Race to the Top School Reforms: Current Status and Prospects
By Curtis Walker, Legislative Analyst, and Kathryn Summers, Chief Analyst

Introduction

The American Reinvestment and Recovery Act of 2008 (ARRA) appropriated $4.35 billion to the new Race to the Top (RTTT) Fund, to be used for grants to states that develop and implement comprehensive education reform plans that meet certain requirements. The deadline to apply for the first round of grants was January 19, 2010. Michigan, along with 39 other states and the District of Columbia, submitted an application for a grant in the first round.

Of the 41 applicants, 16 states were selected as finalists; Michigan was not among them. On April 2, 2010, the U.S. Department of Education announced that Delaware and Tennessee had been selected to receive RTTT grants in the first round. Delaware received about $100.0 million, and Tennessee was granted $500.0 million. States that were not awarded a grant may apply for a second round of grants.

This article describes Michigan's recently enacted RTTT legislation and related activities, as well as the fiscal impact of the legislation. It also summarizes the winning applications from Tennessee and Delaware, and describes the reviewers' response to Michigan's application.

RTTT in Michigan

Michigan's application was organized around the Michigan Integrated Education Reform Plan (MIERP). That plan incorporates a number of legislative reforms included in Public Acts 201 through 205 of 2009. Among other things, those Acts do the following:

- Permit the creation of a limited number of "Schools of Excellence", which must be modeled after high-performing schools or programs.
- Require the creation of a teacher identification system that can match an individual teacher with individual pupils he or she has taught.
- Require each school board to adopt an evaluation system that measures student growth and uses the evaluations in compensation, promotion, and retention decisions.
- Require the lowest-performing 5% of public schools in the State to be placed into a State School Reform/Redesign (SSRR) District.
- Require each school in the SSRR District to submit a redesign plan, and require the amendment of any collective bargaining agreements as necessary to implement the plan.
- Require the establishment of an alternative process under which a person may earn an interim teaching certificate, and after three years of satisfactory performance teaching in public schools, receive a full teaching certificate.
- Require a school administrator hired after January 4, 2010 to have a school administrator's certificate.
- Require a pupil to attend public school until the age of 18 (rather than 16), unless he or she is at least 16 and has the written permission of his or her parent or guardian to stop attending school.

For a complete description of the legislation, please see the Summary as Enacted of Senate Bills 926 and 981 and House Bills 4787, 4788, and 5596, which is available through the Senate Fiscal Agency website: http://www.senate.michigan.gov/sfa/.

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Those legislative reforms, while significant, comprised only a portion of the total RTTT grant application.

Among other initiatives, Michigan joined a consortium of other states to develop and adopt common academic standards, and committed to working with a number of consortia to develop high-quality assessments. By providing support to the local education agencies (LEAs) with the greatest achievement gaps and developing and distributing instructional materials based on the new standards, the application proposed that Michigan could reduce the disparities in educational achievement and improve academic performance across the State. The Teaching for Learning Framework is a web-based tool to help teachers in that effort, and will be in operation before the start of the 2010-2011 school year.

In addition, Michigan is developing a State Longitudinal Database System to track student performance over time and has created the Data for Student Success portal to allow easier access to the data in a usable form. Data will be disbursed to eight regional data initiatives to drive academic research and policy decisions.

About 89.0% of LEAs and 8.0% of teacher union representatives signed a memorandum of understanding (MOU) in support of the reform agenda.

**Fiscal Impact on the State**

Michigan's RTTT legislation imposes numerous fiscal responsibilities on the State that will require State funding (or a repeal or change in State law) if Michigan is not successful in receiving Federal funds from the second round of grant applications. Specifically, the State Budget Office and Michigan Department of Education (MDE) have estimated that a total of 27.0 full-time equated staff (FTEs) at the MDE and $41.4 million are necessary to begin implementing all components of the legislation in fiscal year (FY) 2009-10, and $23.1 million is necessary in FY 2010-11. Of these totals, State funding of nearly $500,000 General Fund/General Purpose (GF/GP) was appropriated in an FY 2009-10 supplemental, and $1.7 million GF/GP is requested for next year, to cover costs in the legislation that are not allowed to be paid for by Federal funds. The remainder of the costs could be paid for with Federal funds, but only if Michigan is successful in being awarded an RTTT grant in the second round.

