I. CONTEXT FOR AMERICAN PUBLIC K-12 SYSTEM

49.3 million students\(^i\)

- 17.0% are African-American; 54.9% are White; 21.5% are Hispanic;
- 5.0% are Asian/Pacific Islander; 1.2% are American Indian/Alaska Native.\(^i\)
- 44.5% have family incomes that qualify them for the Free and Reduced Price Lunch program.\(^ii\)

3.2 million teachers\(^i\)

Organized by two national unions: AFT (1.5 million members)\(^iii\) and NEA (3.2 million members).\(^iv\)

103,400 schools\(^ii\)

- 98,706 are traditional public schools; 4,694 are public charter schools.\(^ii\)

13,809 districts\(^v\)

- 28.9% are in cities; 34.8% are in suburban areas; 12.3% are in towns; 24.0% are in rural areas.\(^ii\)
- The 921 smallest districts each serve 99 students or less; 26 districts enrolled 100,000 or more students.\(^v\)
- Each generally sets its own policies around teacher hiring and evaluation, schedule and instructional program.

50 states and the District of Columbia

Each has its own standards, assessments, teacher certification and licensure policies.

$584.7 billion spent on education by all levels of government\(^vi\)

Of this, the federal share was $47.7 billion – 8% of all revenues (FY 2008, pre-ARRA).\(^vi\)

As these numbers attest, the United States elementary and secondary education system is vast and multi-layered, with a strong tradition of local control and a diversity of local needs and policies. Until the middle of the last century, the federal role in education was minimal, with funding and policymaking in this area left almost entirely to states and local school districts. Starting in the 1950s and 1960s, the federal government took on a greater role in ensuring, through civil rights enforcement and federal aid, that poor, minority and disabled students had access to a high-quality education, and in ensuring global competitiveness in priority areas like science, technology, engineering and math. Even as the federal government has come to play a greater role around these priorities, the responsibility for how and what students are taught and how schools and districts operate has remained largely in state and local hands.

In January 2009, the Obama administration came into office amidst a confluence of events that created a rare set of opportunities for education reform. The November 2008 elections resulted both in the election of a new president and expanded the majorities of the new president’s party in both houses of Congress. Under the United States’ bicameral, presidential system, this is uncommon and presents a rare opportunity for ambitious legislative action. In addition, the severe fiscal crisis of Fall 2008 led Congress to quickly pass a massive $787 billion economic stimulus package in February 2009, the American Recovery and Reinvestment Act (ARRA). Nearly $100 billion of ARRA funding...
went to education programs, dramatically boosting federal funding for education. An ongoing fiscal crisis in state budgets has increased the demand for federal funding, which ordinarily comprises less than 10 per cent of all K-12 funding in the United States.

At the same time, considerable ferment for education reforms was building in the United States. The major federal law governing K-12 education, the Elementary and Secondary Education Act of 1965 (ESEA), was overdue for reauthorization, and a strong consensus had emerged that the most recent incarnation of the Act, the No Child Left Behind Act of 2002 (NCLB), was well-intentioned but in need of major revision. Meanwhile, a number of promising approaches to accelerating learning and narrowing the achievement gap had been pioneered by states, districts, nonprofits and universities, but the limited federal role in funding and highlighting best practices had often prevented promising reforms from being taken to scale.

In summary, the first 20 months of the Obama administration provided an extraordinary opportunity to detail a new vision for how the federal government can better support and incentivize states and districts to build education systems that improve outcomes for all students. Though the reform agenda of the administration is far from complete, several ARRA-funded programs have piloted a new vision for the federal role in our education system, and the department is in the midst of working with Congress to overhaul and reauthorize the ESEA.

All of these efforts are aligned with an overarching goal set by President Barack Obama: By 2020, the United States will once again have the highest proportion of college graduates in the world. Reaching this ambitious 2020 goal will require enormous work and cooperation from the federal government, state and local authorities, and the education stakeholder community. To attain the 2020 goal, achievement levels, attainment and the productivity of the preK-12 and postsecondary systems will need to accelerate dramatically. While this case study primarily details the department’s proposals in elementary and secondary education, the administration is also working to reform and boost investments in high-quality early learning programs, so that all students enter Kindergarten ready to succeed, and in college access and completion, so that students are able to enter, pay for and succeed in college.

