

BUSINESS COALITION
FOR
STUDENT ACHIEVEMENT

August 28, 2009

The Honorable Arne Duncan
Secretary
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202

Re: "Race to the Top" Docket ID: ED-2009-OESE-0006

Dear Mr. Secretary:

On behalf of the Business Coalition for Student Achievement (BCSA), we are writing to comment on the U.S. Department of Education's proposed priorities, requirements, definitions and selection criteria for the "Race to the Top" (R2T) Fund.

BCSA supports the document's strong emphasis on education reform. In particular, we are encouraged to see the Administration's embrace of key reform principles, which we also share, such as: strong state charter school laws; evaluation and compensation systems that measure and reward highly "effective" – as opposed to merely highly "credentialed and tenured" – teachers and principals; high-quality comprehensive data systems; rigorous standards and assessments; and research based strategies for turning around struggling schools.

In addition, we are pleased this notice sets a new and higher bar for what is expected in return for Federal funds. Specifically, we support the concept of requiring states to verify and annually report on several key data points, including their progress toward the equitable distribution of effective teachers and principals, improving achievement gains, closing achievement gaps, and increasing graduation rates. We also support the competitive preference priority which emphasizes science, technology, engineering and mathematics.

While we have a number of questions and a list of suggestions and modifications, the Administration's strong commitment to education reform is made apparent in this notice.

That said, our one over-arching concern about this notice can be reduced to one word: implementation.

We are concerned this document fails to make clear precisely how the Department intends to ensure successful on-the-ground implementation. States have routinely been awarded grants

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based on their ability to plan, write grant applications, and produce reams of data. State applications often use all the “right” rhetoric and make all the “right” promises, but in the end, deliver the same old unsuccessful product while continuing to receive streams of Federal dollars.

We believe this grant process can be successful if these funds target those States that have truly demonstrated their commitment to all of the reform principles set forth under the notice. In addition, those States that do receive funds must be held accountable for achieving what they have set out to do. For this to happen, we would urge the Department to take full advantage of the proposed provision in the notice which enables the Department to withhold Federal funds from States which fail to keep their commitment to meeting the goals and timelines laid out in their applications.

If implemented with the following two critical elements, this initiative provides the Department with the ability to leverage real education reform in schools across the nation in an unprecedented manner. However, if the forces of the status quo are allowed to nitpick away at crucial elements of reform scattered throughout this document and to find ways to impede the implementation of the program once the money is distributed, this program will sadly find its way to the scrapheap of failed education reform programs of the past. So, it is in this spirit – a sense of hope and optimism for achieving this program’s tremendous potential, mixed with no small amount of deep concern of the roadblocks that are likely to be placed in the way of its successful implementation – that we offer our comments.

1. STATE SELECTION CRITERIA

Issue:

With multiple “priorities” and layers of requirements to qualify for funding – will the applicants understand what really matters? For example, this draft seems to leave open the possibility that a State with an inadequate charter school law, that fails to participate in the common standards movement, and has no system in place (as opposed to simply having no law that impedes the creation of this system) to tie student achievement to teacher performance can actually receive funding.

Recommendations:

- In addition to clearly assigning points to each requirement, there must be a high threshold which any state would be required to meet in order to receive funds. Setting the bar high will ensure States know their plans will *not* be funded unless their applications address *all* of the selection criteria in a measurable fashion.
- Select high quality peer reviewers. Quality peer reviewers who are committed to education reform are essential to ensure that only those States that are truly committed to wholesale reform are selected for funding. We urge you to look to key education

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reformers, including representatives of the business community, for participation in this process. We also urge the Department to make the process open and transparent.

2. ACCOUNTABILITY SYSTEM

Under Part II-C “Requirements,” the notice lays out a new system of education accountability embedded into the annual State report and performance measures. BCSA fully supports the concept of requiring specific outcomes related to the use of these funds, to the extent they are backed up with enforcement mechanisms (as noted above), which must include the ability of the Secretary to delay or withhold funds from any State not meeting its goals.

However, this new accountability framework also raises a set of issues and potential concerns:

Issue: “Ambitious yet Achievable”

- As part of the “Reform Plan Criteria” States must set “ambitious yet achievable” annual targets against their performance measures. However, there is no notice on what this means other than the ability for peer reviewers to “consider” the extent to which States have in fact set “ambitious yet achievable” targets. With no other guidance, States have little incentive to do anything more than what is “achievable.” If and when they set their bar low, peer reviewers will have very little, if any, leverage to seek a more ambitious target if states simply reply that such expectations are NOT “achievable.” This term fails to give useable notice to States, districts, – and most importantly teachers and parents – about what exactly is expected of them.

Recommendation:

- The term “ambitious yet achievable” should be stricken from this document. The Race To the Top grants need to set a precedent demonstrating that our nation is serious and committed to improving education and are not part of a “business as usual” grants program.

Issue: Alignment with Adequate Yearly Progress (AYP) under No Child Left Behind (NCLB)

- The current framework under NCLB has driven education reform in nearly every state by setting a clear expectation that every school ensure that all students meet a minimum level of proficiency in math and reading by 2014. However, this current law requirement is only briefly mentioned as part of the notice. This raises the question of whether States will be required to set up parallel accountability systems – one for NCLB, complete with a system of State Standards and Assessments and AYP and another that creates a system of “the extent to which” they have achieved “ambitious but achievable” goals for the R2T program? Ultimately, this could lead to the creation of a hybrid system of “multiple measures” in many States that reduces the overall focus on academic achievement.

