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RACE TO THE TOP

What Grantmakers Can Learn from the First Round

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Key Findings

Under the auspices of the Foundations for Education Excellence initiative, the Foundation Center conducted interviews with stakeholders in the U.S. Department of Education’s Race to the Top competition to help inform grantmakers’ work with government around education reform and beyond. Interviewees included eight government leaders, foundation staff, and education consultants that had guided and supported the first-round application process in nine states.

States faced numerous challenges in completing competitive Race to the Top applications. In a very tight timeframe, states were required to establish a high level of coordination between governors’ offices and state departments of education—which often had not worked together closely—to develop reform agendas, secure buy-in from often contentious key constituencies, in some cases obtain legislative changes, and complete the lengthy application. States also had to find resources to pay for the consultants that often prepared the actual applications. According to interviewees, states that had already established comprehensive reform agendas were best prepared to complete the applications, and the applications of the two first-round winners—

Delaware and Tennessee—met this standard and described their plans using plain language that could be easily understood by the general public. States with committed leadership from their governors also prepared stronger applications.

Grantmakers supported Race to the Top applications in a variety of ways across states. These ranged from providing funding for consultants to help write the applications to working directly with state leaders to help shape application priorities. In one instance, it was foundations that encouraged their state government to apply for Race to the Top. While all of this support was highly valued, non-grantmaker interviewees generally referenced grantmakers’ monetary support for consultants, with a couple expressing gratitude for the otherwise hands-off approach taken by grantmakers in their states. In contrast, several grantmaker interviewees indicated that funders in their states had worked to ensure that they were an active part of the process and not seen as merely sources of financial support.

Providing support for second-round applications was not a given for grantmakers that funded first-round applications. While non-grantmaker interviewees concluded that it would

be impossible to prepare a strong second-round application without “buying” the additional capacity provided by consultants—often paid for by foundations—grantmakers generally cited the need for more extensive commitments to reform by their states before providing additional support.

Despite optimism about the potential impact of Race to the Top, concerns exist. Among various concerns identified by interviewees were the amount of reporting required by winning states, the lack of high-quality organizations needed to help states implement their commitments, and whether the funds being provided by the U.S. Department of Education are sufficient. Interviewees also expressed concerns about what will happen to the initiative if winning states do an inadequate job of implementing their reforms—since there are so few winning states—and that the competition could expand the achievement gap between winning and losing states.

Race to the Top offers lessons on how grantmakers and government can partner in the future. Government officials seeking to align grantmaker goals with their own objectives will need to identify ways for funders to participate in the development of new policies and strategies for implementation—not merely provide hands-off financial support. Grantmakers who wish to have input on government priorities will benefit from showing that they are willing to be engaged and consistent long-term partners.



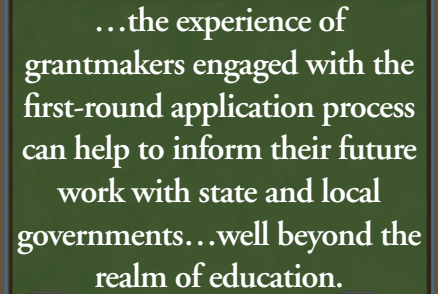
Overview

The U.S. Department of Education's Race to the Top competition has provided an unprecedented opportunity for states to advance public elementary and secondary education reform. The competition's requirements encompass reforms ranging from overhauling teacher assessment to adopting common educational standards to eliminating restrictions on the creation of charter schools. They also mandate a high level of cooperation among governors, state departments of education, and local school districts. In addition, the application process has attracted varying levels of participation from a range of other stakeholders in education reform, such as advocacy organizations and grantmakers that have invested in improving education.

Documenting the experience and impressions of various stakeholders after the first-round Race to the Top competition can provide important lessons for second- and (if funding is approved) later-round applicants. For the country's foundation community, the experience of grantmakers engaged with the first-round application process can help to inform their future work

with state and local governments around education reform and also provide useful perspective for their engagements with the public sector well beyond the realm of education.