Specifically, the costs are broken down as follows:

- 14.0 FTEs and $25.0 million in FY 2009-10, and $17.0 million in FY 2010-11, for the development of student growth measures based on assessments and other objective criteria that are to be used by districts for purposes of teacher and school administrator evaluations and compensation systems, and in public school academy (charter school) contracts. If Michigan is successful in its second RTTT application, then funds awarded under that grant could be used to pay for these activities. However, until Federal funds are received or State replacement funds are identified, the Michigan Department of Education has stated it will not be able to implement these requirements. Also, local districts will incur costs for implementing the student growth measures in teacher and school administrator evaluations and compensation systems; if Federal RTTT funds are received, they can be used by districts to pay for these costs, but if not, then districts still have to implement the changes, and pay for them out of operating funds.
• $15.9 million in FY 2009-10, and $4.4 million in FY 2010-11, for the completion of Federally required components of the statewide longitudinal data system, the primary component of which is to link individual teacher and student achievement data. The State has asked to use a portion of any RTTT funding received for this purpose, and the Center for Educational Performance and Information has applied for a separate Federal competitive grant in case Michigan does not receive an RTTT grant. However, if Michigan is not successful in either of these Federal grants, the changes still must be made to the data system since Michigan made assurances to the Federal government when applying for ARRA State Fiscal Stabilization Funding (SFSF) that this work would be done. Michigan received $1.6 billion in SFSF, of which $1.3 billion has been used to support the K-12 budget in FY 2008-09 and FY 2009-10, with the remaining funding proposed to be used in FY 2010-11.

• $492,800 State GF/GP and 13.0 FTEs in FY 2009-10, and nearly $1.7 million State GF/GP in FY 2010-11, for State-level activities required under the package of State legislation, but not directly part of the Federal RTTT application. These activities include the School Reform/Redesign Officer, responsible for overseeing the turnaround and redesign of the bottom 5% of lowest-achieving schools, creation of Schools of Excellence and Cyber schools, an alternative process for teacher certification, a required certification of school administrators, and a process to ensure that teachers and principals have adequate access to basic instructional supplies.

• By the 2016-2017 school year, between $150.0 million and $250.0 million yearly to pay for the increase in the dropout age from 16 to 18 years. The current age at which students are legally allowed to drop out of school is 16; data indicate there are somewhere between 25,000 and 35,000 dropouts each year, of varying ages. If all these students instead remained in school, and did not receive a waiver or ignore the law, then the full State cost could range between $150.0 million and $250.0 million per year. However, to the extent students either received waivers to drop out at an earlier age, or simply ignored the requirement, the additional yearly cost would be less.

The first three items discussed above are likely to have longer fiscal impacts than are stated here, since the reforms are permanent. Some of the initial up-front costs will decline over time, but the expanded data, assessment, and personnel infrastructure likely will remain, thereby generating long-term costs.

Race to the Top Criteria

As part of the evaluation process, each application was reviewed based on criteria specified by the U.S. Department of Education. The criteria gave "absolute priority" to a comprehensive approach to education reform, and second priority to an emphasis on science, technology, engineering, and math (STEM). The criteria were broken down into the following six main categories, with separate criteria listed under each:

A. State Success Factors
B. Standards and Assessments
C. Data Systems to Support Instruction
D. Great Teachers and Leaders
E. Turning Around the Lowest-Achieving Schools
F. General
(The separate criteria in each category are described below in the discussion of "Response to Michigan's Application").

Points were assigned for each category and subcategory, totaling a maximum possible score of 500. Each application was evaluated by five reviewers, and the 16 highest-scoring applications were re-evaluated to determine the final scores. The two top rankings were 443.4 for Tennessee and 438.4 for Delaware. Michigan ranked 21st out of the 41 applicants, with a score of 366.2.

**RTTT in Tennessee**

Tennessee's application is centered on the state's data collection system, which Tennessee says is the oldest and most comprehensive in the country. Recent changes to Tennessee law permit the use of student performance data in determining teacher and administrator compensation.

The state proposes developing more rigorous assessments to address the gap in performance between the state assessments and Tennessee students' National Assessment of Educational Progress (NAEP) scores. The application also includes aggressive goals for eliminating the achievement gap on the state assessment test and reducing the achievement gap on NAEP, including specific target dates.

The state has established an "Achievement School District" that will consist of underperforming schools, and the State Education Commissioner will have the authority to intervene in those schools to enact reforms.