II. THEORY OF ACTION & PRIORITY AREAS

The challenges of closing the achievement gap and ensuring continued global competitiveness are national concerns, but tackling these challenges requires every school district and every state to markedly improve their education systems. Traditionally, the U.S. Department of Education’s budget has gone predominantly to formula programs that give funds to all states and districts based on factors such as their counts of students in poverty and their per-pupil expenditures. The department’s role had focused in large part on ensuring that formula funds under these programs reach their intended recipients and are spent in appropriate ways, while also playing important roles in civil rights enforcement and research. But the persistent challenges in our education system demand that the federal government take on a greater role in spurring reform. This expanded role has been manifested not by greater federal control of education policy, but chiefly by a stronger
federal presence in supporting innovation in states and districts through additional competitive grant funding and improved technical assistance and support. The core federal role of providing foundational funding for high-need populations has also solidified and expanded since the 1965 passage of ESEA.

ARRA, also known as the Recovery Act, offered a unique opportunity to pilot a new federal role. It provided a combination of significant formula funding to shore up state budgets, prevent mass layoffs and lay the foundation for continued reform (such as the $48.6 billion State Fiscal Stabilization Fund), but at the same time it created unprecedented competitive funding to support states and districts ready to develop and implement ambitious plans for reform (such as the $4.35 billion Race to the Top program).

The Recovery Act programs focus on driving reform and building state and district capacity in key priority areas known as the “four assurances.” While the department’s agenda is not limited to these areas, the statutory language of ARRA and the department identified the four assurances as essential elements that are necessary for states and districts to put in place to lay the groundwork for continuous improvement across their education systems. These priority areas, known as the four assurances because each governor gave an “assurance” that they would pursue reforms in these areas in exchange for funding through the State Fiscal Stabilization Fund, are summarized below.

- **Standards and assessments:** Under NCLB, states were required to put in place K-12 academic standards and test students annually in math and reading in Grades 3-8. Every state was permitted to set its own standards. In part as a result of perverse incentives introduced by NCLB, states’ standards and assessments often lacked rigour, and some states appeared to have watered down their academic standards in recent years. One of the department’s top priorities has been to encourage a shift towards state-developed standards that meaningfully signify readiness for college and a career upon high school graduation. In addition, the department is funding state consortia to develop a new generation of assessments that move beyond “bubble tests” of basic skills to paint a richer, more accurate picture of student learning.

- **Data systems:** The department is committed to ensuring that data from a new generation of assessments can assist teachers and principals to improve their practices, and it has supported states and provided funding to build longitudinal data systems that measure student progress. Robust data systems enrich decision-making about instruction, administration, and policy, and can improve educational outcomes. Nevertheless, by law and tradition in the United States, improving the collection, coordination and use of student data must be done in a manner that respects student privacy.

- **Teachers and leaders:** By almost any indicator, low-income and minority students do not have equitable access to effective teachers in the United States. Moreover, the U.S. educational system does an inadequate job of recruiting, preparing, supporting, developing, recognizing, and advancing teachers and school leaders, and especially in high-need schools. The department has placed a heavy emphasis on shifting from on-paper credentials to more
Turning around persistently lowest-achieving schools: Delivering better results for all students requires supporting improvements in all schools, but it also requires a special focus on the persistently lowest-achieving schools – the schools that year after year deliver unacceptable results for students. The Department’s Recovery Act programs and ESEA reauthorization proposal have called for an overall accountability system that provides greater flexibility and support for most schools and recognizes and rewards high-performing schools, creating a context in which all schools can improve. But shifting to greater flexibility overall requires greater clarity and higher expectations around what should happen in schools that are persistently the very lowest-achieving. The United States cannot make sufficient progress in elevating graduation rates and truly promise an excellent education to every child, without ending the cycle of failure in these schools. The reconstitution of the pre-existing program targeted at these schools, which received significant additional funding under ARRA, offers districts a choice of four rigorous models of intervention to foster dramatic change in these schools.