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Recommendation:

- While the new measures proposed under R2T can provide additional accountability for these funds, States also should be required to include as part of their Annual Report and Performance Measures, the extent to which they have met or exceeded their current AYP targets which are grounded in clear expectations and within a set time-frame. States not meeting these targets should be subject to the enforcement measures as currently spelled out in the notice.

3. TURNING AROUND STRUGGLING SCHOOLS**Issue:**

Under Part III-D, related to turning around struggling schools, the notice sets forth a number of policies supported by BCSA, including promoting the expansion of high-quality charter schools. However, there are several aspects of the notice which we believe could be strengthened.

Recommendations:

- Strengthen the charter schools provisions. While the notice is very supportive of charter schools, it could be further strengthened by making states that have a cap on the number of charter schools ineligible to receive grant funding. In other words, add this requirement to the existing two other “eligibility” criteria. However, the mere lack of a charter school cap does not in and of itself mean that a State is “charter friendly.” Thus, we would also encourage the Department to consider adding a requirement that a State ensure that charters receive equal treatment in *every way* to every other public school in its jurisdiction.
- Recognize school choice as an integral reform strategy. Make it clear that a State will lose points if it fails to adequately implement the provisions in NCLB for public school choice and supplemental educational services for children who attend low-performing schools.
- Tighten up intervention strategies. The notice requires struggling schools to turn around using one of several key strategies. However, the notice allows that “to the extent these strategies are not possible” schools may instead implement a school transformation model that includes several specific components. It is worth noting that several of these components, including “measuring teacher and principal effectiveness” and “rewarding effective teachers and principals” are already required for these and all other schools under Part III-C of the notice. Given that these interventions are being targeted to a very small number of schools, we recommend that these transformational criteria should be *in addition* as opposed to *instead of*, the more reform-minded strategies laid out in the notice.

- Modify the definition of struggling schools. The notice defines struggling schools as the “lowest achieving five percent of the persistently lowest-performing schools” or the “lowest-achieving five schools.” This will clearly result in many States having just a handful of schools that would be subject to these sanctions. While BCSA supports the idea of placing a greater amount of resources on those schools that are clearly the furthest behind, this definition is very narrow and should be expanded.

4. INVOLVEMENT OF KEY STAKEHOLDERS

Issue:

Part E of the notice related to the Overall Selection Criteria, commendably requires in some cases, and encourages in others, buy-in from multiple parts of the education community. But, the fact is, enforcing buy-in from so many different interests could ultimately have the effect of reducing a State’s application to the lowest common denominator. We are not convinced that this is what is really intended. Furthermore, although we fully appreciate the importance of teachers in the reform process, we are puzzled as to why teachers’ unions are singled out to ensure their support of the Memoranda of Understanding between LEAs and the State, which under the notice must be signed by the local teachers’ union leader (if relevant).

It is not entirely clear what is intended by this union sign-off, but if required, it gives pause as to the extent to which districts will really have the ability to undertake many of the reforms envisioned under the R2T program. At the same time, representatives from the business community – who have demonstrated a sustained and consistent interest on nearly every issue of importance listed in this document – are not at all included as part of this local Memoranda of Understanding.

Recommendation:

- Strong consideration should be given to scaling back the extent of buy-in from all stakeholders. This does not mean that these stakeholders should not be part of the larger conversation, just not to the extent to which they could block the ability for a state to receive funding. In particular, teachers’ unions should not be given veto power over statewide plans or local Memoranda of Understanding. Both states and districts that cannot get buy-in from key stakeholders should be able to explain how they will address the issue and why they believe that it will not diminish their capacity to adopt and implement significant reforms. They also should be able to include commitments from other influential constituencies, such as the business community, to demonstrate the strength of their application.

5. TRANSPARENCY

Issue:

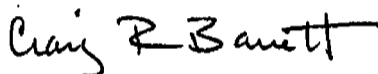
As currently structured, the State grant applications as well as future annual reports from states will generate an unprecedented amount of new data at the Federal, state and local level related to key education indicators. For this data to be leveraged toward real change and improvement, it should be available in a timely and user-friendly format to the public.

Recommendation:

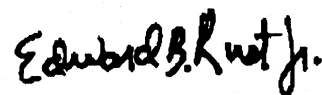
- We commend the Department for posting State Fiscal Stabilization Fund (SFSF) applications as soon as they were submitted, and we urge that all R2T grant applications also be made available to the public as soon as they are submitted for review. Giving parents, academicians, the business community and other stakeholders detailed information on how States plan to meet the goals of this program and how the Department plans to allocate funding and perform its oversight functions will be invaluable. In addition, all data from the State annual reports should also be made available on the Department's website in a user-friendly format for public review.

The business community looks forward to working with you on implementation in the months and years ahead. While this notice is very positive, we believe that proper implementation by the Department will be crucial to its long-term success. We stand ready to help in any way we can.

Sincerely,



Craig Barrett
Former Chairman
Intel



Edward B. Rust Jr.
Chairman & CEO
State Farm

The Business Coalition for Student Achievement – representing business leaders from every sector of the economy – is committed to supporting policies that improve the performance of the K-12 education system in the United States. The Coalition is co-chaired by Craig R. Barrett, Former Chairman of Intel and Edward B. Rust Jr., Chairman and CEO of State Farm. The Coalition is coordinated by Business Roundtable and the U.S. Chamber of Commerce.

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