

Race to the Top Program Guidance and Frequently Asked Questions



U.S. Department of Education
Washington, D.C. 20202

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Purpose of the Guidance

The purpose of this guidance is to provide information about the Race to the Top program. The guidance provides the U.S. Department of Education’s interpretation of various statutory provisions and does not impose any requirements beyond those included in the American Recovery and Reinvestment Act of 2009; the Race to the Top notice of final priorities, requirements, definitions, and selection criteria (NFP); the Race to the Top notice inviting applications (NIA); and other applicable laws and regulations. In addition, it does not create or confer any rights for or on any person.

The Department will provide additional or updated program guidance as necessary on its Race to the Top Web site, www.ed.gov/programs/racetothetop. If you have further questions that are not answered here, please email racetothetop@ed.gov

Contents

A. Introduction and Eligible Entities.....	3
B. General Application and Program Information.....	5
C. Grant Awards.....	7
D. Application Review and Selection	11
E. State Success Factors.....	15
F. Standards and Assessments	17
G. Data Systems to Support Instruction.....	20
H. Great Teachers and Leaders	21
I. Turning Around the Lowest-Achieving Schools.....	23
J. General Selection Criteria	24
K. States and LEAs	26
L. Other.....	41
M. Interactions with other Programs.....	45
N. Transparency, Accountability, Reporting, and Other Obligations	46
O. Resources and Information	48
Appendix A – Technical Guidance Regarding NAEP.....	50

A. Introduction and Eligible Entities

A-1. What is the Race to the Top program?

The Race to the Top program is authorized under sections 14005 and 14006 of the American Recovery and Reinvestment Act of 2009 (ARRA). Race to the Top is a competitive grant program to encourage and reward States that are implementing significant reforms in the four education areas described in the ARRA: enhancing standards and assessments, improving the collection and use of data, increasing teacher effectiveness and achieving equity in teacher distribution, and turning around struggling schools. The U.S. Department of Education (Department) will make awards in two phases, with Phase 1 funding awarded in spring 2010 and Phase 2 funding awarded by September 30, 2010.

The Department published the final notices for Race to the Top (*i.e.*, the notice inviting applications (NIA) and the notice of final priorities, requirements, definitions, and selection criteria (NFP)) in the Federal Register on November 18, 2009. Both notices include the final priorities, requirements, definitions, and selection criteria and the same four appendices.

The NIA also includes certain details for applicants, such as deadlines, budget guidance, and submission requirements. For the NIA, see 74 FR 59836, available at <http://edocket.access.gpo.gov/2009/pdf/E9-27427.pdf>.

The NFP also includes, among other things, the Department's summary of and response to comments on the proposed rules published on July 29, 2009. For the NFP, see 74 FR 59688, available at <http://edocket.access.gpo.gov/2009/pdf/E9-27426.pdf>.

The Race to the Top Application is available at <http://www.ed.gov/programs/racetothetop/application.doc>. Further resources are available at www.ed.gov/programs/racetothetop.

A-2. Who is eligible to apply for Race to the Top funds?

States are the eligible applicants under section 14006(a)(2) of the ARRA. As defined by section 14013 of the ARRA, the term "State" means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

A-3. May States apply as part of consortia?

No. Applications from consortia will not be accepted for this competition. A State must apply individually. However, States are encouraged to learn from each other's efforts, share information about lessons learned, and share work developed under their grants. (See the program requirement entitled Making Work Available.)

Note that the Department intends to hold a separate \$350 million Race to the Top Assessment competition, under which States may be asked to apply as consortia.

A-4. What are the eligibility requirements for the Race to the Top program?

States must meet the following requirements in order to be eligible to receive funds under this program:

- (a) The State’s applications for funding under Phase 1 and Phase 2 of the State Fiscal Stabilization Fund (Stabilization) program must be approved by the Department prior to the State being awarded a Race to the Top grant.
- (b) At the time the State submits its application, there must not be any legal, statutory, or regulatory barriers at the State level to linking data on student achievement (as defined in the NFP) or student growth (as defined in the NFP) to teachers and principals for the purposes of teacher and principal evaluation.

A-5. How does Race to the Top interact with the Stabilization program as part of eligibility requirement (a)?

The Stabilization program, Race to the Top, and other Federal programs authorized under the ARRA are being designed in consistent and mutually reinforcing ways. There are specific interactions between these programs. In particular, the Stabilization program provides States with critical resources to save jobs and advance reforms. Thus, in scoring Race to the Top applications, reviewers will consider the extent to which States have used ARRA and other Federal and State funding (including Stabilization funding) to pursue reforms in each of the four education reform areas. (See criterion (A)(3)(i).)

States have made assurances as part of their Stabilization applications to make progress in the four education reform areas. For example, as part of the Stabilization program, States must commit to collecting and publicly reporting key pieces of data related to the four reform areas; in this way, the work States are doing under the Stabilization program is an important foundation for Race to the Top. For this reason, under eligibility requirement (a), in order for the State to be eligible for the Race to the Top competition, the State’s applications for funding under Phase 1 and Phase 2 of the Stabilization program must be approved by the Department prior to the State *receiving* a Race to the Top award. Note, however, that States need not have their applications for the Stabilization program approved by the Department prior to *submitting* an application for a Race to the Top grant.

The deadline for applications for the Stabilization program is January 11, 2010.

A-6. Do the “barriers” referenced in eligibility requirement (b) include barriers that are contained in collective-bargaining agreements at the LEA level?

No. Eligibility requirement (b) refers only to legal, statutory, or regulatory barriers at the State level. However, in order to successfully implement many of the plans under criterion (D)(2) (Improving Teacher and Principal Effectiveness Based on Performance), LEAs in collective bargaining States will need to work collaboratively with their local unions. Because this work and collaboration are so important, States will earn points (see criterion (A)(1)(ii)) based on the extent to which the local union leaders in their participating LEAs, where applicable, have indicated their support for the LEA’s implementation of the State’s plan by

signing the Memoranda of Understanding or other binding agreement between the States and the LEAs.

B. General Application and Program Information

B-1. What are eligibility requirements, absolute priorities, selection criteria, competitive preference priorities, and invitational priorities?

Eligibility requirements are the requirements that a State must meet in order to be eligible for funding.

The absolute priority describes the items that a State must address in its application in order to receive an award. There is one absolute priority in the Race to the Top competition. If the Department determines that a State has not met the absolute priority, the State will not receive a Race to the Top award.

Selection criteria are the focal point of the application and peer review. A panel of reviewers will assign points to an application based on how States address these selection criteria. Race to the Top has 19 selection criteria, which are organized into six key categories: a State Success Factors category, a General category, and the four ARRA education reform areas.

The Race to the Top program includes one competitive preference priority, which emphasizes science, technology, engineering, and mathematics (STEM). As discussed in greater detail below, applicants that successfully meet this priority will receive 15 points.

Invitational priorities signal areas the Department is particularly interested in; applicants who meet an invitational priority do not earn extra points and are not given preference over other applications.

B-2. If a State does not meet a selection criterion, or does not respond to one, is it still eligible to compete for a Race to the Top grant?

Yes. Each selection criterion has a point value. (For more detail, see Appendix B, Scoring Rubric, published in each of the notices.) Under absolute priority 1, States must comprehensively address the four education reform areas specified in the ARRA, but they are not required to address every selection criterion. If a State does not address a criterion, it will not receive points in that area, but it will still be eligible to compete. If a State addresses the criterion, but does so only partially or poorly, it may receive partial or no points as determined by peer reviewers. If a State receives partial or no points on a criterion, it may still win if the overall application score is high enough.

B-3. How should a State respond if it lacks the data requested as evidence for a given selection criterion?

If a State does not have the evidence requested for a given selection criterion, the State should respond that it does not have the data. The lack of data will not disqualify the State from scoring points on a criterion, though it may reduce the number of points awarded for that particular criterion.

B-4. How may an applicant earn additional points under the competitive preference priority for science, technology, engineering, and mathematics (STEM)?

The competitive preference priority will be evaluated in the context of the State's entire application. Therefore, a State that is responding to this priority should provide a summary of its approach to addressing the priority and should address it throughout the application, as appropriate. The reviewers will assess the priority as part of their review of a State's application and determine whether it has been met. To meet the priority, the State's application must have a high-quality plan that addresses all three aspects of the STEM priority, which are:

- (i) offer a rigorous course of study in mathematics, the sciences, technology, and engineering; (ii) cooperate with industry experts, museums, universities, research centers, or other STEM-capable community partners to prepare and assist teachers in integrating STEM content across grades and disciplines, in promoting effective and relevant instruction, and in offering applied learning opportunities for students; and (iii) prepare more students for advanced study and careers in the sciences, technology, engineering, and mathematics, including by addressing the needs of underrepresented groups and of women and girls in the areas of science, technology, engineering, and mathematics.

The competitive preference priority is worth 15 points. Applicants will earn all or none of those points.

B-5. What is requested of the State's Attorney General (AG) under application requirement (f)?

Eligibility requirement (b) and a number of criteria in the Race to the Top application ask States to describe relevant State laws. In order for the State to meet application requirement (f), the State's AG (as the entity in the State responsible for interpreting State law) must read the application responses that describe laws and indicate that the descriptions are accurate. The State's AG is not being asked to write any opinions; rather, the AG must certify the accuracy of the application responses by way of a signature. The signature may be from the State's Attorney General or an authorized representative.

B-6. May an applicant amend its application after the deadline, if, for example, new State legislation relevant to reform criteria is enacted?

As noted in the Scoring Rubric (Appendix B), State Reform Conditions Criteria are based on a States' accomplishments prior to applying for the Race to the Top competition. Phase 1 and Phase 2 applications will be judged based on the State's status on each criterion on the date the application is submitted. In general, States cannot submit amendments or updates to their application after the application deadline; the sole exception is for Phase 2 applicants, who may submit additional information on their adoption of common standards after June 1 but by August 2, 2010.

If an unsuccessful Phase 1 applicant passes relevant legislation after it applies for Phase 1, it may strengthen its Phase 2 application by including this information in its application when it re-applies.

B-7. *From Addendum 2, published December 18, 2009.*

Will a law or policy that becomes effective only if a State is awarded a Race to the Top grant be viewed favorably? How would a law or policy that applies only to some, but not all, LEAs in a State be viewed?

Because Race to the Top is a competition, the Department cannot speculate on how peer reviewers will view specific proposals provided in response to selection criteria. States are urged to put forward their strongest plans and policies, and reviewers will evaluate them against the criteria.

C. Grant Awards

C-1. How many States will be awarded Race to the Top grants?