But these assurances are where the department’s agenda begins, not where it ends. Any successful reform initiative must address not only these core areas, but must also use them as the foundation on which other work proceeds. The department’s ARRA programs, fiscal year 2010 priorities, fiscal year 2011 budget request, and proposals for the reauthorization of ESEA and other subsequent initiatives, build upon these assurances to help support effective teaching and learning, ensure equity and build capacity at all levels of the system:

Supporting Effective Teaching and Learning

Setting high standards is just a first step. To truly foster effective teaching and learning, standards must be part of a system that meaningfully measures progress towards those standards, supports continuous improvement and provides teachers with high-quality instructional supports.

- **Accountability.** Better accountability systems should provide greater flexibility for innovation and continuous improvement, but ensure that persistently lowest-achieving schools see dramatic change and that all schools close achievement gaps.

- **Instructional systems.** Supporting states and districts in developing instructional materials and support systems around new college and career ready standards, in literacy; science, technology, engineering and math (STEM); and all subjects.
Ensuring Equity

These systemic reforms will build a stronger foundation for all students, but we must also keep a careful eye towards the performance of students who have historically been underserved by our school system, and making sure that poor and minority students have the same opportunity to receive a college and career ready education as all students.

- **Civil rights and equitable resources.** Strengthening civil rights enforcement and promoting equity in funding and access to effective teachers and leaders.

- **Comprehensive supports.** Through new programs such as Promise Neighborhoods, the department seeks to address the full range of student needs in high-need communities, including through non-academic services, afterschool programs, school safety programs, and programs that provide a continuum of services from birth through college and a career.

- **English learners and other diverse learners.** Strengthening programs that serve students with disabilities, English learners and other historically underserved groups.

Building Capacity

These reforms aren’t just about building higher expectations for results in existing systems – they’re also about creating greater capacity at all levels of the system to ensure better-informed decision-making and effective program implementation. The department’s plans call for:

- **State and district support.** Greater investments in state and district capacity, so that educational agencies closer to schools can play a greater role in supporting and driving new approaches.

- **Public-private partnerships.** Encouraging and facilitating state and district leveraging of private sector funding and expertise in implementing reforms.

- **Expanding competitive funding.** The department seeks additional competitive funding, such as a continued Race to the Top program, for states to continue to build momentum for stakeholders to move beyond traditional silos and collaborate in crafting comprehensive reforms.

- **Building an evidence base.** Promoting research and directing funding towards programs that have solid track records and promising innovations that should be evaluated in practice.

- **Empowering families.** Families should be empowered to play a greater role in their child’s education and schools, and schools and districts should be developing strategies to give families a greater voice.

- **Rural communities.** Advancing policies that meet the unique needs of rural and other high-need communities.

- **Enhanced technology.** Use technology as a tool to enhance instruction, better support teachers and open up new opportunities for students.
Expanded time. Rethinking the length and structure of the school day and year to ensure high-quality learning opportunities and support for all students.

In all of these areas, the department is promoting a federal role that provides foundational formula funding to states and districts, complemented by additional competitive funding to encourage a rethinking of how to structure school systems to produce better results. The administration’s proposals for the reauthorization of ESEA include an ambitious restructuring of the department’s budget and program structures around this approach. For both competitive and formula funding, the department is also overhauling its approach to technical assistance and dissemination to better support states and districts in boosting outcomes.

In May 2010, the department released a series of research summaries laying out the evidence and research behind its ESEA reauthorization proposal, and much of that research also informed the implementation of ARRA programs. These documents are available at: http://www.ed.gov/blog/2010/05/research-behind-the-obama-administration%e2%80%99s-proposal-for-reauthorizing-the-elementary-and-secondary-education-act-esea/.

