by common software, which enabled interested Phase 2 applicants to scour the documents to study particular topics and revise their own applications.<sup>44</sup> Certainly, making all this information available did not guarantee it would be used well. (Mindless cutting and pasting from strong applications was a clear possibility.) Still, providing these resources promoted transparency and gave states the opportunity to refine their ideas.

Further, the Department of Education's technical-assistance meeting conducted in April 2010, after Phase 1 winners were announced but before Phase 2 applications were due, allowed department officials to share general insights from the reviewers. It also allowed states to ask clarifying questions about the reviews they received and ask representatives of Delaware and Tennessee about how they constructed winning proposals. Those meetings went a long way toward supporting one of the department's stated goals of sparking conversations among states.

## Enforcing the Law

The department's efforts at transparency may unleash challenging political dynamics in the four years that winners have to execute their plans. With state applications and reviewers' marks visible to the world, it will be easy to track the winners' progress as they spend their RTT awards. But what if the winners do not accomplish what their proposals outlined? What if the states have overestimated their capacity to carry out their plans and important substantive changes fail to materialize? What if new state leaders, who enter office after the 2010 elections, decide to shift course from the plans in their predecessors' RTT applications? Such scenarios will undoubtedly place the department in a difficult position, especially because leaders such as Duncan and Weiss have promised that oversight and enforcement of RTT will be vigilant and could involve clawing back funds from winners that deviate too sharply from their plans. Duncan said, "If [states] are not implementing their plans and hitting the 'performance measures' and timelines they proposed in their applications, the Department will take appropriate action. Those actions could include pausing or ceasing States' draw-downs."<sup>45</sup>

Despite these assurances, it will be difficult for department officials to engage in strict enforcement. Historically, federal education officials have had a weak track record of enforcing provisions in major statutes. For example, during the implementation of the ESEA reauthorization of 1994, Clinton officials struggled to keep states on track as they developed the required content standards and exams in key subjects. Further, when thirty-two states failed to develop their accountability plans as required by a key deadline in NCLB, the Bush administration nevertheless praised them for a job well done, and the dollars continued flowing.<sup>46</sup>

It is uncertain whether Duncan and members of his team will be stricter enforcers than their predecessors. The goal of getting money to state and local districts has nearly always taken precedence over requiring grant recipients to adhere strictly to program requirements. Cutting off a grant or recapturing funds does nothing to advance the purposes of the grant program; federal leaders have enlisted grant recipients to do a job that the federal government cannot do. As the history of the ESEA's implementation has shown, federal education officials are in essence beholden to states and localities and therefore usually work with them to improve performance or offer exceptions to program requirements instead of exercising the ultimate threat of withdrawing funds. In that regard,





federal education officials are no different from grant makers in other federal departments. As Derthick noted in her classic study of federal welfare programs in Massachusetts, “The ultimate resource of federal influence is the withholding of the grant, but this is almost impossible to use, for withholding serves no one’s interests.”<sup>47</sup> Still, she recognized that the potential to withhold funds, even if it rarely happens, can give federal overseers important leverage over state grant recipients.

Such leverage may be limited in the RTT context, though. RTT is actually intended to serve two goals: promoting education reform and stimulating the economy. Recapturing funds will be a tough political sell if the economy continues to sputter. Further, if proper enforcement is not forthcoming, the department will be unable to escape criticism due to the program’s transparency. Politically, that will hurt the administration’s case with members of Congress, especially those representing states that lost in the RTT competition. If losers were denied funds because they seemed unprepared to spend them well, it would be reasonable to ask why the winners are not losing funds when they fail to keep their promises. That loss of credibility may undermine the Obama administration’s future efforts given that the president and Duncan want to implement more competitive grant programs, including expanding RTT.<sup>48</sup> If applicants know they can make grand promises with no penalties for poor implementation, then the department will lose the potential advantages of running competitions in the first place.

## Performance and Compliance

Grant givers must strike a balance between requiring recipients to comply with program rules and encouraging recipients to focus on the goals of the grant. A common complaint among grant recipients is that compliance tasks consume too much time and distract from what is important. How RTT’s overseers and winners manage the tensions between compliance and performance will be important to watch as the program moves forward.