Under the auspices of the Foundations for Education Excellence initiative, the Foundation Center conducted confidential interviews with eight government leaders, foundation staff, and education consultants that had guided and supported the first-round Race to the Top application process in nine states. Given the limited number of interviews conducted, and the broad range of experiences that were likely among the various stakeholders across the 40 states that applied in the first round (along with the District of Columbia), the findings presented in this report should be interpreted as suggestive of potentially common experiences but by no means comprehensive. Notwithstanding this limitation, these interviewees provided a broad range of perspectives on the challenges states faced, the role of grantmakers in supporting the process, and the prospects for advancing education reform going forward.



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About the Foundations for Education Excellence Initiative

The Foundations for Education Excellence initiative was launched in September 2009 as a resource to help foundations leverage federal education funds and plan strategies for longer-term impact on education reform. The initiative provides a wide range of services including a web portal (foundationcenter.org/educationexcellence) with mapping tools to track education reform funding, lists of top funders and recipients, summaries of key foundation-sponsored research on education reform, an events calendar, and links to news stories among other resources; an e-newsletter with policy updates from around the country; and webinars and teleconferences on critical education reform issues.

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What were the challenges faced in applying for Race to the Top?

...the larger challenge cited by most interviewees was a lack of a comprehensive vision for education reform in their states.

Interviewees who were directly involved in preparing applications for the Race to the Top competition characterized the experience as being among the most challenging of their professional lives. Regardless of their role, all of the interviewees were excited by the potential the competition afforded for enacting “once in a lifetime” large-scale education reforms. Yet the opportunities presented were tempered by a variety of challenges, documented below, that served to complicate the process of developing the strongest possible agendas for public education reform.

Requirements and Costs

Mounting a highly scored application was easiest for states that had already established ambitious education reform agendas. Yet according to interviewees, even these states were challenged by the delay in the announcement of final application requirements by the U.S. Department of Education, which shortened the time available to complete an application. In this tight timeframe, states had to establish a coordinating structure between governors’ offices and state departments of education—which often had not worked together closely—establish reform goals, secure legislative changes, build trust and obtain buy-in and memos of understanding (MOUs) from key constituencies, including local education authorities and teachers unions, and write the lengthy applications, among other activities.

For example, an interviewee from one state with a successful collaboration between the governor’s office and the state department of education indicated that the challenge arose when reporting back to their various constituencies: there was insufficient time to walk them through the decision-making process, while trying

to secure MOUs. Another interviewee noted that the application timeframe did not reflect the reality of Western states, where there is much stronger local control, and decision-making consequently takes more time.

Not surprisingly, all of the interviewees characterized the application process as being extremely labor-intensive. Most also noted that their applications would have been impossible to complete without the use of consultants. Finding resources to pay for consultants was one challenge for cash-strapped states, however; another was determining what role consultants should play. The time taken to make this determination, or to come to the realization that consultants would be needed in the first place, further reduced the time available for some states to complete their applications.

Vision and Clarity

The winning first-round applications from Delaware and Tennessee laid out comprehensive visions for education reform in their states, according to several interviewees. They also served as models of clarity, describing their methods and objectives in plain language that could be easily understood by the general public. In contrast, most of the interviewees characterized their state’s applications as being far more piecemeal and lacking clear articulation of strategies and goals.

Several interviewees cited the level of detail required in the tight application timeframe as presenting the primary challenge to ensuring clarity. But the larger challenge cited by most interviewees was a lack of a comprehensive vision for education reform in their states. The reasons cited for this varied across states and included among them a belief that state agencies are designed to ensure



compliance, not support innovation, and therefore lack the inherent capacity required to develop the vision needed for a successful application; too many outside voices weighing in on the process, which could not be reconciled in the time available; and state leaders that lacked the capacity or political will to take bold steps forward.

Constituencies

Race to the Top applications require an unprecedented level of cooperation across all tiers of state government and educational leadership, as well as with teachers unions and other stakeholders in the education process. Even within states that had established working relationships among at least some of these constituencies, the reforms required for a successful application generated challenges to the status quo that had to be negotiated. For states lacking these established relationships, the process of obtaining commitments for reform could be especially daunting, particularly given the limited time available.