The Department has not set a pre-determined number of grantees for either phase. The process will be competitive, and the number of grants will depend on the quality of the applications and the size of the grants awarded.

C-2. How do the two phases of the Race to the Top program differ?

States will have two opportunities to apply. States that are ready to apply now may apply for Phase 1, with applications due January 19, 2010, and awards made in spring 2010. States that need more time to prepare their applications may apply in Phase 2, with applications due June 1, 2010 and awards made by September 30, 2010. States that apply in Phase 1 but are not awarded grants may reapply for funding in Phase 2 (together with those States that are applying for the first time in Phase 2). Successful Phase 1 applicants (*i.e.*, new grantees) may not apply for additional funding in Phase 2.

C-3. *From Addendum 6, published April 20, 2010. For the Phase 2 competition, this answer supersedes the previously published answer to the same question.*

How will grant sizes be determined for the Phase 2 competition?

On April 2, 2010, the Department issued a new rule for the Phase 2 competition for Fiscal Year 2010.¹ For Phase 2, the State's budget must conform to the budget ranges below;² we will not consider a State's application if its request exceeds the maximum in its budget range. Most importantly, the State should develop a budget that is appropriate for and consistent with the plan it outlines in its application.

¹ The Federal Register notice announcing the new rule can be found at: <http://www2.ed.gov/legislation/FedRegister/other/2010-2/040210a.html>

² The Department developed budget ranges for each State by ranking every State according to its share of the national population of children ages 5 through 17 based on data from "Estimates of the Resident Population by Selected Age Groups for the United States, States, and Puerto Rico: July 1, 2008" released by the Population Division of the U.S. Census Bureau. The Department identified the natural breaks in the population data and then developed overlapping budget ranges for each category, taking into consideration the total amount of funds available for awards.

Category 1 – \$350-700 million	California, Texas, New York, Florida
Category 2 – \$200-400 million	Illinois, Pennsylvania, Ohio, Georgia, Michigan, North Carolina, New Jersey
Category 3 – \$150-250 million	Virginia, Arizona, Indiana, Washington, Tennessee, ³ Massachusetts, Missouri, Maryland, Wisconsin
Category 4 – \$60-175 million	Minnesota, Colorado, Alabama, Louisiana, South Carolina, Puerto Rico, Kentucky, Oklahoma, Oregon, Connecticut, Utah, Mississippi, Iowa, Arkansas, Kansas, Nevada
Category 5 – \$20-75 million	New Mexico, Nebraska, Idaho, West Virginia, New Hampshire, Maine, Hawaii, Rhode Island, Montana, Delaware, ⁴ South Dakota, Alaska, North Dakota, Vermont, Wyoming, District of Columbia

The Department may award additional funds to grantees, above the submitted budget amounts, so that grantees may participate in technical assistance activities.

C-3a. *From Addendum 6, published April 20, 2010.*

Why did the Department cap the budget amounts that States may request in their Phase 2 applications?

To fund as many strong applications as possible, we have capped the budget amounts States may request in Phase 2. (See revised FAQ C-3 for further details.) Funding for Race to the Top is finite. Based on the Phase 1 budgets, which exceeded the maximum ranges by an average of 40 percent and in some cases considerably more, we determined that without capped budget ranges in Phase 2, we would likely have to deny funding to some extraordinary proposals from deserving States. We are confident that this decision is in the best interests of all States and their students. We also believe that the budget ranges provide enough funds for States to implement dramatic reforms.

C-3b. *From Addendum 6, published April 20, 2010.*

Why can't States submit budgets of whatever size they believe are needed to implement their most ambitious reform plans and then let the Department simply cut back the budget?

When an applicant submits a budget to match its proposed work plans, the applicant is legally committed to substantially implementing that plan and achieving the proposed goals and objectives. Reviewers score applications based on the proposed plans and budgets. If the Department significantly changes a budget after an application is scored, it could affect the scope of work, call into question the validity of the scores, and affect the ability of the grantee to fulfill its obligations under the grant. While we will carefully fulfill our responsibility to reduce budgets where we find proposed costs to be unnecessary, unreasonable, or not allowable under a grant, we are not in a position to make large-scale

³ Tennessee is not eligible to receive a grant in Phase 2, because it received a grant in Phase 1.

⁴ Delaware is not eligible to receive a grant in Phase 2, because it received a grant in Phase 1.

changes to a winning application's scope of work after the fact; to do so would undermine the integrity of the competitive grant process.

C-4. What is the timeline for obligating and spending Race to the Top funds?

In accordance with the ARRA, the Department will obligate all funds to States by September 30, 2010. States will then have a 4-year project period from the time of the award in which to implement their plans and spend their grant money.

C-5. How will drawdowns of funds be tied to performance?

States and their participating LEAs that receive funds under Race to the Top are accountable for meeting the goals, timelines, budgets, and annual targets established in the States' applications. States must adhere to a fund drawdown schedule that is tied to meeting these goals, timelines, budgets, and annual targets. The Department will review each State's performance against these goals, timelines, budgets, and annual targets through (at a minimum) annual reports and ongoing dialogue.

C-6. Are there other rules that govern the amount of Race to the Top funds that a grantee or subgrantee may draw down at any one time?

Yes. A State must have an effective system for managing the flow of funds that ensures that LEAs are able to draw down funds as needed to pay program costs and that also minimizes the time that elapses between the transfer of the funds and their disbursement by the grantee or subgrantee, in accordance with U.S. Department of the Treasury regulations at 31 C.F.R. Part 205. (See 34 C.F.R. 80.21(b).) Grantees and subgrantees must promptly, but at least quarterly, remit to the Department interest earned on advances (34 C.F.R. 80.21(i)). The Department will take appropriate actions against grantees and subgrantees that fail to comply with this requirement.

C-7. *From Addendum 2, published December 18, 2009.*

What proportion of the funds available will be distributed in each phase of the competition?

We have not pre-determined the number of grants or the amount of funding that will be awarded in each phase. While we encourage States to apply in Phase 1, we emphasize that the bar will be high and there will be plenty of funding available for Phase 2.

C-8. *From Addendum 4, published January 6, 2010.*

Will the Department cover the costs incurred by grantees in traveling to Race to the Top technical assistance workshops?

States will pay for travel expenses to technical assistance workshops out of their Race to the Top grants. While the Department has not yet finalized its specific technical assistance plan for Race to the Top, we intend to provide a vigorous level of technical assistance to Race to the Top grantees with several anticipated meetings each year. As the Department finalizes

its technical assistance plan for Race to the Top grantees, it will work with grantees to make needed adjustments to their Race to the Top budgets.

C-9. *From Addendum 8, published May 20, 2010.*

How may a State include indirect costs in its Race to the Top budget?

Indirect costs represent the expenses of doing business that are not readily identified with a particular grant project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. Indirect costs are generally administrative costs such as the salaries and expenses for staff engaged in organization-wide (general) activities. Typical indirect costs include the costs of procurement, payroll, personnel functions, maintenance and operations of space, data processing, accounting, auditing, budgeting, or communications. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned as a direct cost.

A State may include indirect costs in its Race to the Top budget. If a State chooses to include such costs, it must use a current approved indirect cost rate found in its Indirect Cost Rate Agreement.⁵ The indirect cost rate must be applied in accordance with the terms and procedures in the Indirect Cost Rate Agreement. The Department recommends that an applicant review its Indirect Cost Rate Agreement and work closely with State staff familiar with the agreement as it drafts its Race to the Top budget.

There are two types of indirect costs rates that States can get approved by the Department: restricted and unrestricted. If a State chooses to include indirect costs in its Race to the Top budget proposal, and it has an approved unrestricted cost rate, it may use that rate.

A State may apply its indirect cost rate against subawards only to a very limited extent. In particular, a State may apply its indirect cost rate only against the first \$25,000 of each subaward (i.e., each sub-grant or contract) on a yearly basis (subject to that being consistent with its Indirect Cost Rate Agreement), and not against the full amount of each subaward. Therefore, for example, a State may apply its indirect cost rate only against the first \$25,000 of each contract included in line 6 (Contractual). [Note: The statement on pages 56 and 58 of the application that indirect costs are not allocated to lines 11-12 may be disregarded.]

For more information about indirect cost rates, please refer to the Department's *Cost Allocation Guide for State and Local Governments*. This guide may be found at: <http://www2.ed.gov/about/offices/list/ocfo/fipao/guideigcwebsite.pdf>.

⁵ If a State does not have an Indirect Cost Rate Agreement that was approved by the Federal government, the Department generally will authorize grantees to use a temporary rate of 10 percent of budgeted salaries and wages subject to certain limitations. These limitations include: (a) the grantee must submit an indirect costs proposal to its cognizant agency within 90 days after the Department issues a grant award notification; and (b) if after the 90-day period, the grantee has not submitted an indirect costs proposal to its cognizant agency, the grantee may not charge its grant for indirect costs until it has negotiated an indirect cost rate agreement with its cognizant agency.

D. Application Review and Selection

D-1. How will the application review process work?

The Department will use a two-tier review process to judge the eligible applications. The initial review will be based solely on reviews of the written applications; the final review will be based on both a State's written applications and in-person presentation. For more detail, see the Review and Selection Process section of the NIA.

D-1a. *From Addendum 2, published December 18, 2009.*

What is the process for the final tier of review?

As stated in the Review and Selection Process section of the notice inviting applications, the Department intends to ask each finalist to send a team to Washington, D.C. to present the State's proposal to a panel of reviewers. The panel will take this opportunity to ask the State's team further questions in order to gain a more comprehensive picture of the State's application proposal, including its plans and its capabilities to implement them. At the conclusion of the presentation process, reviewers will finalize their scoring of the applications based on the selection criteria and scoring rubric in the notice.

A State's presentation team may include up to five individuals; because the panel of reviewers is interested primarily in hearing from, and asking questions of, State leaders who would be responsible for implementing the State's Race to the Top plan, only those individuals who would have significant ongoing roles in and responsibilities in executing the State's plan should present, and in no case could presentation teams include consultants.

D-1b. *From Addendum 2, published December 18, 2009.*

What is the competition schedule?

For Phase 1, we anticipate that applicants invited to participate in Tier 2 will be notified on or around March 1, 2010. The State team will be invited to present their proposals in Washington, D.C. the week of March 15, 2010. Winners will be announced in early April.

D-1c. *From Addendum 7, published May 5, 2010.*

What is the schedule for the Phase 2 competition?

Phase 2 applications are due June 1, 2010. We anticipate that States invited to participate in Tier 2 will be notified on or around July 26, 2010. Finalists will present their applications in Washington, D.C. the week of August 9, 2010. Winners will be announced in late August or early September.