III. ARRA IMPLEMENTATION & ESEA POLICY DEVELOPMENT

Over the last 20 months, the significant policy pieces in the department’s elementary and secondary reform agenda have proceeded along two tracks: (1) the design and implementation of the Recovery Act programs, which began in February 2009, and (2) the development of and work with Congress on our proposals for the reauthorization of ESEA, which is currently underway and will ultimately govern our program structure and core policies for much of the time this administration is in office. When the time comes to reauthorize laws governing vocational and special education, the department will work to align them with our core strategies.

American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act (ARRA) presented an extraordinary set of legislative, policy and implementation challenges, all of which have offered invaluable lessons for how the federal government can adapt and take on new challenges. The bill was passed into law on February 17, 2009 — 28 days after this administration took office. In the wake of the global financial crisis, the law’s mandate was to save and create jobs in the short term – and, given the critical role education plays in our long-term economic success, to advance reforms at the same time. ARRA included a total of $787 billion in funding for preexisting programs, funding for new programs and tax cuts. Of this total, $98.2 billion went to education programs, more than doubling the Department’s FY09 discretionary budget of $45.4 billion. Similarly, ARRA included more competitive funding, over which the secretary has considerably more discretion, than all the past Secretaries of Education had combined.
Major ARRA K-12 programs included:

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding Level</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>State Fiscal Stabilization Fund</td>
<td>$48.6 billion (formula)</td>
<td>Grants to shore up state budgets and prevent job loss</td>
</tr>
<tr>
<td>Race to the Top</td>
<td>$4.35 billion (competitive)</td>
<td>Grants to states proposing ambitious reform plans around the four assurances, and to consortia of states developing next-generation assessments</td>
</tr>
<tr>
<td>Investing in Innovation</td>
<td>$650 million (competitive)</td>
<td>Grants to districts and nonprofits to develop and scale up promising and proven practices</td>
</tr>
<tr>
<td>ESEA Title IA</td>
<td>$10 billion (formula)</td>
<td>Grants to states and districts to meet the educational needs of low-income students</td>
</tr>
<tr>
<td>School Improvement Grants</td>
<td>$3 billion (formula)</td>
<td>Grants to states to compete to districts to undertake ambitious turnarounds of their lowest-performing schools</td>
</tr>
<tr>
<td>IDEA</td>
<td>$12.2 billion (formula)</td>
<td>Grants to states and districts to meet the educational needs of students with disabilities</td>
</tr>
<tr>
<td>Teacher Incentive Fund</td>
<td>$200 million (competitive)</td>
<td>Grants to support, develop, recognize and reward teachers, principals and other personnel.</td>
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Implementation of these programs proceeded along four workstreams: (1) for pre-existing formula grant programs, either revising guidance and obligating funds, or retooling programs for maximum impact, (2) for the new formula program SFSF, developing and reviewing applications and obligating funds, (3) setting policies around and then competing out competitive programs, and (4) providing ongoing support, monitoring, and technical assistance to all grantees. While the chronology of each workstream overlapped, we will discuss each in turn.

Pre-existing formula programs. Title I and IDEA. ARRA appropriated $22.2 billion through two large formula programs that were already authorized under preexisting laws. This funding was nearly equivalent to an additional year’s funding for these programs, and was provided on top of the normal FY09 and FY10 appropriations. Because these were ongoing programs for which states had already submitted applications, the Department’s role here was to provide guidance to states on how to use funds effectively, with a special focus on how these additional infusions of money could be spent on activities that would build yield long-term benefits for state and district capacity even after the additional funding was spent and the programs returned to more typical funding levels. Funds were distributed in two phases of 50 per cent each in April 2009 and September 2009.

School Improvement Grants. ARRA also included a large infusion of funding for a preexisting formula program which gave grants to states to turn around their persistently lowest-achieving schools. It
provided $3.0 billion, or nearly six times the FY09 appropriation. To ensure that these funds had maximum impact, the Department shifted its programmatic structure to move away from models that had failed to produce significant changes in persistently lowest-achieving schools. Instead, the new SIG program requires districts to implement one of four turnaround models. These models, based on the research and evidence of what key steps are necessary in ensuring successful turnarounds, place a new priority on appointing strong leadership and staff, dramatically changing school culture, and putting in place strong curriculum, professional development and support practices. Funds are being distributed this summer to states upon approval of their application, which includes a list of schools to be turned around.