A few interviewees referenced the challenge of convincing more affluent and more rural school districts in their states to provide MOUs. Among the more affluent school districts, interviewees suggested that they did not feel the need to sign on to the required reforms, as their schools were among the best in the state. For the rural districts, perceived government intrusion balanced against the relatively small amount of funding being offered was posited as a key factor in their unwillingness to sign on to the reform agenda.

Beyond the constituencies that are directly implicated in the education reforms, several of the interviewees remarked that every constituency— from education policy organizations

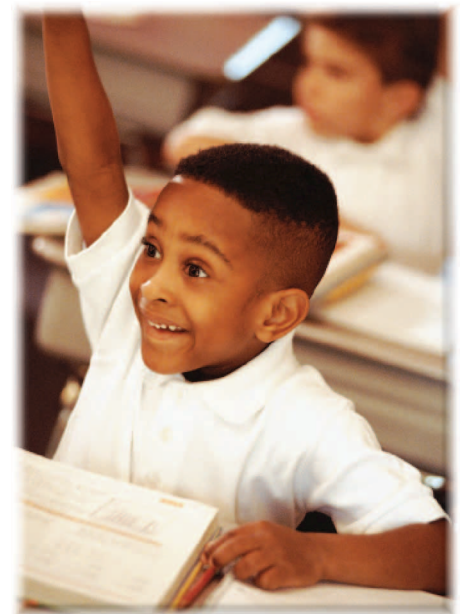
to corporations to foundations— was seeking to have their reform ideas included in the application. Ultimately, this made applications less clear and concise, and it also took those preparing the applications a tremendous amount of time to manage the feedback. In contrast, one interviewee cited the lack of inclusion of academics and educators in the application process as a shortcoming, as they offer the best knowledge of what works in education reform.

Politics

The process of attempting to enact sweeping public education reform is an inherently political undertaking. Yet several of the interviewees nonetheless expressed sincere dismay about the dominant role that politics and political expediency played over sound policy in the process of establishing reform goals and preparing their state's applications. In one state, bruising budget battles in prior years resulted in political ill will among many of the key constituencies, making the process of gaining buy-in on the reform goals more difficult. According to another interviewee, teachers unions kept school districts in one state from signing on, while the “good old boy” network in another state ensured that they all did.

The role of governors was especially crucial in the process, according to interviewees. If governors were not fully committed to the application process because they were at the beginning of their terms and had not yet developed an education agenda, at the end of their terms and not engaged in seeing the reform process through, or otherwise not committed to providing strong political leadership, the applications of those states were far weaker.

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What role did grantmakers play in supporting the first-round Race to the Top application process?

...if the Race to the Top priorities had not aligned with [foundations'] existing funding objectives and strategies, they would not have provided support for state applications.

There was no requirement that states seek private support in developing their Race to the Top applications, but several interviewees remarked that their applications would not have been possible without foundation funding—particularly to pay for consultants to support under-resourced state departments of education. Grantmakers chose to become involved in supporting applications for a variety of reasons, often centered on the unique opportunity for reform presented by the competition. In fact, in one instance it was foundations that encouraged their state government to apply for Race to the Top. Another locally focused grantmaker indicated that they chose to become involved because the state is a critical player in determining education policy affecting their local area. Nonetheless, a couple of the foundation interviewees were clear that, if the Race to the Top priorities had not aligned with their existing funding objectives and strategies, they would not have provided support for state applications.

The ways that foundation communities supported Race to the Top applications varied considerably across states and ranged from providing funding for consultants to help write the applications (but otherwise being hands off) to working directly with state leaders in helping to shape application priorities. Foundations also developed white papers on specific reforms, provided letters of support indicating that they would align their funding should their states win,

hosted meetings and contributed staff time, brought in national advisors to assess legal environments, strategies, and develop legislation, and helped states think about how to organize stakeholders, among other activities.

While foundation support was highly valued, the non-grantmaker interviewees generally referenced the monetary support foundations provided for consultants, with a couple expressing gratitude for the otherwise hands-off approach taken by grantmakers in their states. By comparison, foundations in one state formed a consortium that ran on a parallel track with the state in an attempt to ensure that they were an active part of the process and not seen as merely a source of financial support. Another grantmaker interviewee indicated that they aggressively inserted themselves as a partner in the process, including having weekly meetings with the state department of education.