D-2. Who will review the Race to the Top applications?

For both tiers of the application review process, the Department will use independent reviewers chosen from a pool of qualified educators, scholars, and other individuals

knowledgeable in education reform who volunteered or were nominated in response to an open call for reviewers. The Department will thoroughly screen all reviewers for conflicts of interest to ensure a fair and competitive review process.

D-2a. *From Addendum 2, published December 18, 2009.*

What are the specific qualifications for the peer reviewers?

The Department is identifying external expert reviewers to evaluate applications for the Race to the Top competition; U.S. Department of Education employees will not score the applications or participate in the discussions with peer reviewers. In August, when the Secretary issued an open call for reviewers, he asked for individuals with expertise in some, if not all, of the following areas:

- Education Policy
 - Policy implementation experience and/or legal expertise
- Education Reform
 - Deep understanding of teaching and learning, specifically K-12
 - Broad understanding of each of the four education reform areas (standards and assessments, teachers and school leaders, data systems, school turnaround), and specific expertise in at least one of these areas
 - Demonstrated experience in implementing or supporting reforms that led to improved student outcomes
 - Deep understanding of using data to inform continuous improvement at the classroom, school, district, and/or State levels
 - Understanding of and experience with implementing student-achievement-focused reform plans at scale in order to know what approaches have the greatest likelihood of success at the school, district, and State levels
- Capacity and Scale
 - Knowledge of effective operational and organizational/management infrastructures at State and district levels (e.g., people, processes, accountability structures, technology systems, program and grant management)
 - Ability to assess the effectiveness of leadership teams and key contributors
 - Knowledge of or experience with relationships between states and districts, as well as successful engagement of diverse stakeholders at each level
- Application Review and Evaluation
 - Experience participating in (as an evaluator) or managing state, federal, and/or philanthropic grant reviews (preferably with experience in applying scoring rubrics and specific criteria to this process)
 - Experience providing thoughtful, objective, constructive, and timely oral and written feedback to applicants and/or organizations on successes and opportunities for improvement

The Secretary's August 31, 2009 letter calling for reviewers is available at:
<http://www.ed.gov/policy/gen/guid/secletter/090902.html>.

As a result of this open call, the Department received approximately 1,500 applications and nominations. As of December 14, 2009, we are currently engaged in a vetting process to

select reviewers who meet the above criteria and do not have conflicts of interest. We expect to select approximately 75-100 reviewers for each phase of the competition.

D-3. How will the scoring rubric for reviewers be used?

After considering public comments that suggested we publish specific details of the review process, the Department published the rubric that reviewers will use to score applications. The purpose of the rubric is to help ensure consistency among reviewers by giving them clear, common, written guidance on factors to consider when scoring applications against each selection criterion. The selection criteria that appear in the rubric are identical to those that appear in the NFP and the NIA. For more detail, see Appendix B, Scoring Rubric, published in each of the notices.

D-4. Which sections of a State's application and reviewer feedback will be made public?

To foster transparency and openness, the Department plans to post all State applications and final scores – for both successful and unsuccessful applications – on its Web site at the conclusion of each phase of the competition. The Department also intends to post on its Web site a transcript and/or video of each finalist's presentation of its proposal. States may choose to make their applications and scores publicly available at any time. We also anticipate making State annual reports publicly available. (For more on annual reports, see the questions under the Transparency, Accountability, Reporting, and Other Obligations section of this document.)

D-4a. *From Addendum 7, published May 5, 2010.*

When will the Department post the Phase 2 applications on its Web site?

As in Phase 1, the Department will post the Phase 2 applications on its Web site as soon as it has redacted any personally identifiable information included in the applications. In order to post the applications more quickly, the Department will first review, redact information from, and post the narratives, followed by the appendices.

D-5. Will States that are not awarded grants receive feedback on their applications?

The Department will make reviewer comments available to States that are not chosen as finalists or grantees as soon as possible after those determinations are made.

D-6. *From Addendum 4, published January 6, 2010.*

Will reviewers' comments for all applications be made public?

Yes. The Department plans to post reviewers' comments for each application – both successful and unsuccessful—on its Web site soon after the conclusion of each phase of the competition. The names of the reviewers will be redacted.

D-7. *From Addendum 4, published January 6, 2010.*

Will peer reviewers read an application assigned to them in their entirety or will they review only some sections of a State's application?

All peer reviewers will read every application assigned to them in its entirety.

D-8. *From Addendum 5, published January 13, 2010.*

Will the Department announce the States that submit Phase 1 Race to the Top applications?

Yes, the Department will announce the States that submit Phase 1 Race to the Top applications. We will make the announcement soon after the application deadline for Phase 1 applications (January 19, 2010 at 4:30:00 p.m., Washington, DC Time).

D-9. *From Addendum 6, published April 20, 2010.*

In Phase 1, some review panels had diverse opinions that were reflected in the panel scores. Should all of the scores for such a panel have been counted?

As expected, different panels agreed more or less about the quality of a State's application. On several panels, some individual reviewers had a substantially higher or lower judgment of the quality of the application than did their peers, and the scores reflected this diversity of opinion.⁶ In each such instance, the reviewers' comments justified the given score. We value this diversity of opinion and believe it leads to better overall recommendations.

These opinions were the product of a rigorous review process:

- Each of the 58 reviewers was carefully chosen for their expertise from a pool of approximately 1500 applicants.
- For Tier 1, each reviewer spent roughly 30 hours reading each application, and then discussed each application in detail with their panel. To facilitate these discussions, we provided each panel with a measure of the variation between individual reviewers' scores for each criterion on that application. This allowed reviewers to quickly identify and focus their discussions on differences in scores, and ensure that those differences were based, not on misunderstandings of the criteria, but on legitimate disagreements as to the quality of the State's responses.
- For finalist States, reviewers had three additional opportunities to discuss the applications: (1) the panels met to discuss the questions to ask of States during the Q&A session; (2) reviewers asked questions of the State to clarify or validate their scores and comments; and (3) following the State's presentation and Q&A session, the panels met a final time.

⁶ After the review was completed, the Department examined the scores and determined that no reviewers were consistent "outliers".

We believe that if, after going through such a rigorous process, one of these carefully selected experts believed that an application deserved a relatively higher or lower score than other reviewers on the panel believed it deserved, that professional opinion should not be ignored by the Department. Discounting the diversity in reviewer opinions or scores could exclude meaningful information that was the product of a thorough review process. To ignore or eliminate such information would be counterproductive to our goal of funding the highest-quality applications.

D-10. *From Addendum 7, published May 5, 2010.*

In its application for Phase 2, may a State simply refer reviewers to information that was in its Phase 1 application?

No. Phase 2 reviewers will not review or consider a State's Phase 1 application in their review. In Phase 2, reviewers will only read the State's Phase 2 application. Therefore, any information that a State wants reviewers to consider must be included in its Phase 2 application.

D-11. *From Addendum 7, published May 5, 2010.*

If a State applied in Phase 1 and re-applies in Phase 2, will the same reviewers who did the Phase 1 review be assigned to that State's Phase 2 review?

No. The peer reviewers assigned to a State in Phase 1 will not be re-assigned to that State for the Phase 2 review. Reviewers judge applications on their merits, not on the degree to which States have made changes between the phases. To ensure that "fresh eyes" are reviewing every application, no reviewer from a particular Phase 1 review panel will be re-assigned to that State's panel for Phase 2.

E. State Success Factors

E-1. May States focus their applications on only one of the four education reform areas?

No. As stated in absolute priority 1, the Department will only consider applications that comprehensively address all four education reform areas specified in the ARRA: enhancing standards and assessments, improving the collection and use of data, improving teacher effectiveness and achieving equity in teacher distribution, and turning around struggling schools. Criterion (A)(1)(i) asks States to describe their overarching reform agendas, which must encompass the four education areas described in the ARRA.

E-2. How much flexibility do States have to innovate under Race to the Top?

Race to the Top offers States numerous opportunities to innovate. While the program defines the areas within which innovation is targeted, it does little to specify the plans States should adopt or how such plans should be implemented. In fact, the competition is designed to encourage States to draw on their particular strengths and successes to date, and to use those as launching pads for statewide scaling of promising practices. Creativity and innovation are rewarded in this competition.

E-3. How will Race to the Top reward existing successful practices in States?

Race to the Top will reward State success in two key respects.

First, several of the criteria – including all of the State Reform Conditions criteria and criterion (A)(3) – explicitly reward States for having put into place key conditions for reform by the time they apply or for having improved student achievement and closed achievement gaps.

Second, in creating their plans for the State Reform Plan criteria, States are encouraged to build on their existing assets and successes by learning from effective State and local practices and engaging stakeholders with critical knowledge and experience. We believe that State plans that build on a foundation of successful existing practices will be more likely to succeed in improving student outcomes.

E-4. Which assessments are specified by Race to the Top criteria to measure a State's progress in increasing student achievement and decreasing achievement gaps?

Race to the Top criteria specify using both the National Assessment of Educational Progress (NAEP) and the assessments required under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) to track a State's increases in student achievement and decreases in the achievement gap over the course of the State's grant. The NAEP provides a consistent benchmark of academic achievement across States. The State's assessments under the ESEA provide links to the State's existing accountability system. For specific information, see criteria (A)(1)(iii) and (A)(3)(ii). For more support in responding to criteria concerning the NAEP, see Appendix A.

E-5. Should States describe changes in their State assessment systems that affect the comparability of data on State assessments over time?

Yes. When describing data regarding the assessments required under the ESEA, the State should note any factors (*e.g.*, changes in cut scores, new content standards, new assessments, changes in time of administration, or changes in accommodations policies) that could affect the measurement of growth in student achievement from one year to the next (see application requirement (g)(3)).

E-6. *From Addendum 2, published December 18, 2009.*

What graduation rate data should States use under criterion (A)(3)(ii)(c)?

Under criterion (A)(3)(ii)(c), States receive points based on their track record of improving high school graduation rates, overall and by student subgroup, since at least 2003. States should, where possible, include graduation rate data calculated using the four-year or extended-year adjusted cohort graduation rate as defined in 34 CFR 200.19(b)(1) (as cited in the notice). If a State does not have these data (or does not have these data for all relevant years), it should include the graduation rate data it has, and note the definition that was used to calculate each rate.

F. Standards and Assessments

F-1. By what date should a State adopt the common standards developed by a consortium in order to maximize its score under criterion (B)(1)? What is the timing for implementation of those standards?