Tennessee also passed legislation to increase the cap on charter schools in the state.

Officials and union representatives in every school district signed an MOU indicating support for the RTTT initiative.

**RTTT in Delaware**

Delaware's application also stresses the importance of data collection. The state will augment its existing longitudinal data system to include extensive testing data for each student, and will use the data to evaluate teacher performance. The state has developed a teacher evaluation system based on Charlotte Danielson's *A Framework for Teaching*, and has adopted standards developed by the Interstate School Leaders Licensure Consortium.

Student growth is a key factor in determining teacher effectiveness, and the results of the teacher evaluations will inform professional development decisions and the promotion, retention, and removal of teachers.

The state also will track teacher performance to identify the most effective teacher preparation programs.

The state proposes that teacher tenure be conditional on student performance, although implementing that proposal will require legislative action.

The lowest-performing schools in the state may be placed into a "Partnership Zone". Schools in the Zone must adopt one of four intervention models (closure, turnaround, restart, or transformation), and are subject to state oversight to ensure improved performance.
The proposed reforms received support from each LEA and all affected teacher union representatives.

Response to Michigan’s Application

Michigan's application received a score of 366 out of 500, compared with the winning scores of about 440. Each reviewer wrote extensive comments on each section of the application, indicating its strengths and opportunities for improvement. Table 1 shows the scores given by each reviewer and the average score. It is followed by a summary of the comments in the areas that cost Michigan the most points.

Table 1

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A(1): Articulating Reform Agenda and LEA Participation

The reviewers generally praised the overall reforms in the application, calling it "coherent and comprehensive", although one reviewer disagreed, saying that the goals did not represent a unified whole, and that the application did not provide enough details about how the goals would be achieved.

All reviewers expressed concern about the low level of union support for the reform agenda, and worried that the State would be unable to meet its reform objectives without extensive cooperation from teacher unions. (As mentioned above, only 8.0% of local union leaders signed the MOU.)
One reviewer also emphasized that support from school districts was not unanimous, either. Although over 89.0% of districts signed onto the MOU, 88 districts did not, indicating that there might be localized resistance to the reform agenda.

A(2): Building strong statewide capacity to implement, scale up, and sustain reforms

Again, the most common concern was the limited support from the teacher unions. Without that support, reviewers worried that the burden of reform would fall largely on the LEAs, which would be unable to implement some measures without union cooperation. Some reviewers noted that the State might have trouble funding the reforms going forward, given Michigan's economic troubles. One reviewer mentioned that the application did not take full advantage of Michigan's system of universities, one of the State's greatest strengths.

A(3): Demonstrating significant progress in raising achievement and closing gaps

Several reviewers complained that the application did not include sufficient detail on achievement and student performance. One noted that while student performance on the State assessments showed improvement, there was no similar increase in NAEP scores, and that performance gaps persisted.

Another common complaint was that the application did not include graduation rate data, although the application explained that the methodology for calculating the rate had recently changed, making comparisons with data from previous years impossible.

C(1): Fully implementing a statewide longitudinal data system

The application was marked down in this area because Michigan has not yet fully implemented its longitudinal data system, although the application does describe the current data collection efforts and projects full implementation by December 2010. There is little that can be done to address that criticism except to move ahead with current implementation efforts.

D(2): Improving teacher and principal effectiveness based on performance

The RTTT legislation requires the Center for Educational Performance and Information within the State Budget Office to develop a system to identify teacher performance based on the individual performance of his or her students. While the reviewers praised that initiative, several objected that the evaluations would include only students who were present for the entire evaluation period. Excluding some students could allow teachers or administrators to "game" the system, the reviewers said. Also, that policy could fail to adequately measure student performance in areas of high mobility. Since students who move a lot may be at high risk of falling behind academically, the reviewers argued that those students should be included in any evaluation system.

In addition, there was skepticism about the short timeline for developing and implementing performance evaluation systems for each school district, and several reviewers emphasized that union support would be essential to the success of any system that uses teacher evaluations to determine compensation. One suggested that there needs to be a mechanism to deal with a failure to reach a collective bargaining agreement.

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D(1): Providing high-quality pathways for aspiring teachers and principals

The reviewers noted that Michigan recently enacted legislation providing for alternative certification of teachers and for certification of administrators, but several reviewers requested more information about those initiatives, such as copies of the legislation or current data on identified teacher shortages. In addition, some reviewers wondered whether the strategies listed in the application would be sufficient to meet the demand for teachers, particularly in math and science.

