

**Stimulus Funding Alert:
Final Rules and State Application for Race to the Top Competition
Include Several Major Changes by Placing a High Priority and
Selection Points on District Buy-In, Use of Transformation Model in
Turning Around Lowest-Achieving Schools, Use of Local Data
Systems to Continually Improve Instruction, and Promotion/Rewards
for Great Teachers and Leaders By Linking Student Growth to
Teacher/Principal Performance**

A Technology Monitoring and Information Service (TechMIS)
SPECIAL STIMULUS FUNDING ALERT

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In response to comments, particularly from local district administrator groups, such as AASA, NSBA, among others, the final Race to the Top rules and state applications include some major changes from the draft, which are summarized in the “Preamble and Major Changes” document accompanying the publication of the state applications.

One major change is the new inclusion of “State Success Factors” in the selection criteria, priorities, and requirements which provides states with “the opportunity to start their proposals with clear statements of their coherent, coordinated, statewide reform agendas.” States will be evaluated based on the terms and conditions in a state’s “binding agreement” with its participating LEAs, including how many local signatures are on the binding agreements. Reflecting new importance of the selection criteria, “Securing LEA Commitment” which constitutes 45 of the 125 points which could be earned under “State Success Factors” the guidance also states, “If two or more applications have the same score and there is not sufficient funding to support all of the tied applicants, the applicants’ scores on criterion (A1) (2ii), Securing LEA Commitment, will be used to break the tie.” States must also provide their “Memorandum of Agreement” showing that the state is part of a “consortium” that intends to develop high-quality assessments aligned with the consortium’s core standards. The ongoing CCSSO/NGA core standard effort is not mentioned. Under a set of criteria referred to as Great Teachers and Leaders, the criteria have been revised “to encourage the design of high-quality evaluation systems, and to promote their use for feedback, professional development, and decision-making.” The notice reemphasizes that student growth is a “significant factor” among multiple measures in evaluating teachers. Of the 500 total points, “State Success Factors” and “Great Teachers and Leaders” constitute more than half (125 and 138 points, respectively).

Under the Turning Around Lowest-Achieving Schools priority, the so-called Transformation model is implicitly encouraged and several additional “required” and “permissive” activities as fully described in the related September 2nd TechMIS Special Report. Moreover, the criterion regarding charter schools has been removed from inclusion as an alternative for Turning Around Lowest-Achieving Schools and included in the General Criteria for overall school district reform strategies. States which have no charter school laws or have some restrictions on charter schools are invited to “describe the extent to which they enable LEAs to operate innovative, autonomous public schools other than charter schools.” However, criteria /points remain that would encourage “unrestricted charter school growth laws and strong charter school accountability” through the provision of equitable funding for charter schools and access to facilities.

The only change in terms of priorities is the inclusion of a new Invitational Priority 3 “Innovations for Improving Early Learning Outcomes.” Under Invitational Priority 6, “School-level Conditions for Reform, Innovation, and Learning,” a new paragraph adds “school climate and culture” and “family and community engagement” to the list of school conditions conducive to reform and innovation.

For a state to be eligible, it must meet two requirements: (a) a new one which requires that the state application for both phases of the State Fiscal Stabilization Fund must be approved by USED prior to being awarded a Race to the Top grant (see miscellaneous Washington Update item); and (b) the revised clarification that the state “must not have any legal, statutory, or regulatory barriers at the State level to linking data on student achievement...or student growth...to teachers and principals for the purpose of teacher and principal evaluation.” Also, states that are awarded Race to the Top grants will be required to participate in national evaluations conducted by the Institute of Education Sciences; they will not be required to conduct their own independent statewide evaluations as well.

In the Definitions section, a “participating LEA” refers to an LEA that chooses to work with the state to implement all or portions of the state’s Race to the Top plan, as indicated by the LEAs binding agreement with the state. Participating districts will receive a share of 50 percent of a state’s grant which must be a subgrant to LEAs based on the district’s relative share of Title I funding in 2009. LEAs that do not receive Title I funding may receive funding from the other 50 percent of the state’s grant, which may be a disincentive for districts to include non-Title I high school “dropout factories.”

One final change protects proprietary products used in grants from being put into the public domain by stating, “Unless otherwise protected by law or agreement as proprietary information, the State and its subgrantees must make any work (e.g., materials, tools, processes, systems) developed under its grant freely available to others, including but not limited to by posting the work on a Web site identified or sponsored by the Department.”