Under criterion (B)(1)(ii), Phase 1 applicants will earn points based on the extent to which they demonstrate *commitment to and progress toward adopting* a common set of K-12 standards by August 2, 2010. Phase 2 applicants will earn points based on whether they have *adopted* a common set of K-12 standards by August 2, 2010.

As described in the Scoring Rubric, States that meet the August 2, 2010 target date will earn more points for this criterion; a State that has a high-quality plan to adopt common standards by a later date in 2010 will earn some points for this criterion. For more detail, see Appendix B, Scoring Rubric, published in each of the notices.

The Department understands that this is an ambitious timeline for adoption of common K-12 standards. However, the Department has extended the deadline as far as possible (August 2, 2010) while still allowing for compliance with the statutory requirement that all Race to the Top funds be obligated by September 30, 2010.

We understand that *adoption* of standards is a legal process that occurs in the State, and fully expect that *implementation* of the standards will follow a thoughtful, deliberate course in subsequent year(s). Implementation of standards is the focus of criterion (B)(3).

F-1a. From Addendum 7, published May 5, 2010.

If a State intends to submit an amendment to its application regarding the adoption of common standards, what should it include in its original application and how should it submit the amendment?

As specified in the notice inviting applications, in response to criterion (B)(1)(ii), Phase 2 applicants may submit additional information on their adoption of common standards after the application deadline of June 1, 2010, but no later than August 2, 2010. This is the sole exception to the general rule that States may not submit amendments or updates to their application after the application deadline. States should follow these guidelines:

- If the State has adopted a common set of K-12 standards by the time of application, it should provide evidence of that adoption in its application.
- If the State has not adopted a common set of K-12 standards by the time of application, but intends to do so prior to August 2, 2010, the State should:
 - In its application, describe its plan to adopt a common set of K-12 standards and note its intent to submit an amendment.
 - Once it has adopted common standards, submit an amendment to its application providing evidence of the adoption. The Department must receive the amendment (by mail or hand-delivery) by 4:30:00 p.m., Washington D.C. time, on August 2, 2010. Detailed submission instructions are on page 99 of the Phase

- 2 application package. Note that the State may *not* re-submit its entire application; it may only submit a brief amendment.
 - If the State’s plan changes and it will not be submitting an amendment, it should notify the Department by email, at racetothetop@ed.gov.
- If the State has not adopted a common set of K-12 standards by the time of application, but intends to do so later in 2010, it should describe its “high-quality plan” for doing so in its application (*see* criterion (B)(1)(ii)).

The Department has not specified the exact type of evidence that States should submit to document their adoption of common standards. It is up to the State to provide evidence that makes it clear to reviewers that the State has in fact adopted a common set of K-12 standards. For example, a State could submit a copy of the resolution adopting common standards from its State legislature or board of education, as appropriate for the State.

F-1b. *From Addendum 9, published May 27, 2010.*

How might a State indicate its intent to adopt a common set of K-12 standards in such cases where the standards will not be finalized until after the June 1 application deadline for Phase 2? How will the Department review those applications?

The Department believes that potential applicants would benefit from further explanation of how to respond to criterion (B)(1)(ii), regarding common standards adoption that may occur after the June 1 application deadline, and the review of that criterion.

- To document adoption of common standards after the June 1, 2010 deadline, Phase 2 applicants may submit additional information to the Department by August 2, 2010.
- When scoring applications prior to August 2 – that is, during Tier 1, which determines the finalists – reviewers will base their scores for criterion (B)(1)(ii) on the applicant’s commitment to and progress toward adoption by August 2, 2010. The Department will instruct reviewers that, if a State has indicated in its application that it will adopt common standards by August 2 and that it intends to submit evidence of adoption by August 2, the reviewers should treat that application, for purposes of their initial scoring in Tier 1, as if the State had submitted evidence of adoption by August 2.
- When scoring applications during Tier 2 of the competition, reviewers will submit their final scores on criterion (B)(1)(ii) by taking into account any evidence (or lack of evidence) of adoption of common standards that was received by August 2.

F-2. What funding will be made available for the ongoing administration and scoring of new, common assessments?

States may use funding under the Grants for State Assessments program (subject to the requirements of section 6111 of the ESEA) to help pay for the ongoing administration and scoring costs of assessments.⁷

As noted in the NIA and the NFP under the Statewide Summative Assessments program requirement, no funds awarded under the Race to the Top competition may be used to pay for costs related to statewide summative assessments (e.g., the State assessments required under the ESEA); this prohibition does not refer to final exams or other “summative assessments” designed and used at the local or classroom levels. Statewide summative assessment costs are not a permitted use of funds in this program because the Department intends to fund the creation of common assessments tied to common sets of K-12 standards through a separate Race to the Top Assessment competition.

F-3. *From Addendum 1, published December 11, 2009.*

The Statewide Summative Assessments program requirement specifies that “No funds awarded under this competition may be used to pay for costs related to statewide summative assessments.” Which activities are allowable, and which are not allowable, under this requirement?

Note: In the November version of the Race to the Top Guidance/FAQs, question F-2 addresses a related issue. This answer further clarifies that guidance.

As noted in this question and in question F-2 in the November version of the Race to the Top Guidance/FAQs, payment of State summative assessment costs is not an allowable use of regular Race to the Top grants because the Department intends to hold a separate Race to the Top Assessment competition that will fund the development of common, summative assessments tied to common K–12 standards. The Department believes that consortia of States, by pooling resources and developing new statewide assessments to address these common K-12 standards, will be able to produce significantly better assessments at lower cost than any one State could produce alone. Because we do not believe that Race to the Top funds awarded under this competition should be used to replicate or revise States’ current assessment systems, States may not use these funds to pay for costs related to developing, administering or revising statewide summative assessments.

Having said this, the Department is not trying to prohibit States and LEAs from using Race to the Top funds for other uses of assessments. Indeed, we believe that assessments are critical tools for improving instruction. For example, a State’s plan may include other reasonable and necessary costs related to assessment solutions that support the transition to enhanced standards (criterion (B)(3)) or the administration of summative assessments that are not offered statewide but rather are used for a subset of schools or districts. States should exercise their best judgment in determining how, if at all, they will use Race to the

⁷ In each year beginning with fiscal year 2005, the Congress has provided \$400 million for the Grants for State Assessments program.

Top funds for costs related to assessments (other than for developing or revising individual statewide summative assessments).

To reiterate, we do not intend for funds awarded under this competition to be used to reproduce, improve, or enhance States' current summative assessment systems. In order to be competitive, States' applications must include high-quality reform plans for improving student outcomes statewide, as well as budgets that match those plans. Thus it is wise to carefully plan the use of expensive resources in strategically focused and instructionally coherent ways that will be sustainable after the period of grant funding has ended.

F-4. *From Addendum 2, published December 18, 2009.*

Must a State participate in a particular common standards consortium in order to earn the points under criterion (B)(1)?

No. Race to the Top does not endorse any particular consortium or set of standards. Criterion (B)(1) specifies characteristics of consortia and standards that earn States points under this criterion. The parallel section of the Scoring Rubric in Appendix B also provides additional details on the points that may be earned under this criterion.

F-5. *From Addendum 5, published January 13, 2010.*

When providing evidence for criterion (B)(1), pertaining to developing and adopting common standards, should a State attach its complete set of common K-12 standards?

Yes. As stated in the list of evidence for criterion (B)(1) (see page 26 of the application), a State is to include a copy of its final standards or, if those standards are not yet final, a copy of the draft standards and anticipated date for completing the standards.

G. Data Systems to Support Instruction

G-1. How do the criteria on data (C1, C2, and C3) relate to one another and differ from each other?

Criterion (C)(1) focuses on the creation of statewide longitudinal data systems; criterion (C)(2) focuses on the use of the data from the statewide longitudinal data systems; and criterion (C)(3) addresses the creation, sharing, support for, and use of local instructional improvement systems – that is, data systems designed primarily to help teachers improve instruction for every child in the class, and to help schools and LEAs support their teachers and students. The full definition of the term “instructional improvement system” is included in the Definitions section of the NFP.

G-2. Are States eligible to compete for Race to the Top if their statewide longitudinal data system does not include all of the elements specified in the America COMPETES Act?

Yes. Under criterion (C)(1), States are evaluated based on the extent to which their statewide longitudinal data system includes all of the America COMPETES Act elements. This criterion is worth 24 points, and applicants will earn two points for every element that the State has in place, out of 12 elements possible. (See Appendix B, Scoring Rubric, published in each of the notices.) Even if a State receives partial or no points on a criterion, it may still win if the overall application score is high enough.

H. Great Teachers and Leaders

H-1. Does the Department advocate evaluating, paying, or dismissing teachers or principals on the basis of test scores alone?

No. The Department believes that teacher and principal evaluations and related decisions should be based on multiple measures of teacher performance. The Department also believes that student growth should be one of those measures and should be weighted as a significant factor. For this reason, criterion (D)(2) (Improving Teacher and Principal Effectiveness Based on Performance) asks LEAs and/or States to develop evaluation systems that take into account student growth as a significant factor. In response to public comments, the definitions of effective teacher and principal and highly effective teacher and principal have been clarified; these now specify that States, LEAs, or schools must use multiple measures in determining effectiveness. These definitions also state that effectiveness must be evaluated, in significant part, based on student growth, and they provide examples of supplemental measures a State or LEA may use (*e.g.*, for teachers, multiple observation-based assessments of teacher performance). We believe that the decision about which supplemental measures should be used is best left to educators and leaders in LEAs and/or States who are close to the classroom and who can best determine which metrics work in their environments.

H-2. Does the Department advocate evaluating, paying, or dismissing teachers or principals on the basis of student achievement (rather than student growth), which could discourage them from teaching disadvantaged students?

No. Such a position would run counter to the Secretary's goal of encouraging highly effective teachers and principals to teach and lead in high-poverty and high-minority schools. Student growth, not raw student achievement or proficiency data, is therefore the relevant measure on which to focus teacher and principal evaluations. The definitions of "effective teacher," "effective principal," "highly effective teacher," "highly effective principal," therefore, specify that student *growth* should be used as a significant factor in determining effectiveness. Criterion (D)(2) also specifies that growth must be a significant factor in determining effectiveness.

H-3. How do the definitions of student achievement, student growth, and effective teacher and principal align?

“Student achievement” is the foundational definition and is structured to give LEAs and States the flexibility to develop measures for all subjects and all grades. “Student growth” is defined generally as the change in student achievement between two or more points in time. In determining who is a (highly) effective teacher or principal, States, LEAs, or schools must include multiple measures, provided that effectiveness is evaluated, in significant part, by student growth (see the definitions of “effective principal,” “effective teacher,” “highly effective principal,” and “highly effective teacher,” published in each of the notices).

