

**Issue #10:** Should reform-oriented competitive grant programs, including Race to the Top and Investing in Innovation, be authorized in the new ESEA?

### Current Law

1. **Race to the Top.** The RTT program was created as part of the American Recovery and Reinvestment Act of 2009. The Department of Education awarded \$4 billion to twelve states in two rounds of competitions on the basis of state plans for significant reforms in four key areas:
  - Adopting standards and assessments that prepare students to succeed in college and the workplace and to compete in the global economy;
  - Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction;
  - Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most; and
  - Turning around the lowest-achieving schools.
2. **Investing in Innovation Fund (i3).** The ARRA also created a competitive grant fund designated for funding researched-based innovative projects implemented by LEAs and nonprofits with a demonstrated track record of improving student achievement and narrowing achievement gaps. The department awarded \$643.5 million to forty-nine grantees in September 2010.

Other competitive grant programs that are included in the current ESEA include various charter school initiatives, the Teaching Incentive Fund—which supports local differentiated compensation plans—and more.

### Background

The administration has proposed, as part of its “Blueprint for Reform” of ESEA, to codify RTT and i3 programs. It is also seeking to expand RTT so that districts may apply, placing a priority on those districts that can demonstrate that they are “efficient” in the use of funds.

## Options

**Option 10A:** Do not authorize RTT or i3.

Pros	Cons
<ul style="list-style-type: none"> <li>Reflects the likelihood that states with the highest-quality proposals from the last round may not be willing to go through the arduous application process again, especially if funding is significantly reduced</li> </ul>	<ul style="list-style-type: none"> <li>Leaves no option for states that made necessary policy changes to compete for RTT grants but were not awarded grants, and that may want another opportunity to apply</li> <li>Eliminates i3, which had garnered significant interest in terms of applications, and had provided a vehicle for funding research-based innovations</li> </ul>

**Option 10B:** Authorize an RTT program in ESEA, and expand to include districts, giving priority to “efficient” districts. Authorize i3 in the new ESEA. (Administration’s proposal)

Pros	Cons
<ul style="list-style-type: none"> <li>Gives states that were not awarded an RTT grant in Phase 1 or 2 another chance to receive funds</li> <li>Could create incentives for districts to push the reform envelope, as some states did last year</li> <li>Gives LEA and nonprofits another opportunity to apply for funds, since 1,700 applications were received in the i3 competition and only forty-nine were funded</li> </ul>	<ul style="list-style-type: none"> <li>Runs the risk that, without significant funds available, states may not want to go through the trouble to apply to RTT again</li> <li>Continues unproven programs; we have yet to see whether current grantees are successful or the degree to which the Department of Education will enforce state plans; it’s also not yet clear whether i3 succeeded in funding true “innovations” versus the “usual suspects”</li> <li>Is based on the assumption that the Department of Education has the capacity to adequately review a large number of RTT applications from districts while employing the same rigorous peer review process that has been previously required</li> </ul>

**Option 10C:** Turn Title II into the “reform title” of ESEA and include in it major competitive grant programs, including RTT, i3, charter school initiatives, a competitive version of School Improvement Grants, and an expanded Teacher Incentive Fund, as well as other worthy reform-minded initiatives that may be fostered with federal funds, such as other forms of school choice.

Pros	Cons
<ul style="list-style-type: none"><li>• Offers Congress the opportunity to promote reform without relying on mandates, via competitive grants</li><li>• Clarifies that Title I is meant to promote transparency, rather than “reform” per se</li><li>• Continues the reform momentum built by RTT, i3, and other programs</li></ul>	<ul style="list-style-type: none"><li>• May be difficult to find funds for competitive grants in the current fiscal environment</li><li>• Punishes states and/or districts that lack the capacity to submit strong applications</li><li>• Continues programs—specifically RTT and i3—that have yet to prove their mettle</li><li>• May face a lack of consensus on which reform ideas warrant federal funding</li></ul>

## The Reform Realism Position: Option 10C

One pillar of Reform Realism is that the federal government should maintain a pro-reform posture. That means supporting the expansion of school choice and charter schools, the rigorous evaluation of teachers, the scaling-up of promising innovations, and serious efforts to turn around failing schools. But our realism comes from the hard-earned insight that when reform is mandated by Uncle Sam, it almost never goes well on the ground.

Policymakers should build on the momentum developed by RTT to support large-scale competitive grant programs that continue to push the envelope for states and districts that volunteer to participate. And rather than continue to waste scarce dollars on the current formula-based Title II (which supports a broad range of teacher-related activities), why not encourage meaningful reform instead? We would include in that title, at the least, the following: Race to the Top; Investing in Innovation; charter school programs; Teacher Incentive Fund (expanded to support teacher-evaluation work, too); School Improvement Grants (reconfigured as a competitive grant program); and initiatives to promote school choice and supplemental services.

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