



# Investing in Educator Capacity

## An Analysis of State Race to the Top Spending

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# Introduction and summary

In the 2009-10 school year, states reported \$20.3 billion in K-12 and higher education shortfalls from a slowed economy and a decline in state revenues.<sup>1</sup> The American Recovery and Reinvestment Act of 2009, or ARRA, directed nearly \$100 billion to restore education budgets, reward innovation, and advance reforms.<sup>2</sup> Half of those funds went to local school districts to prevent layoffs and cutbacks, 17 percent went to increase student financial aid, and 10 percent went to aid low-income public school students.<sup>3</sup> At \$4.35 billion, Race to the Top, or RTT—a competitive grant program to spur K-12 education improvements—constituted just less than 5 percent of the total education stimulus package.<sup>4</sup>

Within a year of its launch, RTT drove significant education reforms across the country. A total of 34 states modified their state laws and policies to bolster their chances of winning a federal grant award during the application process.<sup>5</sup> States such as Oklahoma and Iowa passed laws to facilitate access to charter schools.<sup>6</sup> Massachusetts and Michigan boosted their authority to intervene in chronically underperforming schools.<sup>7</sup> Maryland and California passed laws to strengthen their educator evaluation systems.<sup>8</sup> Thirty-five states and the District of Columbia adopted common standards in English language arts, or ELA, and mathematics on a timeline to be competitive in the first and second rounds of RTT.<sup>9</sup> With a relatively small price tag—less than 1 percent of all local, state, and federal education funding—RTT helped spur states to make most of these policy changes before one dollar of the federal program’s money was spent.<sup>10</sup>

In addition to the main RTT program, ARRA authorized the Race to the Top Assessment Program, which funded two consortia of states to develop high-quality assessments aligned to college- and career-ready standards.<sup>11</sup> Race to the Top District, or RTT-D, which supports innovation and improvements at the local level, and Race to the Top Early Learning Challenge, or RTT-ELC, a grant competition to strengthen early learning, also grew out of ARRA’s RTT initiative through congressional appropriations beginning in fiscal year 2011. Twenty-one districts from 14 states received RTT-D grants in 2012 and 2013, and 20 states received RTT-ELC grants between 2012 and 2014.<sup>12</sup>

2015 marks five years since 12 states from a pool of 46 state applicants won RTT awards. In March 2010, Delaware and Tennessee won \$100 million and \$500 million, respectively, in the first round of the competition.<sup>13</sup> In August 2010, an additional 10 applicants—the District of Columbia, Florida, Georgia, Hawaii, Maryland, Massachusetts, New York, North Carolina, Ohio, and Rhode Island—won second-round awards. Grant-winning states had four years to implement their proposed plans, but most states requested a one-year no-cost extension.<sup>14</sup>

This report examines the program's effect in the winning first- and second-round states over the course of their grants, as they spend the last of their RTT dollars. In compiling data and gathering information for this report, the authors talked to state education officials about the past five years of reforms and supplemented their understanding of RTT's footprint with publicly available information, including state spending data and policy reports.

The report's key findings include:

- State educational agencies, or SEAs, spent more than half of RTT funding on systems, programming, and supports that directly benefit educators.
- SEAs spent only 9 percent of their RTT funding on educator evaluation systems.
- States used RTT to take bold new approaches to turning around low-performing schools.
- RTT increased state capacity and redefined the role of SEAs.
- RTT generated unprecedented collaboration across states and districts.

While it is still too early to measure the full impact of RTT, what is clear is that the program inspired major policy changes at the state level. RTT enabled winning states to innovate and implement meaningful reform to directly benefit educators and improve struggling schools. This innovation transformed the culture of state agencies, a lasting change that will benefit districts, schools, and, most importantly, students for years to come.

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