As States and LEAs develop their plans, all of these definitions are important to understand. Student growth is a building block for the activities discussed in criterion (D)(2), such as establishing clear approaches to measuring student growth and designing evaluation systems that take into account data on student growth. Student growth is also a key building block for criterion (D)(3), as States and LEAs develop plans for ensuring that the most effective teachers and principals are working in the highest-need settings (*i.e.*, in high-poverty and/or high-minority schools).

H-4. Under the definitions of student achievement and student growth, is it acceptable for LEAs to use measures that are not comparable among classrooms?

No. According to these definitions, measures must be rigorous (*i.e.*, statistically rigorous) and comparable across classrooms in a district or across classrooms statewide. It is not acceptable to use measures of student growth that are only comparable across students within a class.

H-5. *From Addendum 2, published December 18, 2009.*

For performance measures that ask States to report the “number of teachers,” should States report full-time equivalent (FTE) numbers or teacher headcount numbers?

Consistent with the Stabilization program, States should use teacher headcount numbers when reporting data for criteria (D)(1) through (D)(4).

H-6. *From Addendum 5, published January 13, 2010.*

For performance measures regarding equitable distribution of highly effective teachers and principals, is the denominator the total number of teachers (or principals), regardless of whether they were evaluated under a qualifying evaluation system?

Yes. In setting targets for criterion (D)(3)(i), the denominator is the total number of teachers (or principals) in schools that are high-poverty, high-minority, or both (or, as the case may be, low-poverty, low-minority, or both), for participating LEAs, regardless of whether they were evaluated under a qualifying evaluation system in the given year.

H-7. *From Addendum 5, published January 13, 2010.*

The performance measures for (D)(2) use the term “qualifying evaluation systems.” What does this term mean?

The term "qualifying evaluation systems" is a shorthand term used to describe the evaluation systems referenced in criterion (D)(2)(ii): rigorous, transparent, and fair evaluation systems for teachers and principals that (a) differentiate effectiveness using multiple rating categories that take into account data on student growth (as defined in the notice) as a significant factor, and (b) are designed and developed with teacher and principal involvement.

I. Turning Around the Lowest-Achieving Schools

I-1. How can States design their Race to the Top and Title I School Improvement Grant plans to work in concert?

Race to the Top and School Improvement Grants are closely aligned, and States can strengthen their Race to the Top applications by demonstrating a similar alignment of their plans for implementing these two programs. School Improvement Grants will provide substantial funding that must be used primarily to implement the same school intervention models—turnaround, restart, school closure, and transformation—that are encouraged in criterion (E)(2).

In turn, successful implementation of these models will be facilitated by key reforms that States will carry out under Race to the Top. States should closely examine the requirements of the four school intervention models in light of the criteria for a successful Race to the Top application. For example, State efforts to expand the use of data to improve instruction (criterion (C)(3)) and activities to improve recruitment, training, and retention of teachers and principals (criterion (D)) will provide critical support for the effective implementation of the turnaround and transformation models. These models require, for example, replacing the principal in a persistently lowest-achieving school; providing staff with ongoing, high-quality, job-embedded professional development; using data to identify and implement new instructional programs; and continuously using student data to inform and differentiate instruction to better meet the academic needs of individual students.

In addition, State efforts to increase the number of high-performing charter schools and other innovative schools (criterion (F)(2)) may help support local implementation of the restart model. States also might strengthen School Improvement Grant implementation by making sure that Race to the Top reforms—such as the expanded use of data to improve instruction and teacher and principal evaluation systems—are implemented early in LEAs with large numbers of persistently lowest-achieving schools. Finally, States may build on School Improvement Grants—which will fund interventions only in Title I schools in improvement, corrective action, or restructuring or Title I-eligible secondary schools—by using Race to the Top funds to pay for the implementation of school intervention models in secondary schools that would be considered persistently lowest-achieving schools if they were eligible to receive Title I funds.

I-2. *From Addendum 4, published January 6, 2010.*

Where can States find further guidance on identifying “persistently lowest-achieving schools” for purposes of the Race to the Top program?

The Department has recently published updated Frequently Asked Questions (FAQ) guidance for the Title I School Improvement Grants program pertaining to the identification of persistently lowest-achieving schools, available at <http://www.ed.gov/programs/sif/faq.html>. Because the intervention models in Race to the Top and the School Improvement Grants programs are aligned, States’ questions related to persistently lowest-achieving schools and Race to the Top may be answered by the School Improvement Grants FAQ document. In particular, please see Section A – Definitions. Additionally, Addendum 1 to the School Improvement Grants FAQ also contains guidance regarding whether or not an SEA may exclude certain schools from its list of persistently lowest-achieving schools.

J. General Selection Criteria

J-1. **Does the Department believe that charter schools are the sole answer for turning around the nation’s persistently lowest-achieving schools?**

No. While high-performing charter schools are one promising means by which to turn around our nation’s persistently lowest-achieving schools, they are by no means the only way to do so, nor is that their only function. The Secretary believes that high-performing charter schools can be an educational lifeline in communities with chronically low-achieving regular public schools. In such cases, charter schools, whether created through the conversion of a regular public school enrolling the same students or by establishing a new school that provides an alternative to the regular public schools, offer one of the most promising options for breaking the cycle of educational failure. Therefore, to better reflect the Department’s point of view in this area and in response to comments, we have moved the criterion on charter schools (criterion (F)(2)) from the section on Turning Around the Lowest-Achieving Schools to the General section.

We also acknowledge that charter school operators do not have a monopoly on educational innovation and that some States, LEAs, and schools have developed alternative education reform models that are demonstrating success in raising student achievement and turning around persistently low-achieving schools. We have thus added new criterion (F)(2)(v), regarding the extent to which States enable LEAs to operate innovative, autonomous public schools (a term defined in the NFP) other than charter schools.

J-2. **In what ways does Race to the Top focus on increasing the number of high-performing charter schools, rather than merely increasing the number of charter schools?**

Race to the Top focuses on increasing the number of high-performing charter schools in two critical ways. First, under criterion (F)(2)(i), States will receive points based on the extent to which their laws do not prohibit or effectively inhibit increasing the number of high-performing charter schools. Second, criterion (F)(2)(ii) addresses charter school

authorizers and accountability, an area that is critical to raising the bar for charter school quality and ensuring that charter schools that are failing their students are closed.

J-3. Are States eligible to compete for a Race to the Top grant if they don't have a charter school law or if they have a charter school cap?

Yes. Each selection criterion has a certain point value (for point values, see Appendix B, Scoring Rubric, published in each of the notices). If a State does not address a criterion, it will not receive points in that area, but it is still eligible to compete. If a State addresses the criterion, but does so only partially or poorly, it may receive partial or no points as determined by peer reviewers. If a State receives partial or no points on a criterion, it may still win if the overall application score is high enough. In addition, we have also added a fifth part to criterion (F), under which States may receive credit if they enable LEAs to operate innovative, autonomous public schools other than charter schools.

J-4. In criterion (F)(2)(i), what does the phrase “measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools” mean?

Criterion (F)(2)(i) specifies that each State will be evaluated based on the extent to which:

The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools.

State laws generally define charter school caps in terms of the number of charter schools that are permitted to operate in the State. However, because States vary widely in size, the absolute numbers do not provide reviewers a consistent way to measure the extent to which specific caps inhibit growth in the number of charter schools. In response, the Department has provided reviewers with a benchmark for evaluating this criterion: the percentage of total schools in the State that are allowed to be charter schools. For example, if State A has a charter school cap of 100, and has 1000 total schools in the State, it would have a 10 percent cap under this benchmark. Similarly, if State B has a charter school cap of 100 and has 2000 total schools in the State, it would have a 5 percent cap under this benchmark. The reviewer guidance for this criterion suggests that, other restrictions and flexibilities aside, reviewers should give States “high” points if they have no caps or caps of 10 percent or more; “medium” points if they have caps of 5 to 10 percent; and “low” points if they have caps of less than 5 percent.

Another way to think about this benchmark is as the percentage of a State's schools that would be charter schools if the State cap were met.

J-5. *From Addendum 3, published December 24, 2009.*

Under criterion (F)(2), must States have a charter school law in place to earn points, or can States earn points so long as they do not have laws prohibiting charter schools?

For criteria (F)(2)(i) through (F)(2)(iv), States earn points only if they have a law in place that authorizes the formation of charter schools; they earn no points if they have no such law, because there will be no charter schools in the State (see the Scoring Rubric on pages 87-89 of the application). States that do not have a law that specifically authorizes charter schools may only earn points under criterion (F)(2)(v) to the extent that they enable LEAs to operate innovative, autonomous schools (as defined in the notice) other than charter schools.

J-6. *From Addendum 4, published January 6, 2010.*

Under criterion (F)(2)(i), States are asked to submit, as evidence, the number and types of charter schools currently operating in the State. What does “types” mean in this context?

In some States, charter laws define different types of charter schools, which may be subject to different requirements. Hypothetically, a State might define under law “Excellence” charter schools and “Innovation” charter schools. In response to this request for evidence, a State should explain the types of charter schools and differences between them under the law, if any, and provide the number of each type of charter school operating.

K. States and LEAs

K-1. How do States sign up participating LEAs?

Participating LEAs must agree to implement all or significant portions of the State’s plan and must enter into a Memorandum of Understanding (MOU) or other binding agreement with the State that specifies the scope of work that the LEA will implement. The expectation is that participating LEAs will implement significant aspects of the State’s plan because the reform elements are designed to work together to create a comprehensive approach to improving teaching and learning.

During the public comment period, States requested additional guidance and support regarding the participation of their LEAs. In response, the Department has developed a sample MOU that States can use or modify, as needed, when entering into agreements with participating LEAs (see Appendix D, Participating LEA MOUs, published in each of the notices). In addition, to aid States in their planning, we are providing here a description of one potential way in which a State could approach and navigate the process of signing up participating LEAs:

- 1) The State outlines its statewide reform agenda and specific plans, in collaboration and consultation with LEAs, as appropriate, and keeps its LEAs aware of the plans as they develop.

- 2) The State creates a standard MOU or other binding agreement for LEAs to sign if they are interested in participating in the State’s Race to the Top plans. To make this task simpler, a model MOU is included in the application package (see Appendix D, Participating LEA MOU, published in each of the notices); States may use this as-is, adapt it, or create their own anew.
- 3) Each LEA decides if it is interested in participating in the State’s Race to the Top plan. If so, it completes the MOU, determines (together with the State) the portions of the plan in which it will participate, signs the MOU, and returns it to the State.

