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A Smarter Path to a “Race to the Top” in Education Reform

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The Obama Administration has signaled that it will include a \$1.35 billion expansion of the “Race to the Top” (RTTT) fund in its FY 2011 budget.¹ This is in addition to the \$4.35 billion for RTTT included in last year’s stimulus bill.² Under the Department of Education’s (DOE) guidelines for RTTT, states must meet certain requirements to be eligible for a share of these competitive grants.³

RTTT is based on the theory that incentives and guidelines provided by the DOE can spur effective education reforms by state governments and school districts. But past experience with No Child Left Behind (NCLB) shows that strengthening federal control may result in a number of unintended consequences.

The Limits and Dangers of Federally Controlled School Reform. A central purpose of NCLB was to improve public school accountability through state testing and sanctions for low-performing schools. However, growing evidence suggests that states are responding to federal directives by weakening standards and making tests easier.⁴ Many school districts have similarly failed to comply with NCLB’s limited school choice options.⁵ There are several lessons to be learned from this experience and reasons to be wary of the RTTT initiative.

First, the federal government has a limited ability to force states and school districts to comply with reforms. In reality, the struggle to implement real school reforms at the state and local level is a political one. For school reforms to work, state and local leaders and education officials must embrace reform

strategies and commit to seeing through their implementation. Federal incentives and punishments will have a limited ability to convince state and local politicians to take on the political challenge of education reform.

Second, states and districts would likely water down or poorly implement the reforms championed by RTTT. Frederick Hess of the American Enterprise Institute made this prediction in July 2009: “Here’s what’s apt to happen: States will check as many boxes as they can, make many promises they can’t live up to, get the money, spend the money, and go through the motions of reforming.”⁶

Since 2009, several states have implemented reforms in response to the incentives of RTTT, but it remains to be seen whether legislative changes will lead to successful implementation. Andy Smarick of the Fordham Institute points out that Tennessee lifted its charter school cap, and in response, Memphis and Nashville denied all 24 charter applications submitted.⁷

Third, RTTT is aimed to strengthen federal power in setting K-12 education policies for states and school districts, which is problematic on a number of levels.

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The federal government does not have constitutional authority to fund or regulate public education. While Washington became more involved in regulating and funding schools during the latter half of the 20th century, this role has historically been limited—leaving the fundamental questions about how students are educated to state and local authorities, who are closer to those affected by decisions impacting education.

Fourth, RTTT is creating a framework for national standards and tests regulated by Washington. It represents a significant expansion of federal oversight over what is taught in the nation's schools and threatens to break past federal prohibitions against the DOE setting a national curriculum. The common-standards push could also be a step backward for real transparency about school performance if the final standards are weak or poorly developed.

Fifth, the RTTT competition is creating an incentive for states to increase spending and develop new education programs at a time when most states face challenging deficits. Governor Rick Perry of Texas cited the likely fiscal burden imposed by the RTTT competition as one reason for not applying. Perry predicted that it would cost as much as \$3 billion to realign the state's education system to conform to the DOE's "uniform vision for public education."⁸

A Smarter "Race to the Top." Instead of expanding federal power through the RTTT fund, Congress and the Administration should implement

structural reforms of current Elementary and Secondary Education Act (ESEA) programs to enable and encourage effective bottom-up reforms. This can be accomplished in the following ways.

Grant States Real Flexibility and Autonomy over Federal Programs and Funds. Federal funds for the ESEA are currently provided to states and school districts through dozens of formulas and competitive grant programs, many of which are ineffective or duplicative. They also impose significant administrative and compliance costs.

States should be granted greater autonomy over how federal funds are used to benefit student learning—including the power to terminate or consolidate programs and redirect funds to state initiatives with limited federal guidelines.⁹

This flexibility should include the opportunity to reform the Title I program, which aims to improve educational opportunities for disadvantaged children, by allowing Title I funds to follow students to a school of their parents' choice.

Require Transparency and Oversight About State Academic Performance and Governance. In exchange for greater flexibility, the federal government should require transparency and reporting about state academic performance and governance policies.

States should be required to maintain state-level testing, public reporting about school-level academic achievement, and continued participation in the National Assessment of Educational Progress

1. Frank Wolfe, "Obama: \$1.35B Boost to RTF Would Aid Districts," *Education Daily*, January 20, 2010.
2. Rebecca R. Skinner *et al.*, "Funding for Education in the American Recovery and Reinvestment Act of 2009 (P.L. 111-5)," Congressional Research Service *Report for Congress*, April 14, 2009.
3. U.S. Department of Education, "Race to the Top Program: Executive Summary," November 2009, at <http://www.ed.gov/programs/racetothetop/executive-summary.pdf> (January 20, 2010).
4. Matthew Ladner and Dan Lips, "How No Child Left Behind Threatens Florida's Successful Education Reforms," Heritage Foundation *Backgrounder* No. 2226, January 7, 2009, at <http://www.heritage.org/Research/Education/bg2226.cfm>.
5. *Ibid.*
6. Frederick M. Hess, "Obama, Failing to Learn Bush's Lessons?," *The Education Gadfly*, July 30, 2009, at <http://www.edexcellence.net/gadfly/index.cfm?issue=508#a5372> (January 25, 2010).
7. Andy Smarick, "Toothless Reform?," *Education Next*, Spring 2010.
8. Press release, "Gov. Perry: Texas Knows Best How to Educate Our Students," Office of the Governor Rick Perry, January 13, 2010, at <http://governor.state.tx.us/news/press-release/14146> (January 25, 2010).
9. See Dan Lips, "Reforming No Child Left Behind by Allowing States to Opt Out: An A-PLUS for Federalism," Heritage Foundation *Backgrounder* No. 2044, June 19, 2007, at <http://www.heritage.org/Research/Education/bg2044.cfm>.

(NAEP) exam, which offers an external audit of state standards and tests.

Participating states should also be required to issue a public report summarizing their strategies for improving academic achievement and detailing the state's governance policies, such as the choice options that are available for students, the accountability measures in place for schools and students, policies to measure and improve teacher quality, information about school funding and resource allocation, and so forth. Such reporting would require a fraction of the time and resources of the administrative burden to comply with NCLB.¹⁰

Requiring transparency about school performance and governance policies would enable public scrutiny and oversight—making policymakers and schools accountable to taxpayers and parents. Citizens could evaluate the performance of their states' schools in comparison with those of other states and demand that the most effective models are followed.

If Federal Incentives Are Offered, Reward Academic Success Rather Than Legislative Compliance. If Congress and the Administration are intent on encouraging competition among the states to

improve academic achievement, a better approach would be to actually reward states' success improving student learning.

For example, federal policymakers could provide states with bonuses or grants based on whether their students make improvement on the NAEP testing system, which currently serves as the most independent measure of state academic achievement. There is a risk that an incentive to improve on the NAEP would also create unintended consequences, such as potential gaming of the NAEP test administration, so such a bonus program should be carefully designed.

A Better Way to Spur Improvement. RTTT, like past initiatives including NCLB, is likely to provide disappointing results and problematic consequences. A more promising alternative to RTTT would be to grant states greater authority over how federal education funds are used to improve education while requiring real transparency to hold schools and policymakers accountable for results to the public and spur needed improvement.

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10. Dan Lips and Evan Feinberg, "The Administrative Burden of No Child Left Behind," Heritage Foundation *WebMemo* No. 1406, March 23, 2007, at <http://www.heritage.org/Research/Education/wm1406.cfm>.