State Fiscal Stabilization Fund. ARRA authorized this new $48.6 billion funding stream, creating a need to develop new application requirements and regulations. Funds flowed through states to local education agencies by formula, and the primary focus of the SFSF program was on saving or creating jobs. In addition, SFSF required states to focus on reforms via data and transparency requirements. Funding went out in two phases. Between April 2009 and July 2009, states submitted an initial application in which they signed on to the four assurances described above and assured that they would not disproportionally cut state education funding as a result of receiving funds through this program. After submitting an approved initial application, states generally received two-thirds of their SFSF allocation. The final portion of their allocation was granted after states submitted a second application, in which they were asked to provide additional information about the status of state and district policies and practices in each of the four assurance areas.

Race to the Top (RTT) and Investing in Innovation (i3). ARRA appropriated funding for these new and highly-publicized competitive programs. Both programs provided significant new opportunities and incentives for state reform and local innovation. Because these were new programs, and the statutory language appropriating funds for them gave significant flexibility, the department had significant leeway to design and structure these programs to best support innovation and reform.

For Race to the Top, the Secretary made clear from the outset that states would be asked to clear a high bar to win an award – the program challenged states to craft ambitious, comprehensive plans for reforming their education systems. The department laid out a set of selection criteria for the program which were organized around the four assurances, but also included other state-wide measures of conditions for reform, recognizing the importance of state capacity in the successful enactment of reforms. As detailed in the outcomes section below, the response to this program was extraordinary: 46 states submitted applications and the competition drove a national conversation around education reform as well as substantial state-level legislative activity and innovation. Thirty-two states changed specific laws, many of which were once seen as sacrosanct, that posed barriers to innovative approaches. The program’s key policy details are laid out in this executive summary: http://www2.ed.gov/programs/racetothetop/executive-summary.pdf. The department also set aside a portion of this funding - $350 million – to award to consortia of states for the development of next-generation assessments that would provide ongoing feedback to teachers during the school
year, measure annual student growth, and move beyond the existing set of more narrowly focused assessments to assess critical thinking skills and complex student learning.

The Investing in Innovation Fund offered an opportunity to support and scale up a range of potentially high-impact practices and strategies that were in use by districts and nonprofits, but had not yet been taken to sufficient scale. To meet the program’s goals of both supporting and validating new innovations and also scaling up proven practices, the department created three competitions, each with their own rigorous evidence tier. Smaller amounts of funding were awarded for programs with promising results but that had not yet been thoroughly evaluated, while programs with a strong evidence base that were ready to expand received larger grants to serve significantly more students. Response to this program outpaced available funding by an even larger extent than the Race to the Top, with 1,669 applicants applying to the $650 million fund. The goal of the i3 program is not just to fund a cohort of grantees each year, but to encourage a new culture of evidence-based decision-making throughout the education system.

**Support, monitoring, and technical assistance.** Of course, the department’s job isn’t simply to get money out the door, or even just to make sure that it gets to the right people – it has also worked to support grantees in using funds effectively, both in the form of monitoring spending to make sure funds are spent in line with statutory and regulatory requirements, and in working in partnership with grantees to point them towards best practices and provide guidance. Through the Race to the Top’s $43.5 million set-aside for technical assistance in particular, the department has sought to pioneer a new approach to providing technical assistance, by both supporting winning states in implementing their plans and also helping all states to learn from winning states.

**Reauthorization of the Elementary and Secondary Education Act**

At the same time that the department implemented ARRA programs, it also proposed a major overhaul of the primary federal K-12 education law, the Elementary and Secondary Education Act (ESEA).