As LEAs complete the MOU, they will notice that it has three sections: the terms and conditions, the scope of work, and the signature block. (Again, see Appendix D, published in each of the notices, for more specific guidance.) The following issues are worthy of note:

- a) Keeping the terms and conditions consistent across all LEAs makes the State’s task easier as it completes its application.
 - b) LEAs must agree to participate in “all or significant portions” of their State’s plans. For inclusion in the State’s application, LEAs need only complete a preliminary scope of work (see Exhibit I in the model MOU) that indicates which portions of the State’s plans the LEA is agreeing to implement. If a State is awarded a Race to the Top grant, the participating LEAs will have up to 90 days to complete a more detailed, final scope of work.
 - c) A signature is required from an authorized LEA representative; however, criterion (A)(1)(ii)(c) encourages LEAs to demonstrate the support of their leadership by obtaining signatures from as many as possible of the following: the LEA superintendent (or equivalent); the president of the local school board (or equivalent, if applicable); and the local teachers’ union leader (if applicable).
- 4) The State reviews each MOU to ensure that it meets the requirements the State has set for LEA participation in “all or significant portions” of the State’s plan; the State countersigns the MOU if the LEA is accepted as a participant. (If an LEA is not accepted, States should have a process for providing feedback and allowing LEAs to resubmit. Note, however, that any LEA that signs up after the State has submitted its Race to the Top application will not be considered in the reviewers’ evaluations).
 - 5) The State completes the tables that summarize LEA participation, which are required as evidence for criteria (A)(1)(ii)-(iii) (see the application package).
 - 6) If the State is awarded a Race to the Top grant, its participating LEAs (including those that submitted too late to be included in the application) will have up to 90 days to complete final scopes of work (referred to as Exhibit II in the model MOU). At the conclusion of that period, States will notify LEAs of their final section 14006(c) subgrant.

K-2. Do participating LEAs have to implement the State’s entire plan? What criteria can a State establish for LEA participation?

Generally, we would expect LEAs to implement the State’s entire plan, as the various

components are designed to work together to create a comprehensive approach to improving teaching and learning. However, there may be circumstances under which an LEA would implement only significant portions of a State plan. Consistent with section 14006(c) of the ARRA, States may define what LEAs need to do to participate in the State's plans. This could include specifying the required significant portions of the State's plan that participating LEAs must implement. All LEAs that commit to implementing all or significant portions of a State's plan, and that sign an MOU, would receive subgrants based on their relative shares of Part A of Title I, consistent with section 14006(c) of the ARRA. States do not have the discretion to select participating LEAs or limit LEA participation by using certain demographic or geographic characteristics or setting up a competition to determine which LEAs may participate.⁸

K-2a. *From Addendum 2, published December 18, 2009.*

Must States give all LEAs the option to participate in their Race to the Top application?

Yes. All LEAs in a State must have the opportunity to participate in the State's Race to the Top application if they commit to implementing "all or significant portions" of the State's plan and meet the other requirements that the State established for participating LEAs. Thus, each State should:

1. **Define its reform plan.** The State develops its reform plan, keeps its LEAs current with the plans as they evolve, and ensures that all LEAs have access to the State plan.
2. **Define "all or significant portions."** The State defines what LEAs must do to participate in "all or significant portions" of the State's plans, including for example, specifying the required portions of the State's plan that participating LEAs must implement. Generally, we expect LEAs to implement the State's entire plan because the various components should be designed to work together to create a comprehensive approach to improving teaching and learning.
3. **Draft MOU.** The State drafts a standard MOU or other binding agreement to be executed by the State and each participating LEA.
4. **Provide option to LEAs.** The State shares its plan with all LEAs (including charter school LEAs) and gives them the opportunity to opt-in as participating LEAs by signing the MOU or other binding agreement.

States cannot select participating LEAs or limit LEA participation by using demographic or geographic characteristics or by setting up a competition to determine which LEAs may participate. Nor may they use their authority to establish requirements to set up a situation that, in effect, amounts to such a restriction or competition.

⁸ Note that States have considerable flexibility in awarding or allocating the remaining 50 percent of their Race to the Top award that is not subject to the section 14006(c) subgrant. This portion of the grant is available to the State for State-level activities, for disbursements to LEAs, and other purposes as the State may propose in its plan.

K-2b. *From Addendum 2, published December 18, 2009.*

Can a State provide additional funding to certain participating LEAs or select certain participating LEAs to implement certain activities?

Yes. As discussed on pages 62-63 of the application, if a State wishes to provide additional funding to certain participating LEAs, it may do so. This would not alter the formula in the section 14006(c) subgrant; instead, this additional support must come from the 50 percent of the State's award that is not distributed based on participating LEAs' shares of Title I, Part A funds. Examples of purposes for which a State might want to supplement a participating LEA's budget with more than its section 14006(c) share include:

1. One or more participating LEAs may be implementing a special or pilot activity that requires additional funding.
2. A participating LEA might have a small section 14006(c) share of the funds that the State chooses to supplement given the plans in which the LEA is participating.

If a State chooses to provide supplemental funding to certain participating LEAs, it may describe the purpose of this additional funding in a project-level budget narrative, and include the information on line 12 of the project-level budget table (Supplemental Funding for Participating LEAs).

K-3. Can States limit how an LEA uses its Race to the Top funds?

Yes. LEAs must use their funding in a manner that is consistent with the State's plan and the MOU or other binding agreement between the LEA and the State. States may establish more detailed rules on uses of funds provided they are consistent with the ARRA. Note that, although LEAs receive subgrants from the State based on their relative shares of funding received through Title I, Part A, the LEAs' uses of Race to the Top funds are not subject to the restrictions on uses of funds that apply to Title I formula funds.

K-3a. *From Addendum 2, published December 18, 2009.*

What are the allowable uses of Race to the Top funds and what uses of funds are prohibited?

There are two categories of funding under the Race to the Top general program. As discussed in other FAQs, 50 percent of the grant must be subgranted to LEAs based on their relative share of funding under Title I, Part A of the ESEA, sometimes referred to as the "section 14006(c) subgrant." LEAs must use these funds in a manner that is consistent with the State's plan and the MOU or other binding agreement between the LEA and the State. A State may establish more specific requirements for its LEAs' uses of funds provided they are consistent with the ARRA.

The other 50 percent of the Race to the Top funds is sometimes referred to as the "State's 50 percent," because the State has considerable flexibility in using these funds to support its reform plan. These funds are not distributed via the Title I formula; in fact, there is no pre-set formula for their distribution. Instead, this portion of the grant is available to the State

for State-level activities, for disbursements to LEAs, and for other purposes as the State may propose in its plan.

In general, there are few restrictions on the use of Race to the Top funds, except that they must be used to implement the State's approved Race to the Top plan; they must be consistent with the Department's administrative regulations as well as OMB's cost principle circulars, such as A-87; and they must meet the requirements in the ARRA, as described below.⁹ With these exceptions, States have considerable latitude in defining their plans and, therefore, have considerable discretion in determining how grant funds will be used if they win.

As noted above, the ARRA places several restrictions on uses of funds as follows:

- Section 14003 of the ARRA prohibits an LEA from using Race to the Top funds for
 - Payment of maintenance costs;
 - Stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public;
 - Purchase or upgrade of vehicles;
 - Improvement of stand-alone facilities whose purpose is not the education of children, including central office administration or operations or logistical support facilities; or
 - School modernization, renovation, or repair that is inconsistent with State law.¹⁰
- Section 14011 of the ARRA prohibits Race to the Top funds from being used to provide financial assistance to students to attend private elementary or secondary schools, unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA.
- Section 1604 of the ARRA prohibits Race to the Top funds from being used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

Finally, as described in FAQ F-3, funds may not be used for costs related to statewide summative assessments.

K-3b. *From Addendum 2, published December 18, 2009.*

Can a State require that its participating LEAs use their funds in specific ways?

Note: In the November version of the Race to the Top Guidance/FAQs, question K-3 addresses a related issue. This answer further clarifies that guidance.

⁹ For OMB's cost principle circulars, see www.whitehouse.gov/omb/circulars.

¹⁰ An LEA may use Race to the Top funds for construction of new school facilities as well as for modernization, renovation, or repair of existing facilities to the extent that these projects are consistent with the State's Race to the Top plan. However, the Department discourages States and LEAs from using Race to the Top funds for new construction because this use may limit the ability of the State and its LEAs to implement the State's core Race to the Top plans. See FAQ L-2.

LEAs must use their funding in a manner that is consistent with the State's plan and the MOU or other binding agreement between the LEA and the State. As noted earlier, States may establish more detailed rules on uses of funds, provided they are consistent with the ARRA. Therefore, States may require that participating LEAs use their funds to pay for certain activities that are required elements of a State's plan.

K-4. When must participating LEAs sign up to be part of the grant?

States are encouraged to sign up all of their participating LEAs before they apply for a Race to the Top grant so that reviewers may give the State full credit for LEA participation under selection criteria (A)(1)(ii) and (A)(1)(iii). If a State wishes, it may add participating LEAs up until 90 days after it has been awarded a grant (this is also the deadline for participating LEAs to complete full statements of their scopes of work). However, States will not receive points under selection criteria (A)(1)(ii) and (A)(1)(iii) for expected but as-yet-unrealized LEA participants. For more details, see the Participating LEA Scope of Work requirement in the notices.

K-4a. *From Addendum 2, published December 18, 2009.*

Can an LEA sign on to participate after the State submits its application for Race to the Top?

As discussed in FAQ K-4 in the previously issued guidance, if a State wishes it may add participating LEAs up until 90 days after it has been awarded a grant.

If a State needs to add a participating LEA after the 90-day window, the State must obtain approval from the Department. Such requests will be handled in writing on a case-by-case basis. Note that if a State adds a participating LEA that receives funding under Title I, Part A, it will need to recalculate its section 14006(c) subgrant allocations to all participating LEAs. For this reason, we strongly encourage States to establish and maintain its group of participating LEAs as soon as possible but no later than within the first 90 days of the grant period.

Alternatively, a State may add a late-joining LEA as an *involved LEA* instead of as a *participating LEA*. If a State wishes to do this, it may include in its budget funding for the activities of involved LEAs. Adding LEAs in this manner would not require approval from the Department, since States are not required to submit information on their involved LEAs as part of their application, nor would the State need to recalculate its section 14006(c) subgrant allocations to participating LEAs. Note, however, that the involved LEA's progress in implementing the State's Race to the Top plans would not count towards the State's performance targets that are defined in terms of participating LEAs.