D(3): Ensuring equitable distribution of effective teachers and principals

According to the comments, the application should include additional strategies to improve teacher effectiveness and improve the distribution of teachers and principals, including incentives, higher pay, and improving the work environment to make it more attractive to teachers. Reviewers generally approved of the mentoring aspects of the application, but suggested that the efforts listed would not be sufficient to overcome the current disparities. One evaluator suggested that Michigan should implement policies at the State level to improve the equitable distribution of teachers and administrators in low-performing schools.

D(5): Providing effective support to teachers and principals

The application lists efforts to create a central online resource to direct teachers and administrators to existing professional development programs. Several reviewers asked for more information about that proposal and requested more specific details about how the MDE would support teachers and principals.

E(2): Turning around the lowest-achieving schools

The reviewers uniformly praised Michigan's newly enacted plans to identify and reform consistently low-performing schools, which require the lowest-performing 5% of schools to submit turnaround plans based on one of the four RTTT models. One reviewer was concerned that the plan relied too heavily on outside vendors to turn around schools, and emphasized that the State needed to maintain strict oversight, particularly if the entity implementing the reforms had a past relationship with the school that could make it difficult for the vendor to make the difficult choices necessary to improve conditions.

The reviewers generally approved of the School Reform/Redesign District, which allows for intervention in schools where the turnaround plan is insufficient. The concept is similar to Tennessee's Achievement School District and Delaware's Partnership Zone, which also received high marks.

The application also emphasized ongoing efforts to reform Detroit Public Schools and the Pontiac School District, but some reviewers raised concerns about whether those interventions were sufficient, and asked for more detailed plans to improve low-performing schools in those districts.

F(2): Ensuring successful conditions for high-performing charter schools and other innovative schools

Reviewers praised Michigan's existing charter school system and welcomed the addition of the new Schools of Excellence, which will be modeled after high-performing schools. Several reviewers spoke highly of Michigan's system for holding charter schools accountable, mentioning that Michigan had closed 26 charter schools since 1998. One reviewer asked for more information on factors that inhibit the approval of new charter schools in the State.
Reviewers also praised other innovative education models in the application, including the cyber schools permitted under the RTTT legislation, technical high schools, and other efforts to provide services and support to students at risk of dropping out of school.

Conclusion

In general, Michigan's MIERP reform plan shares many characteristics with the proposals submitted by Delaware and Tennessee. One of the key differences is the degree of support among LEAs and other stakeholders, which reviewers cited as necessary to ensure successful implementation. Some also were concerned that the application did not cite specific funding sources for reform efforts, and worried that Michigan would have difficulty fully funding various aspects of the plan, given the State's economic situation.

In other areas, the application was criticized for past actions. The reviewers cited mixed data on student achievement and closing the achievement gap, and the application was criticized because the longitudinal data system was still in the process of being fully implemented.

Reviewers also asked for more details in several areas, including graduation data, a copy of the MOU signed by LEAs and other stakeholders, and further information on how Michigan plans to meet teacher shortages.

Many of the legislative initiatives were widely praised, and the section of the application dealing with turnaround schools received high scores overall. In addition, the proposal to evaluate teacher performance based on individual student achievement was welcomed, although some reviewers raised concerns about the implementation.

The comments on Michigan's application and the details of the winning applications provide a framework for further refining Michigan's reform efforts, if the State chooses to reapply for an RTTT grant in round two. The deadline for applications is June 1, 2010. Only about one eighth of the available money was awarded in the first round, and Secretary of Education Arne Duncan has said that the second round will likely include 10 to 15 recipients (Education Week, "$3.4 Billion Remains in Race to Top Fund", 4-7-10).

In addition, the President has indicated that he will request an additional $1.35 billion in the FY 2011 budget to continue the program (Education Week, "Obama to Seek $1.35 Billion Race to Top Expansion", 4-15-10).

Regardless of whether the State receives an RTTT grant, the enacted legislation represents a substantial reform of Michigan's education system, aimed at addressing long-standing disparities in quality and improving accountability for educational outcomes. That effort is well aligned with the stated goal of the Race to the Top program, which is to drive innovation at the state level to ensure that all children have access to high-quality public education.