The state application also includes non-binding estimates of funding based on population or similarly-situated states ranging from Category 1 (\$350-\$700 million), including states such as California, Texas, New York and Florida to Category 5 (\$20-\$75 million) for small states such as New Mexico, Nebraska, Idaho, West Virginia, New Hampshire, Maine, Hawaii, Rhode Island,

Montana, Delaware, South Dakota, Alaska, North Dakota, Vermont, Wyoming, and District of Columbia.

Of the 500 possible points, the amount per groups of selection criteria range from Great Teachers/Leaders (138 points), State Success Factors (125 points), to Turning Around Lowest-Achieving Schools (50 points). Proposals are due on January 19th.

The Race to the Top Preamble is available at: www.ed.gov/programs/racetothetop/major-changes.pdf

**Stimulus Funding Alert:
Final Race to the Top Rules Allow Transformation Model to Become
the Predominant Alternative Selected by States/Districts in Turning
Around Lowest-Achieving Schools; This Creates Much Greater
Opportunities for TechMIS Subscribers, Not Only for Race to the Top,
but Also for School Improvement Grant Funding**

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The final regulations/guidance for states allows the so-called “Transformation” model, initially proposed by USED as “a fall back” where other models could not be selected, to become the most widely-adopted approach in turning around persistently lowest-achieving schools, not only under Race to the Top, but also in School Improvement Grant guidance (yet to be finalized) and other grants competitions. As stated in the Race to the Top Program Preamble and Major Changes, “The Department made three noteworthy changes to the selection criteria on turning around the persistently lowest-achieving schools. First, this notice removes the restriction, proposed in the NPP, which permitted the ‘transformation’ model to be used solely as a last resort. Instead, we simply specify that an LEA with more than nine persistently lowest-achieving schools may not use the transformation model for more than 50 percent of its schools.” In addition, it states, “...the Department has fully aligned the school intervention requirements and definitions across Race to the Top, the State Fiscal Stabilization Fund, and the forthcoming Title I School Improvement Grants final notice. The Department’s intention, in so doing, is to make it easier for States to develop consistent and coherent plans across these three programs.” Then, in response to criticism from many education groups (see TechMIS Special Report September 15th), the Preamble states, “...the public comments suggested that there was confusion about the role of charter schools in the Department’s reform agenda...While the Department believes that charter schools can be a strong partners in school turnaround work, it does not believe that charter schools are the only or preferred solution to turning around struggling schools.” As a result, the final rule has withdrawn charter schools from the fourth assurance (i.e., Turning Around Lowest-Achieving Schools) to the General Section “where it more appropriately reflects charter schools’ broader role as a tool for school innovation and reform.”

The final state application not only suggests stronger support for the Transformation model, but, Appendix C notes that states which select the so-called “Turnaround model” (which provided

some opportunities for some TechMIS subscribers) can implement any of “the required and permissible activities under the transformation model.” And last, the final application provides a loophole for some districts to get around the 50 percent limitation placed on the use of the Transformation model when more than nine lowest-achieving schools have been identified to be served. Appendix C states, “If a school identified as a persistently lowest-achieving school has implemented, in whole or in part within the last two years, an intervention that meets requirements of the turnaround, restart, or transformation models, the school may continue or complete the intervention being implemented.” This essentially means that components of the Transformation strategy -- either required or permissive -- that are being implemented in turnaround-type approaches could likely be continued in whole or in part using Race to the Top funds.

At least two factors undoubtedly influenced the heavier priority placed on the Transformation model. As we noted in our analysis of education groups’ comments on the earlier guidance version, virtually all school administrative groups, and even some teacher and reform groups (e.g., New Teacher Project), supported the Transformation model, especially when compared to the restart, or even turnaround models. Also, as Michele McNeil pointed out in her November 11th Education Week article, “As to why the department is placing such a premium on local school district support, look no further than the statewide elections of 2010.” A number of governors and CSSOs will be up for election next year, and, in some states, turnover will likely occur; because Federal officials want to ensure continuity, local school districts’ support is important and required local school districts buy-in and commitment could ensure such continuity. Moreover, she concluded as a result of recent interviews with Secretary Duncan, “Local school district support is so important that in the event of a tie in states’ scores, and if there isn’t enough money to fund all of them, then the strength of districts’ commitment is the tie-breaker.” The state is also required to present evidence on its school turnaround efforts among persistently lowest-achieving schools during the last five years, including the approach used, and the results and lessons learned to date.