To be clear, States do not have to allow LEAs to join after the State has been awarded a Race to the Top grant - that decision is up to the State.

K-5. If LEAs sign up to participate within the 90-day window, how does this affect the performance targets the State has agreed to?

A number of performance measures are expressed in terms of the percentage of participating LEAs engaged in certain activities. Because the State's annual targets are expressed as percentages, the targets need not change as the number of participating LEAs increases, but the State will be evaluated using a denominator based on the set of final, not initial, participating LEAs.

K-6. What if a State has difficulty completing the MOUs with LEAs before the Phase 1 deadline?

To support States in this work, the Department has shared a sample process and provided sample documents (see Appendix D, Participating LEA MOU, published in each of the final notices). If a State is concerned about being able to sign up its participating LEAs in time to apply for Phase 1, it may want to apply in Phase 2, which will provide additional time to develop the application and sign up participating LEAs.

K-7. Are the points under criterion (A)(1)(iii) based solely on how many participating LEAs have signed on to the State's plan?

No. Under criterion (A)(1)(iii), States receive points based on the extent to which the LEAs participating in the State's Race to the Top plan will translate into broad statewide impact, allowing the State to reach its ambitious yet achievable goals, overall and by student subgroup, for improving the specified student outcomes. Thus, the set of participating LEAs will be evaluated, not just in terms of numbers, but also in terms of the statewide impact the specific participating LEAs are likely to have based on their combined student population, student-in-poverty population, and other factors.

K-8. How should States determine each LEA's section 14006(c) subgrant (*i.e.*, its subgrant under section 14006(c) of the ARRA, which requires that at least 50 percent of a State's grant be subgranted directly to LEAs based on their relative shares of Part A of Title I)?

A State must calculate a section 14006(c) subgrant for each LEA by:

- a. Determining the LEA's share of total 2009 allocations of Part A of Title I of all LEAs that have signed MOUs and are participating in the State's Race to the Top plan (*i.e.*, the LEA's Title I share); and then
- b. Multiplying the LEA's Title I share by the amount that must be subgranted to participating LEAs (*i.e.*, 50 percent of the State's total Race to the Top grant).

For example, State A receives a \$200 million Race to the Top grant and has 5 LEAs, of which 3 are participating in the State's Race to the Top grant. Assume that those 3 LEAs received a total of \$40 million in Title I, Part A funds in 2009, with \$20 million going to LEA 1, \$10 million to LEA 2, and \$10 million going to LEA 3. Thus, the section 14006(c) shares for the three participating LEAs are, in order: 50 percent, 25 percent, and 25 percent, and their section 14006(c) subgrants are, in order: \$50 million, \$25 million, and \$25 million.

Total State Race to the Top grant: \$200,000,000

Total minimum amount subgranted to LEAs under section 14006(c): \$100,000,000

Participating LEAs	2009 Title I allocation	2009 Title I share	Section 14006(c) subgrant
LEA 1	\$20,000,000	50 percent	\$50,000,000
LEA 2	\$10,000,000	25 percent	\$25,000,000
LEA 3	\$10,000,000	25 percent	\$25,000,000
TOTAL	\$40,000,000		

K-9. Are relative shares under 14006(c) based on the regular fiscal year (FY) 2009 appropriation only or based on both the regular 2009 appropriation and the ARRA Title I allocations?

The ARRA requires that each State receiving a Race to the Top grant award 50 percent of the funds to LEAs based on their relative shares of funding under part A of Title I of the ESEA for the most recent year. Since all Race to the Top grants will be made in 2010, FY 2009 will be the most recent year. States must use the sum of the funding that LEAs received through the regular FY 2009 appropriation and the supplement they received through the ARRA to determine their LEAs' relative shares.

K-10. How can a State accommodate its non-participating LEAs who still need to do some work in, for example, transitioning to new standards?

There are some aspects of a Race to the Top plan that States can only fulfill with the involvement of all or almost all of their LEAs. LEAs that do not sign MOUs but are nonetheless involved in some Race to the Top-related activities (*e.g.*, transitioning to a common set of K-12 standards) are called "involved LEAs." States do not need to submit information on their involved LEAs as part of their applications, and States will not be evaluated based on their involved LEAs. Involved LEAs may be signed up by the State at any time and by any method that the State chooses. Involved LEAs are not eligible to receive a share of the funds that States must subgrant to LEAs under section 14006(c) of the ARRA. However, States may provide funding to involved LEAs from the remaining 50 percent of funds or from other sources.

K-11. How are charter schools treated as subgrantees of the State?

Per the ARRA, all LEAs, including public charter schools identified as LEAs under State law, must be given the same opportunity to be participating LEAs. In addition, LEAs must include charter and non-charter schools in an equitable manner.

K-12. *From Addendum 1, published December 11, 2009.*

The Model MOU refers to Exhibit II, which is a final scope of work. Should participating LEAs include these final scopes of work in the agreements they submit to States before States apply for Race to the Top grants?

No. States do not need to have their participating LEAs complete the final scope of work (*i.e.*, Exhibit II) until *after* a State is awarded a Race to the Top grant.

As discussed in the Participating LEA Scope of Work requirement, the agreements executed between participating LEAs and States must include a scope-of-work section. The scopes of work completed before States submit their Race to the Top applications will be preliminary (*i.e.*, Exhibit I). These preliminary scopes of work should describe the portions of the State's proposed reform plans that participating LEAs agree to implement.

As evidence for criterion (A)(1)(ii), States should complete the summary tables regarding specific portions of their agreements with LEAs, including the summary table for criterion (A)(1)(ii)(b) summarizing the preliminary scopes of work (see pages 18-22 of the Application). They should also include an example of the State's standard Participating LEA agreement, and description of variations used, if any. States should not include copies of each agreement in their application, though they should have these available in the event of an audit or Department monitoring.

If a State is awarded a Race to the Top grant, the participating LEAs will then have up to 90 days after the grant is awarded to the State to complete final scopes of work (*i.e.*, Exhibit II), which must contain detailed work plans that are consistent with the preliminary scope of work and with the State's approved grant application, and which should include participating LEAs' specific goals, activities, timelines, budgets, key personnel, and annual targets for key performance measures.

There is no suggested format for Exhibit II.

K-13. *From Addendum 2, published December 18, 2009.*

May an LEA that does not receive funding under Title I, Part A of the ESEA be a participating LEA?

Yes. Note, however, that such a participating LEA may not receive funds under the State's section 14006(c) subgrant. The State may however, at its discretion, provide funding for such a participating LEA from the State's 50 percent of the grant. As discussed in FAQ K-2b, States may include this in on line 12 of the State budget table (Supplemental Funding for Participating LEAs).

Alternatively, such an LEA could be included in the State's plan as an involved LEA, in which case it would not be subject to the requirements regarding participating LEAs (and neither would it count towards the State's score under criteria (A)(1)(ii) and (A)(1)(iii), nor toward its performance targets that are defined in terms of participating LEAs). In this case,

the State may denote funding on line 11 of the State budget table (Funding for Involved LEAs).

K-14. *From Addendum 2, published December 18, 2009.*

Is the Department of the Interior/ Bureau of Indian Education eligible to receive funds under the Race to the Top fund? How may BIE-funded LEAs and LEAs serving high populations of Native American students participate in the Race to the Top competition?

The Bureau of Indian Education (BIE) is not eligible to receive funds under Race to the Top. As stated in FAQ A-2, States are the eligible applicants under section 14006(a)(2) of the ARRA.

However, any LEA, including those that serve high populations of Native American and tribal students, may participate in its State's Race to the Top plan as a "participating LEA" if the LEA agrees to implement all or a significant portion of the State's reform plan. If the State is awarded a grant, participating LEAs that are eligible for Title I funds from an SEA (as opposed to from the BIE) will receive funds under the State's section 14006(c) subgrant, under which LEAs receive subgrants based on their relative shares of funding under Part A of Title I. This would include LEAs that are considered tribal schools that receive Title I funding from the State.

LEAs that are not eligible for Title I funds from the SEA, including LEAs that receive Title I funds directly from the BIE, may participate as participating LEAs and receive funds from the State's 50 percent share, at the State's discretion. Alternatively, as explained in FAQ K-13, LEAs that do not receive Title I funding could be included in the State's plan as involved LEAs, at the State's discretion.

K-15. *From Addendum 2, published December 18, 2009.*

Do participating LEAs have to include all of their schools in their Race to the Top activities?

No. However, an LEA should make sure that it involves enough schools to ensure that it is meaningfully implementing its portion of the State's plan. If a State wishes, it could include in its agreement with an LEA a clause requiring minimum levels of school participation.

K-16. *From Addendum 3, published December 24, 2009.*

How can an LEA commit to implementing reform activities under the State's plan if these plans require modifications to collective bargaining agreements?

In its application, the State proposes specific reform activities in response to the Reform Plan Criteria. As stated in the Participating LEA Preliminary Scope of Work requirement, the State's participating LEA MOU or other binding agreement must include a scope-of-work section specifying the portions of the State's proposed reform activities that an LEA agrees to implement.

In some cases, an LEA might not be able to implement one or more of the State’s reform activities without first obtaining modifications to its existing collective bargaining agreement. If modifications to an LEA’s bargaining agreement cannot be finalized prior to its State’s application deadline, the State may draft its MOU in a way that reflects an LEA’s conditional commitment to implement specific reform activities pending necessary modifications to its bargaining agreement over the course of the grant.

The evidence for criterion (A)(1)(ii) includes an example of the State’s standard Participating LEA MOU, and a description of variations used, if any. Additionally, States’ (A)(1)(ii)(b) summary tables should accurately reflect the number and percentage of participating LEAs that have agreed to implement each reform activity. States should not include conditional commitments in their summary tables, but they may describe them in their narrative response to this criterion.

K-16a. *From Addendum 7, published May 5, 2010.*

If a State’s MOU(s) include conditional commitments by LEAs to implement certain plans, how should the State present that information in its application?

The guidance below clarifies and reiterates the guidance provided during Phase 1 (see FAQ K-16). Its purpose is to ensure that applicants provide clear and accurate information for reviewers as they evaluate the strength of LEAs’ commitment to their State’s plan. The points associated with this criterion remain the same as in the Phase 1 competition. The detailed tables provided as evidence for criterion (A)(1) are intended to assist reviewers in evaluating the extent to which a State’s participating LEAs are strongly committed to implementing the State’s plan. The tables are *not* “score-cards” where certain percentages translate into specific numbers of points.