The federal overseers of RTT have claimed that the fund will break with past practices by making performance issues paramount. The competition’s name suggests as much—the urgent need (a “race”) to focus on performance and results (getting to “the top”) rather than the specific mechanisms to get there. Weiss’s comments at a technical-assistance meeting for prospective applicants echoed that sentiment when she noted that the department is “trying to provide a different paradigm of how

grant making happens that says, ‘Here’s the problem you’re going to solve. The way that one state solves it might not be the right way to solve it for another state. And that’s fine.’” To serve that end, the department envisioned RTT to be “a very flexible mechanism,” she said.<sup>49</sup>

The detailed scoring rubric that accompanied the RTT application illustrated, however, that compliance-oriented behavior would persist and even dominate the department’s approach. Few points in the RTT rubric rewarded states for increasing academic achievement. Only one section of the entire rubric awarded points for student results: point A(3) on “demonstrating significant progress in raising achievement and closing gaps,” which contained two subpoints, (i) “making progress in each reform area” (five points) and (ii) “improving student outcomes” (twenty-five points). Put differently, of the five hundred points states could have earned on the rubric, only thirty points, or 6 percent of the total, were awarded based on past or promised student outcomes.

States earned points on the other criteria depending on whether they had adopted certain policies or shown that certain bureaucratic capabilities were in place (for example, the ability to intervene in low-performing schools and the maintenance of statewide longitudinal-data systems). Nowhere in the rubric were states required to promise that student-achievement gains would increase by some overall amount or at a certain trajectory by the end of the four years that winners had to spend their RTT money. Despite the optimism of Weiss and others, the content of RTT will make it difficult for federal officials to keep themselves and the winners focused on performance rather than compliance.

It is worth remembering that NCLB’s passage was heralded with claims about how it would put the country on a new path focused on educational results, high achievement, and reduced achievement gaps between groups. Nevertheless, NCLB expanded rather than minimized compliance tasks.<sup>50</sup> It is unclear why or how RTT will differ from that track record. Given RTT’s focus on process, two particular challenges will exert a strong pull toward the compliance approaches that have dominated implementation of federal grant programs in previous decades.

First, RTT does not stand alone. Rather, it exists alongside several other federal education grants. That constellation of programs creates multiple funding streams and reporting requirements, often characterized as program silos. When those programs chafe against one another, it can be difficult for grant recipients to achieve the objectives of one program without undercutting, contradicting, or violating the requirements of another.



**RTT** is actually intended to serve **two goals: promoting education reform and stimulating the economy. Recapturing funds will be a tough** political sell if the economy continues to sputter.

For example, consider the different ways that RTT and NCLB address teacher quality. RTT's vision is to promote the development of "highly effective teachers," while the ESEA, as reauthorized by NCLB, focuses on "highly qualified teachers." The requirements differ, which led federal officials to remind states that if they had a particular approach approved for RTT, it would not automatically be considered legitimate in the eyes of those overseeing the ESEA.<sup>51</sup> RTT envisions that a highly effective teacher could be one that helps students achieve more than one year of academic growth in a single year. Present ESEA requirements, however, would not enable states to detect such growth in classes where all students entered performing at grade level because the ESEA does not allow testing for knowledge that goes beyond grade-level expectations. Thus, the only teachers able to show more than a year's growth, based on state test results, would be those who teach students coming into their classes several years behind.

Second, it will be challenging for RTT winners and federal overseers to overcome the culture of compliance that exists in federal and state departments of education as well as local school-district offices. There are many ways to define an organizational culture, but generally it refers to an organization's collective beliefs, menu of tasks, priorities, and ways of operating. When all members of an agency have similar understandings of such things, especially the key tasks required for agency success, then the agency is said to have a strong culture.<sup>52</sup>

In general, the Department of Education and state education agencies do not have organizational cultures that focus on performance. Historically, they have focused on distributing funds from several individual grant programs that operate as self-contained silos. Ensuring state and local school-district compliance has

been the dominant activity for federal and state public administrators. Even with federal and state leaders promising a renewed focus on performance with RTT, distributing and tracking money from various state and federal grant programs will remain a fundamental task. Importantly, RTT has not replaced those agency functions. Dozens of employees at state education agencies, even the majority in some states, will still owe their jobs to the federal funds that they are charged with managing.