Under the Transformation and Turnabout approaches, a number of new or slightly changed required activities are incorporated along with additional permissive activities. These include activities that, earlier, Senator Obama sought through legislation and/or CEO Duncan implemented while heading the Chicago Public Schools.

Within the Turnaround and Transformation models, there are a number of identical or very similar requirements which should benefit firms with products and tools that can be used to facilitate the required implementation, including:

- providing ongoing, high-qualified job-embedded professional development, aligned with schools’ comprehensive instructional programs and designed with school staff, to facilitate effective teaching and learning;
- promoting the continuous use of student data (such as from formative, interim and summative assessments) to inform and differentiate instruction in order to meet the academic needs of individual students;
- implementing such strategies as financial incentives, increased opportunities for promotion and career growth, and more flexible work conditions that are designed to

improve, place, and retain staff with skills necessary to meet the needs of students in turnaround schools and also in transformation schools.

In several areas under the new rules, a greater priority with additional points is being placed on using data to improve instruction at the local level. This includes the increased adoption and use of local instructional improvement systems to provide teachers, principals, and administrators with information and resources to inform instructional practices and provision of training, professional development for teachers to implement use of local data systems for continuous instructional improvement. A requirement that continues under the Transformation model is the implementation of “comprehensive instructional reform strategies” which include: (a) selecting research-based and vertically-aligned instructional programs based on data and evidence; (b) expansion of the use of student data to inform and differentiate instruction; and (c) providing professional development and supports to teachers to implement effective strategies for students with disabilities and limited English proficient students, using and integrating technology-based supports and interventions. For secondary schools, there appears to be a greater emphasis on thematic learning academies that prepare students for college and careers and/or providing appropriate supports and improved transition programs from middle to high schools, including summer transition. There is also a greater emphasis on creating community-oriented schools which provide increased learning time and which provide mechanisms for family and community engagement. It is interesting to note that, shortly after the final notice was published, Secretary Duncan, in a speech at the Harlem Zone Academy, pointed to the project as a model under the proposed Promise Neighborhood funding budget for FY 2010. He also noted that such community schools which follow the Harlem Children’s Zone community schools approach, and which he initiated in Chicago, are likely to be more effective than most of the after-school programs funded under the 21st Century Community Learning Centers grant program. Another apparent increase in emphasis is on the use of positive behavioral supports in turning around high schools, which from all accounts is a priority of President Obama’s. Permissive activities include allowing the school to be run under a new governance arrangement or implementing a per-pupil, school-based budget formula weighted based on student needs which addresses the school equity concerns expressed by commenters on the draft document.

Several other required or permissive activities under the school Transformation model, which were not included or otherwise explicit in earlier Race to the Top guidance, or even School Improvement Grant guidance, include the following:

- for secondary schools, establishing early warning systems to identify students who may be at risk of failing to achieve high standards or graduate;
- increasing graduation rates, not only through credit recovery, reengagement strategies, and smaller learning communities, but also through the use of competency-based instruction and performance-based assessments, along with acceleration of basic reading and math skills;
- ensuring that schools receive ongoing, intensive technical assistance and related support from the LEA, SEA, or a “designated external lead partner organization (such as a school turnaround organization or an EMO)”; this is a new required activity possibly because of the removal of charter schools from the Turning Around Lowest-Achieving Schools priority to General reform strategies.

For purposes of the Turning Around Lowest-Achieving Schools requirement (which is worth 50 of the 500 overall points), the above priorities and required activities have to be taken into context of the overall general criteria and priorities. For example, the number of points that could be earned under the Great Teachers and Leaders criterion -- which includes effectiveness based on performance, using multiple measures including student growth -- is 138 points. This appears to be the highest priority. A new section called State Success Factors, which includes the state's reform agenda, the degree of district buy-in, and the capacity to implement scale-up and sustain progress in raising student achievement, is worth 125 points. However, because the Transformation model requirements and permissive activities in Race to the Top are supposed to be identical to those in the forthcoming final School Improvement Grant regulations, TechMIS subscribers that have products or tools which can facilitate implementation of required or permissive activities should talk with states and, most importantly, with districts that will likely be receiving School Improvement Grants early next year.

If anyone has any questions regarding how a product or service might fit into a Transformation model, please contact Charles Blaschke (703-536-2310) directly to discuss specific opportunities and possible strategies.