ESEA was first passed in 1965 as part of President Lyndon Johnson’s war on poverty, and its focus was, and remains, ensuring that low-income students have access to an excellent education. In the 45 years since its initial passage, it has grown in funds appropriated, in programs authorized, and in the requirements placed on states and districts. The law was last reauthorized in 2002, as the No Child Left Behind Act, which added additional requirements around standards, assessments and accountability designed to focus on the achievement of all students (breaking out data by race and other demographic factors). The law required interventions in schools not making sufficient progress towards a 2014 goal of having all students scoring at proficient or above on statewide tests. NCLB passed Congress with large bipartisan majorities, and its goals – focusing on closing achievements gaps and ensuring strong educational outcomes for all students – were widely shared, both then and today. In the intervening years, however, significant concerns emerged throughout the education community about the feasibility of requiring that all schools make progress towards having 100 per cent of students meet a meaningful definition of proficiency. Reports emerged of states and districts “gaming” the system in various ways, and of schools forced into escalating
interventions despite making reasonable progress. Large numbers of schools were targeted for interventions that districts and states were not equipped to provide, and state accountability systems had enormous variability across states in the percentage of schools targeted — variability that reflected not differences in school effectiveness, but the vagaries of state accountability systems.

From the first months of the administration’s time in office, education stakeholders voiced significant concerns with NCLB and a strong appetite for pursuing a significant overhaul of the law. The secretary and senior staff embarked on a Listening and Learning Tour that would ultimately touch all 50 states and the District of Columbia. This tour was complemented by extensive outreach and consultation with the leadership and membership of education associations, union leadership, state and local government leaders, and members of Congress. In consultation with external stakeholders, with members of Congress, and with the department’s career staff, the department began developing a set of principles and a broad framework for a reauthorized ESEA. In broad summary, these core principles were:

- **Raise the bar for all students. Close the gap.** NCLB rightly placed a focus on closing achievement gaps. But by placing such an emphasis on whether schools were making sufficient progress towards having 100 per cent of students be “proficient” by 2014 – without creating clear expectations of what “proficient” meant – NCLB inadvertently created incentives for many states to lower the bar for proficiency. From early on, Secretary Duncan had a clear sense that while standards and assessments should continue to be driven by states, it would be necessary to put in place a system in which schools were aiming to teach all students to a meaningful standard.

- **Tight on goals. Loose on means.** Even as NCLB gave a great deal of flexibility in defining “proficiency,” it was prescriptive about what districts and schools had to do when schools fell short of making adequate progress towards 100 per cent proficiency by 2014. Schools identified as “in need of improvement” had to undergo a series of escalating sanctions; the same interventions were required for schools that missed targets for one or a few groups of students as for schools that were persistently low-performing overall. Drawing on his experience as a former district superintendent, the secretary articulated a vision that the federal government should play a role in making sure that the goals were clear and meaningful, but that it should provide greater flexibility and support to most schools and districts to allow them to meet those goals, while requiring dramatic interventions in the most chronically low-performing schools.

- **Foster innovation and reward success.** Promising innovations are being pioneered in U.S. schools, districts, and states, but the K-12 system hasn’t done a good enough job of taking these ideas to scale. The department sought to restructure ESEA programs and requirements in a way that spurs and scales up promising innovations that improve student outcomes, and that recognizes and rewards success – whether in the form of rethinking development, compensation and advancement for teachers, or building an accountability system that for the first time not only requires interventions where necessary, but also rewards and disseminates success. Indicators of success notably include growth in student
Ensuring a well-rounded education. NCLB’s focus on measuring student achievement in math and English language arts may have inadvertently encouraged a focus on these subjects at the expense of high-quality instruction in history, art, foreign languages, civics, and all the other components of a well-rounded education. The department sought to not only increase funding to support instruction in these subject areas, but also to design an accountability system that removes this pressure to focus on a narrow set of subjects and instead encourages and rewards ensuring a well-rounded education for every child.

With these broad principles in mind, the department conducted a careful review of each program authorized by ESEA, consulted program evaluations to see which ESEA programs were effective, and ultimately proposed a significantly overhauled structure for the law. The revised ESEA would streamline a number of small, siloed programs into larger, more flexible funding streams. It would also maintain formula funds while adding new competitive programs to drive reform.