Agency structures that develop along program lines can contribute to the emergence of organizational subcultures that encourage staff to see the world through their own narrow lenses organized around ESEA Title I, special education, vocational training, or the myriad other areas that state and federal agencies oversee. In such an environment, it is hard to see compliance-focused activities fading into the background. RTT enthusiasts seem to expect organizational reshuffling or impassioned decrees—"it's for the kids"—to change work practices that have taken hold over years, if not decades. As political scientist Anne Khademian has argued, it is probably incorrect "to view culture as putty in the hands of an executive" running a public agency.<sup>53</sup> Institutional histories and the contexts in which government agencies must operate create powerful forces that can minimize the effects of simplistic bureaucratic changes or mere sloganeering. That is not to say that powerful executives cannot prompt valuable agency changes, but doing so requires a degree of strategic thinking, persistence, and time on the job that many agency leaders lack.<sup>54</sup> In light of RTT's requirements focusing on structural and process changes, it is worth considering Khademian's insight that "organizational change is tough, particularly in the public sector, and there are limits to reform that can flow from changes in structure and process alone."<sup>55</sup>

## Policy Learning

The authors of RTT assumed that the winners could teach state and federal policymakers important lessons. As Weiss concluded in her remarks to the Minneapolis technical-assistance meeting on RTT, "There's going to be a whole lot of you in this room who come out the end of Phase 2 as winners and together, with all the rest of the States in the country, you're going to really be blazing the trail for the next several decades of education reform."<sup>56</sup>

In the short term, the RTT application process has led to idea sharing and collective problem solving. States





have been encouraged to share their questions and concerns at technical-assistance meetings with the Department of Education, and full transcripts of those sessions have been made available online. The department is also requiring the winners to disseminate, by the Internet or other means, the tools and information they generate using RTT funds. Despite those positives, several organizations, including the Council of Chief State School Officers, the National Governors Association, and the National Association of State Boards of Education, already promote the sharing that has occurred in the RTT competition. It is unclear whether the sharing emerging from RTT has been different from the exchanges in those other venues. Looking ahead, it will take months or even years to determine whether RTT sparks the sort of policy learning that its supporters anticipated. In trying to interpret the future, the answers to four key questions will be paramount.

#### **How valuable will it be to transfer ideas from the RTT winners to other states?**

RTT assumes that sharing is a good thing. Given that the bulk of the RTT rubric focused on compliance activities, the “learning” thus far has involved states lifting charter caps, adopting common standards as a matter of policy, or making it possible to use student-achievement gains in evaluating teachers and principals. These changes may be important intermediate steps toward improving student outcomes, but they are not outcomes, *per se*. Congratulating states for copying such initiatives will undermine RTT’s objectives if the policy changes, not state successes at turning around struggling schools, are treated as evidence of improved performance. There is an ocean of difference, for example, between a state showing that charter-school caps have been lifted and demonstrating capabilities for and evidence of improving student achievement. In the vernacular of performance management, state policy actions, such as increasing charter caps, are mere outputs that may or may not support ultimate outcomes such as improved student learning. States should receive praise when they improve outcomes for students, not simply when they change a law or create a new teacher-evaluation system. Facilitating learning that produces improved student outcomes should be the goal.

**How feasible will it be for states to learn and then implement the lessons they glean from others?** Even if states want to learn, it will not necessarily be easy to transfer valuable ideas

from the RTT winners to the losers. Herein lies a big paradox of RTT and competitive grant programs in general. Consider the difference between the RTT winners and losers. In theory, the winners are receiving the money because they are the best positioned, in terms of their track records and future plans, to realize the ambitions of RTT. (Leave aside for a moment the likely fact that some of the winners are ill-prepared to keep their promises.) The winners will presumably have an *easier* path to success than the losers. If that is true, then simply gathering up the winners’ ideas and sharing them will not teach the losers how to get into the starting blocks from which the winners began. Some of the winners’ ideas may catch on, but one should not assume that they will carry over in ways that foster dramatic change in state-level operations, especially in the states least prepared to win RTT.

**Bridging the gap between state systems and local practice will be a major challenge** confronting federal and state reformers who are committed to RTT’s success.

**Will the competition’s focus limit the range of useful lessons policymakers might learn?** In crafting the competition’s parameters, federal education officials hoped that states would figure out how to scale up ideas—across entire states and ultimately across state lines—that show some evidence of success in smaller environments. As one official involved in running RTT said, the department recognized that there are ideas that appear to work on a small scale, and the program’s goal is to encourage discussions and innovation around those ideas with the ultimate objective of making states the engines that will push those reforms on a wider scale.<sup>58</sup>

With the competition focused on several key areas and either requiring or strongly suggesting certain approaches, other promising avenues may be missed. For example, the RTT rubric awarded more points to states that showed they were participating in an assessment consortium involving a majority of the states. Yet in practice,



no assessment consortium of that size has ever produced and implemented common assessments. The most successful team efforts among states have involved much smaller groups, such as the four states participating in the New England Common Assessment Program.<sup>59</sup> By pushing states into larger groups, RTT may have encouraged a model of assessment development that will make it difficult to produce workable exams that states will use. Not penalizing states that wished to work in smaller coalitions would have been one way to avoid that potential difficulty.