This grantmaker interviewee also suggested that foundations that are truly committed to education reform need to move beyond writing white papers and supporting advocacy to developing model legislation and otherwise becoming more directly engaged in the policy process. This conclusion stands in contrast to the one criticism leveled by a non-grantmaker interviewee that foundations are willing to tell educators what should be done but do not provide the long-term support needed to see those strategies through.



What are the prospects for grantmaker engagement in supporting second-round applications?

Most of the interviews for this report were conducted after the first-round Race to the Top winners had been announced, and many of the participants expressed disappointment about the small number of states chosen, the impact of low scores in a single area on an otherwise high-scoring application,¹ the fact that reviewers did not visit states to see how reform might really play out on the ground, and the challenges that would be faced in trying to generate the will within the state to apply for a second round. A more general concern was that the competition is happening at a time when states are primarily focused on their growing budget crises.

But some respondents were philosophical about the loss, citing a lack of overarching vision or an eleventh-hour retreat from more ambitious reforms as the reasons for the failure of their states' applications. These interviewees expressed the hope that, should their states apply for a second round, their applications

would encompass more visionary reform agendas. Having access to the applications and scoring of the other states, especially the winning states, will also contribute to stronger applications among second-round applicants.

Among foundation interviewees, most were not closed to providing support for second-round applications but would not make a firm commitment. Typically, they cited the need to see more extensive state commitments to reform before providing additional support. One grantmaker interviewee did go so far as to indicate that they would not support reapplications, as they believe that the feedback from first-round reviewers would be sufficient to revise applications. In contrast, most of the non-grantmaker interviewees concluded that it would be impossible to develop a strong revised application without “buying” additional capacity from consultants, which were often paid for by foundations.

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1. For a critique of the scoring system used for the Race to the Top applications, see Peterson, W. and R. Rothstein, *Let's Do the Numbers: Department of Education's "Race to the Top" Program Offers Only a Muddled Path to the Finish Line*, Washington, DC: Economic Policy Institute, 2010; Smarick, A., “The Full Story on Race to the Top,” *Education Stimulus Watch*, Washington, DC: American Enterprise Institute, 2010; and The New Teachers Project, *The Real Race Begins: Lessons from the First Round of Race to the Top*, Brooklyn, NY: The New Teachers Project, 2010.



Will Race to the Top work to reform education across the country?

...grantmakers who wish to have input on government priorities will benefit from showing that they have the potential to be engaged and consistent long-term partners with government.

Interviewees overwhelmingly focused on the opportunity presented by the Race to the Top competition. But they also highlighted some broad concerns around states that win, such as the amount of reporting required, the lack of high-quality organizations to serve the states and deliver the capacity they will need, whether the reforms are really about governance rather than improving educational institutions, what happens to reform efforts if the winning states do not do an effective job of implementing their vision (since there are so few), and whether the funds being provided by

the U.S. Department of Education are sufficient to implement all of the strategies that the winning states outlined in their applications.

Beyond these specific concerns, one interviewee speculated that the competition could in fact expand the achievement gap among states. While the competition is intended to provide models of success for other states, the difficulty of winning the competition combined with state budget crises could lead losing states to step away from any efforts to reform their educational systems.

How can grantmakers and government work together going forward to promote reform?

The Race to the Top competition represented only the latest example of foundations working in collaboration with government to advance a shared agenda. However, the scale of this undertaking did make it unique, and the comments of interviewees suggest some important considerations for future collaborations, whether to improve education or to advance public health or other priorities. For example, while some foundations were comfortable with providing monetary support only, a number of grantmaker interviewees expressed a clear desire to be active participants in the process of developing agendas for reform.

Government officials who want to encourage the alignment of foundation goals with their own objectives will be well served by identifying ways to

enable grantmakers to participate in the development of new policies and strategies for implementation—based on the extent to which individual funders want to become engaged. For their part, grantmakers who wish to have input on government priorities will benefit from showing that they have the potential to be engaged and consistent long-term partners with government.

It will likely be a number of years before government tax revenues and foundation resources return to the levels seen prior to the 2008. For both sectors, finding ways to collaborate effectively—as some did with the first-round Race to the Top competition—will be critical to achieving their shared goals.



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