The department’s proposals in two areas – accountability and human capital – illustrate how we are hoping to operationalize our reform principles and promote a culture of continuous improvement at all levels of our education system.

Accountability. The administration proposal replaces the NCLB accountability system with a new approach that emphasizes growth, progress, better supports and continuous improvement. Where NCLB resulted primarily in a focus on school-level accountability, our proposal would focus on building state and local capacity to help schools improve, and on expanding accountability so that districts and states also share responsibility for student results.

NCLB often incentivized school officials to focus on students who were on the cusp of meeting the “proficiency” target (so-called “bubble” students), and schools in danger of missing pre-determined improvement targets. By contrast, the department’s ESEA reauthorization proposal would incentivize every school to improve results for all students by focusing on growth and progress, not absolute test scores. It would reward high-growth schools and districts, take aggressive action in persistently lowest-achieving schools, and provide incentives for schools in the middle to work their way to the top and avoid slipping to the bottom. And, with these incentives in place, we would ensure a better system of supports that improve student results, such as doing more to support and develop effective teachers.

Teachers and leaders. This new accountability system would complement a school- and classroom-level culture of continuous improvement, built on a new framework for supporting and developing human capital in schools. Under this framework, teachers and leaders will benefit from more meaningful, useful feedback, and opportunities to collaborate with their peers to analyze data and tackle instructional challenges.
A key building block for this framework is putting in place rigorous and fair evaluation systems, developed with input from teachers and leaders. Well-designed teacher and leader evaluation systems should provide meaningful feedback for improvement and teach everyone in the building to look at data and use it to improve their practice. Results from these systems can be used to reward educators that excel and promote them to serve as instructional leaders, fostering more on-site, embedded professional development. High-quality, real-time data from assessments can also help teachers and leaders hone in on exactly which areas they need to refine to improve their instruction and boost achievement.

Another key piece of this will be recruiting and training school leaders who can focus on performance management and provide strong instructional leadership. The ESEA reauthorization proposal calls for quintupling funding for school leadership preparation and would require states to spend more federal funding on activities to support and train leaders. The goal is to prepare and develop school leaders who can build strong leadership teams, analyze data and evaluation results to identify appropriate professional development and supports for teachers, and set a strong school culture of collaboration focused on results.

The department released its proposals in two stages: through the FY11 budget request to Congress, submitted in February 2010, which was built around this new program structure, and then through A Blueprint for Reform, released in March 2010, which laid out the overarching vision for a reauthorized law. Documents explaining the budget request are available at http://www2.ed.gov/about/overview/budget/budget11/summary/index.html, and the Blueprint is available at http://www2.ed.gov/policy/elsec/leg/blueprint/blueprint.pdf.

Since the release of these documents, the administration has worked closely with members of both parties in Congress as they draft legislation, and it continues to consult with external stakeholders to flesh out legislative proposals in further detail. This bipartisan collaboration has been uncommon in this Congress, which has had considerable partisan division in debates over health care, immigration, financial reform and climate change. We look forward to continuing to work with the leadership of the House and Senate education committees on a reauthorized law that we are hopeful will reflect these principles and proposals.

Of course, once a law is passed, our work in realizing this vision will only have begun: we will begin implementing the programs and requirements established by Congress, and will repeat the process outlined above for ARRA programs as we implement new and updated programs authorized by the new law.

IV. OUTCOMES

Systemic reforms, especially those that flow from the federal government through states to districts and schools and classrooms, often take years to come to full fruition. The tripartite division of education policy in the U.S. also increases the difficulty of measuring the impact of reform with scientific methodology. In many respects, the department is not yet in the position to assess the outcomes of its reform initiatives. Nevertheless, some preliminary results are available. One of the
most striking things about the ARRA programs is the extraordinary speed with which we have been able to implement them and begin to see results. These results include:

ARRA formula programs:

- Funds given to states and districts through the major Recovery Act formula programs (SFSF, Title I, and IDEA) have consistently funded over 300,000 jobs, preventing what would have been disastrous waves of layoffs.