Another example is RTT's privileging of certain school-turnaround models. Specifically, the RTT rubric required states to adopt one of four different models—turnaround, restart, school closure, or transformation—for schools that have struggled for several consecutive years. Further, the transformation model, which allows the greatest amount of flexibility, is only permitted in a limited number of schools in any one school district. Part of the reason for specifying these four models was the frustration some have expressed regarding the implementation of NCLB's remedies for the most troubled schools. Critics of NCLB's approach have complained that states and local school districts were allowed too much leeway, which led to relatively mild interventions in schools that needed something much more dramatic. Studies of schools requiring such restructuring, however, have found no dominant approach, including those preferred by NCLB or RTT, that has been most effective.<sup>60</sup> By limiting the acceptable reform approaches, RTT may be narrowing the range of lessons states could learn about supporting school improvements in the most difficult situations.

**To what extent will RTT spark the development and adoption of effective practices in local schools and classrooms?** RTT has emphasized the development of state-level systems that could be mobilized to serve the needs of local schools and students. Bridging the gap between state systems and local practice will be a major challenge confronting federal and state reformers who are committed to RTT's success. As education policy scholars David Cohen and Susan Moffitt have shown in their analysis of the ESEA's Title I program, the desire to keep federal hands out of local classrooms has led federal policy to operate at a distance, buffered by state bureaucracies, from the local settings its designers hoped to influence. As a result, federal officials have relied on others to construct a bridge between policy and practice. But as Cohen and Moffitt

argue, "policies can only help to more substantially improve teaching and learning if the people and schools that are performing poorly can make effective use of the policies and resources that they offer. That requires the very capability that those schools often lack."<sup>61</sup>

## Lessons Learned to Date

Today, our knowledge of RTT's impact and future prospects is quite small compared to what it will be after the 2010 elections and the four years that the winners have to spend their grants. Still, this paper's consideration of RTT's basic assumptions and features, as well as the history of federal education policy, does suggest the following lessons that can inform implementation of RTT and future competitive grant programs.

**Design competitions with more focused goals and applications that are easier for states to complete and reviewers to evaluate.** A major premise of RTT was that piecemeal reform would not help the nation improve student achievement or eliminate achievement gaps between student groups. Weiss's comments suggested that the department preferred to go big rather than small. While a need for comprehensive reform may exist, that does not mean that the federal government has the capability to implement programs designed to engineer significant improvements to the level of detail specified in RTT. Embracing more modest or narrow objectives, as do other competitions focusing on assessment design, for example, would be a better approach. Doing so also would avoid the massive challenges that occur when competitions produce thousand-page state plans that even the most knowledgeable and conscientious proposal reviewers are unable to evaluate. Assuming that evaluators can assess such complex proposals accurately and fairly ignores the mountains of evidence from scholars, including Nobel Prize-winner Herbert Simon, about the challenges facing decision makers in complex information environments.<sup>62</sup>

**Continue efforts to promote transparency and expand them during the RTT implementation phase.** Federal education officials should receive solid marks for their efforts to make RTT transparent. Some elements of the contest could have been designed and carried out better, but the overall amount of information made available was quite comprehensive. The department should build upon that track

record during RTT's implementation phase by (1) creating score cards to show how well the winning states are implementing their plans; (2) making public any plan modifications that states negotiate with the department as they spend their awards; and (3) collecting and disseminating ratings of state RTT efforts that will undoubtedly be produced by independent researchers, scholars, and think tanks as a way to provide an external check on the implementation score cards that the department or the states develop.

### **Do not assume that knowledge transfer from RTT winners will be desirable or easy.**

A stated assumption of RTT's overseers is that the winning states will provide the ideas and leadership to improve education across the country. Yet it is unclear why the lessons learned in the winning states will be valid in other states. What if the winners' experiences suggest indeterminate (as is common in education) or even contradictory lessons? And what if the losers, especially those that had strong reform reputations going into the competition, seem to have better ideas than some of the winners?

Further, even if some of the winners' lessons are clear and well evidenced, the Department of Education should not underestimate how difficult it will be to adapt and implement those ideas in other states. To date, the administration's theory of knowledge transfer has been simplistic, underspecified, and naïve. Simply having the winners disseminate their ideas on their own or the department's website, as has been suggested, will not help explain to the losers how to lay the needed foundations upon which the successful RTT designs were constructed. Given these potential problems, using the upcoming ESEA reauthorization to force all states to follow the winners' lead, which the department's reauthorization plans seem to foreshadow, would likely do more harm than good. Frustrations across levels of government inevitably arise when federal officials make unrealistic assumptions about state capabilities.<sup>63</sup>

### **Expect that the winners will not deliver on all their promises, and be willing to recapture funds when they stumble.**

Breaking with past practice and delivering the sort of enforcement that federal officials have promised for RTT would go a long way toward convincing skeptics that the administration is serious about implementing competitive grant programs. Further, if the department's congressional overseers agreed, it would be valuable to transfer any recaptured funds to states that just missed winning RTT awards. That would help the department

sidestep criticism from the losers and make future competitions more credible. It would also help fulfill the other often-forgotten goal of RTT—to stimulate the struggling American economy.

### **Use substantive student outcomes, not just policy outputs, to judge state success.**

Early celebration of RTT's apparent success has conflated the production of policy outputs with the achievement of substantive outcomes. While it certainly has taken much political effort in some states to lift charter-school caps or incorporate student-achievement data into teacher or principal evaluations, those changes are not evidence that RTT is already improving educational outcomes. Outcomes are the results that policies create—improved school cultures, higher student achievement, and graduates that leave school ready for work or college. Federal and state policymakers should avoid overstating the effects of policy changes until evidence of their impact on students or teachers is available. Doing so will help refocus attention on whether students' educational experiences are improving rather than on whether bureaucracies or policies have changed.

A focus on outcomes, not just process requirements, should weigh more heavily in subsequent rounds of RTT, if the administration and Congress agree to pursue the program in the future. Interestingly, the current RTT competition did not require states to say in what subjects and by how much student achievement (or other outcomes) would increase as a result of state plans. Admittedly, given the multiple factors that influence student success and the amount of time needed for reforms to gain traction and produce results, it will be difficult to tie RTT funds to explicit gains. But if RTT represents a federal venture-capital fund aiming to accelerate the development of promising state reform enterprises, then it would not matter if one could draw a direct connection between RTT dollars and some specific increment of gain. Forcing states to articulate realistic anticipated increases in achievement, graduation rates, or other valued student outcomes would help them more carefully consider how the theories of action they are proposing will produce specific student gains. Such an approach would truly break from past practices in federal education grant making.

### **Looking Ahead**

The Obama administration's education moon shot has only just left the launching pad. The lessons to date

represent a formative assessment of how the program's development and implementation have proceeded thus far. More lessons will undoubtedly surface. RTT's competitive nature opens an intriguing possibility for policy learning that could improve how federal grant programs operate in the future. In essence, a loose policy experiment is in the works given that the RTT process has created several different categories of states: winners, finalists, losers, and those that chose not to apply. State plans are available for all to see, including plans from states that promised to pursue at least some of the plans in their RTT applications regardless of how the competition turned out.

It will be interesting to see the extent to which the states act upon their plans. Given that federal dollars will be supporting some actions but not others, policymakers and researchers may be able to glean insights about the conditions under which federal grants contribute most to valuable reforms and where less federal involvement might be desirable. It will be particularly intriguing to compare the RTT winners to states that nearly won a grant but failed. Presumably, the states just below the cutoff would have capabilities somewhat similar to the winners. Thus, one element of the score cards discussed in the previous section (under the second lesson learned) could include tracking the progress that the losing RTT states make with their proposed plans. Ultimately, it would be valuable to compare student achievement and other substantive outcomes among the winning and losing states.

Overall, the RTT competition could provide valuable insights about the federal government's ability to improve American schools. Such ideas could inform additional competitive grant programs and other larger policy efforts such as future ESEA reauthorizations.

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## Notes

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7. U.S. Department of Education, "Race to the Top Fund; Final Rule," *Federal Register* 74, no. 221 (November 18, 2009): 59688, available at <http://edocket.access.gpo.gov/2009/pdf/E9-27426.pdf> (accessed October 4, 2010).

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