- Funding went out the door with an unprecedented level of efficiency and transparency. From the passage of the ARRA in February 2009 to the start of school year 2009-2010 in September 2009, 68 per cent of funds had gone to states; as of late August 2010, 95 per cent of funds are out the door, which includes virtually all of the state formula funding. This pace has followed a deliberate timeline to ensure that states and districts receive funds at a pace that meets budget needs but does not overwhelm state and local capacity to put funds to their best uses.

- The implementation of these programs sets a new standard for how the federal government – and the Department of Education in particular – could manage large funding streams on an accelerated timeline even while committing to an even higher standard of transparency and accountability than usual for federal grant programs. Weekly financial reports and quarterly recipient reports (down to the sub-award level) have increased transparency around how funds are spent, and additional funds for the Office of the Inspector General have stepped up monitoring around how funds are used. The department has also sought to provide aggregate data at a meaningful level, including by providing data — by program and state — on what funding has been obligated and spent weekly.

Race to the Top:

- 46 states submitted applications, which included a plan, developed with stakeholders across the state outlining the steps the state will take to reform its education systems. The preparation of these plans required substantial consultation among governors, state education chiefs, state and local leaders and lawmakers, unions, teachers, leaders and other stakeholders. As a result, even states that do not win grants should be well-positioned to begin implementing their proposals.

- 32 states changed their laws to put in place the conditions for reforms and continued progress, including in the areas of creating meaningful teacher evaluation systems, increasing the number of high-quality public charter schools and turning around persistently lowest-achieving schools.

- Significantly more states applied (46 states) than won funds (11 states, plus the District of Columbia), suggesting that there is strong interest from states in receiving additional funds tied to ambitious reforms.

- In an effort led by the National Governors Association’s Common Core Standards Initiative, 48 states and the District of Columbia signed on to the standards created by this body. To
Through the Race to the Top Assessment competition, the department awarded grants to two consortia of states to develop a new generation of state assessments that will be aligned to these new state-developed common standards, and that will measure not only basic skills, but critical thinking skills and complex student learning. The winning consortia include 44 states and the District of Columbia, serving 85 per cent of students in the country.

**Investing in Innovation Fund:**

- The department received nearly 1,700 applications from applicants in all 50 states, the District of Columbia and Puerto Rico. Each applicant was required to describe the evidence base for their proposal, stimulating a new concentration on evidence-based decision-making.

- Applicants significantly exceeded available funding, suggesting both a high degree of interest in federal government doing more to fund promising and proven practices, as well as a large number of potentially worthy grantees who could receive funding to scale up their work in future years.

**School Improvement Grants:**

- 50 states, the District of Columbia, Puerto Rico and the Bureau of Indian Education applied, each submitting a list of persistently lowest-achieving schools to be turned around in line with one of four ambitious models – in total, approximately 2,000 schools.

**ESEA Reauthorization**

While ESEA reauthorization is still in the legislative process, significant milestones and achievements thus far include:

- The February 2010 release of the Department FY11 budget proposal and the March 2010 release of “A Blueprint for Reform,” the administration’s proposals for ESEA, both of which laid out a framework for reauthorization on which we have been working with Congress.

- In the course of developing the blueprint, the administration consulted with and incorporated the ideas of lawmakers of both parties and a variety of external stakeholders, and the legislative process currently underway has been bipartisan.
These numbers include students enrolled in elementary and secondary public schools in the U.S. as of 2008-2009. Demographic percentages will not equal 100% as report states that 0.5% of students identified with two or more races. The Department is currently transitioning its collection of data by race/ethnicity. Regulations issued in October 2007 set seven categories for use in race/ethnicity reporting to ED. Data for school year 2008-09 were collected giving states a choice of using the categories in place before the 2007 regulations (5 categories) or using the new categories in the 2007 regulations (7 categories). The data cited here reflect the data from all states, which has been organized back into the 5 categories in place before the 2007 regulations.


These numbers include elementary and secondary public schools in the U.S. as of 2008-2009.