Under criterion (A)(1)(ii), reviewers are to consider three factors in determining how many of the 45 available points an application should receive for this criterion. Reviewers focus on the extent to which participating LEAs are strongly committed to the State’s plans and to effective implementation of reform in the four education areas by considering these factors:

- a) Terms and conditions in the MOU that reflect strong commitment by the participating LEAs to the State’s plans;
- b) Scope-of-work descriptions in the MOU that require participating LEAs to implement all or significant portions of the State’s Race to the Top plans; and
- c) Signatures on the MOU from as many as possible of the LEA superintendent, the president of the local school board, and the local teachers’ union leader demonstrating the extent of leadership support within participating LEAs.

To inform this judgment, peer reviewers rely on the State’s application narrative, the MOU provided as an attachment to the application, and the data in the tables associated with this criterion.

If some (or all) of a State’s participating LEAs will need to modify collective bargaining agreements before they can commit to implementing certain parts of a State’s plan, then the State may draft its MOUs in a way that reflects the LEA’s conditional commitment to implementing specific plans, pending a successful conclusion to collective bargaining. In

recognition of the fact that not all “conditional” clauses are the same, and that there may be other facts about the State’s context or proposals that bear on the likelihood of successful implementation, peer reviewers will look closely at the narrative and read the MOU terms and conditions in order to evaluate the strength of the LEAs’ commitments. Because the narrative portion of the application is where a State can best explain its context and plans (and, if relevant, include explanations of aspects of LEA MOUs that may be conditional), States are urged to use their narratives to clearly articulate to reviewers the nature of their participating LEAs’ commitment.

Our Phase 1 guidance in FAQ K-16 was that applicants should not include any conditional commitments in their tables, but that they could describe them in the narratives. However, as a part of our internal review of the Phase 1 competition process, we noted inconsistencies in some instances between the tables and narratives. As a result, we are clarifying that for the Phase 2 competition, the tables used as evidence for criterion (A)(1)(ii) *should* include any conditional commitments that are included in the LEA MOUs and the application narratives. Thus, for example, in a State with conditional commitments, the detailed table that is evidence for criterion (A)(1) (*see* page 22 of the application) should be completed as follows:

- Mark “Y” for “yes” if the LEA will be implementing the plan related to this criterion. Examples: Some plans (*e.g.*, on transitioning to enhanced standards) may not be the subject of collective bargaining; other plans may have implementation required by law and therefore are not conditioned on the outcome of a collective bargaining negotiation.
- Mark “C” for “conditional” if the LEA is interested in participating in the plan related to this criterion, subject to successful outcomes of future collective bargaining.
- Mark “N” for “no” if the LEA is declining to participate in the plan related to this criterion.

Here is an example of a completed table:

Detailed Table for (A)(1)

Participating LEAs	LEA Demographics			Signatures on MOUs			MOU Terms	Preliminary Scope of Work – Participation in each applicable Plan Criterion															
	# of Schools	# of K-12 Students	# of K-12 Students in Poverty	LEA Supt. (or equivalent)	President of local school board (if applicable)	President of Local Teachers Union (if applicable)		Uses Standard Terms & Conditions?	(B)(3)	(C)(3)(i)	(C)(3)(ii)	(C)(3)(iii)	(D)(2)(i)	(D)(2)(ii)	(D)(2)(iii)	(D)(2)(iv)(a)	(D)(2)(iv)(b)	(D)(2)(iv)(c)	(D)(2)(iv)(d)	(D)(3)(i)	(D)(3)(ii)	(D)(5)(i)	(D)(5)(ii)
McKinney USD	2	211	107	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	C	C	C	C	C	C	Y	Y	C
Clark USD	4	1093	646	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	C	C	C	C	C	C	Y	Y	N
Hess Charter	1	215	127	Y	Y	N/A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

On the summary table that is evidence for criterion (A)(1)(ii)(b), the State should summarize its LEA participation in each criterion by:

- Including the number and percentage of participating LEAs that indicated “Y,” unconditional participation in the plan related to that criterion.
- If desired, indicating parenthetically the number and percentage of participating LEAs that indicated “C,” conditional participation in the plan related to that criterion.

Here is an example of a completed table:

Summary Table for (A)(1)(ii)(b)

Elements of State Reform Plans	Number of LEAs Participating (#)	Percentage of Total Participating LEAs (%)
B. Standards and Assessments		
(B)(3) Supporting the transition to enhanced standards and high-quality assessments	50	100%
C. Data Systems to Support Instruction		
(C)(3) Using data to improve instruction:		
(i) Use of local instructional improvement systems	0 (45 conditional)	0% (90% conditional)
(ii) Professional development on use of data	25 (25 conditional)	50% (50% conditional)

Please note that the inclusion of a conditional commitment clause in the MOU does not affect whether an LEA is considered a participating LEA.

K-17. *From Addendum 3, published December 24, 2009.*

Are all three signatures included in criterion (A)(1)(ii)(c) for participating LEAs required? What does it mean for a signature to be “applicable”?

Under criterion (A)(1)(ii)(c), States are awarded points based on the extent to which their LEAs demonstrate leadership support for participating in the State’s Race to the Top plans. The strength of this leadership support is demonstrated by the number of signatures participating LEAs include on their MOUs or other binding agreements, including the signatures of:

- the LEA superintendent (or equivalent);
- the president of the local school board (or equivalent, if applicable); and
- the local teachers’ union leader (if applicable)

LEAs are not required to include all of these signatures; rather, their inclusion earns States points.

Regarding what it means for a signature to be “applicable,” if an LEA is governed or managed by a school board, then the signature of the president of the school board is applicable. However, if an LEA is not governed or managed by a school board (or the equivalent), then the signature is not applicable. Similarly, if an LEA employs teachers who are represented by a teachers’ union (*e.g.*, in a bargaining or non-bargaining State), then the signature of the local teachers’ union leader is applicable. If an LEA does not employ teachers who are represented by a teachers’ union, then the signature of the local teachers’ union leader is not applicable.

If signatures are not applicable, then the absence of these signatures does not impact the application. States submit information on the number of signatures obtained under each category, and the number of LEAs for which each signature category is applicable, as part of the Summary Table for criterion (A)(1)(ii)(c). As noted in the table, States may clarify or explain any of the data.

K-17a. *From Addendum 5, published January 13, 2010.*

For the purpose of determining applicable LEA signatories to MOUs, what does it mean to be “represented by a teacher’s union” in a non-bargaining State?

In States where collective bargaining is prohibited, the teacher’s union signature is not applicable, though we strongly encourage teacher involvement in Race to the Top at both the State and local levels.

In States where laws are ambiguous or the law is silent, decisions about representation are local decisions. In such cases, it is typically up to the local school board to recognize a representative. If the local board has recognized an exclusive representative, then those teachers are considered to be represented and the signature requirement is applicable.

K-18. *From Addendum 3, published December 24, 2009.*

Once an LEA signs the MOU, may it withdraw after the State receives a Race to the Top grant?

Consistent with the termination terms in the MOU signed between the State and the LEA, an LEA may withdraw from the State's Race to the Top reform plan. However, doing so could adversely affect the State's Race to the Top grant. Because States are evaluated by reviewers based in part on LEA participation (see criterion (A)(1)), significant changes in the number or composition of a State's participating LEAs could affect the State's ability to deliver on its grant goals or affect the scope of its grant proposal. Such changes would need to be reviewed and considered on a case-by-case basis by the Department, and could result in changes in or possible partial or complete termination of the State's grant.

States must inform the Department of any substantive changes in their approved grant application, including the withdrawal of any participating LEAs.

K-19. *From Addendum 6, published April 20, 2010.*

Must States that are reapplying in Phase 2 obtain new MOUs from their participating LEAs?

States do not necessarily need to obtain new LEA MOUs so long as the MOUs they obtained in Phase 1 remain accurate and applicable for their Phase 2 applications. If a State makes changes to its Phase 2 application that affects its MOU terms and conditions or scopes of work, it must update the MOU to reflect these changes, and re-execute the agreement or amendment.

In any case, as stated in the model MOU, the Department expects participating LEAs to be familiar with their State's application. By signing the MOUs, LEAs indicate they are supportive of and committed to working on all or significant portions of their State's plan. Therefore, States should make sure that the participating LEAs are familiar with the State's Phase 2 proposal, even if the MOUs did not have to be revised.

States may also use this opportunity to engage LEAs that chose not to participate in Phase 1.

K-20. *From Addendum 7, published May 5, 2010.*

Must States that are reapplying in Phase 2 obtain new letters of support from stakeholders?

Under criterion (A)(2)(ii), peer reviewers consider the strength of letters of support from stakeholders that a State submits as part of its application. A State that is reapplying in Phase 2 is not required to obtain new letters of support, and may submit its Phase 1 letters of support with its Phase 2 application as long as those letters still accurately represent the level of support by those stakeholders. However, if a State believes that some of its Phase 1 letters of support are not applicable to its Phase 2 application (*e.g.*, because the letters

reference parts of its application that have changed substantially, the stakeholders no longer support the application or a part of it, or because the letters are clearly specific to the Phase 1 application), the State should not rely on the original letters of support from those stakeholders.

Again, note that peer reviewers who participated in Phase 1 will not be assigned to review Phase 2 applications from States whose applications they reviewed in Phase 1, so States should not assume that reviewers have any prior knowledge of their application (*see* FAQ D-11).

FAQ K-19 addresses the related issue of participating LEA MOUs for States reapplying in Phase 2.

L. Other

L-1. Can private schools receive Race to the Top funds?

No. The statutory language of the ARRA specifically provides that States are the eligible applicants for Race to the Top funds, and that only LEAs are eligible to receive subgrants from the States. Race to the Top funds may not be provided to private schools through a grant or subgrant, and there is no requirement that private school students, teachers, or other educational personnel participate in Race to the Top on an equitable basis (as required in some ESEA programs). Furthermore, Race to the Top funds may not be used to provide financial assistance to students to attend private schools. However, States have the flexibility to use the 50 percent of Race to the Top funding that is not distributed on the basis of the Title I, Part A formula to include private school students, teachers, and other educational personnel in activities that a State and its LEAs deem appropriate, and may contract with private schools for appropriate secular activities, consistent with the State's plan.

L-2. May LEAs use Race to the Top funds for construction, modernization, renovation, or repair?

Consistent with the Department's May 11, 2009 guidance for the Stabilization program,¹¹ the Department discourages States and LEAs from using Race to the Top funds for new construction because this use may limit the ability of the State and its LEAs to implement the State's core Race to the Top plans. States may propose that certain participating LEAs may use Race to the Top funds for modernization, renovation, or repair projects to the extent that these projects are consistent with the State's Race to the Top plans.

L-3. If an LEA repair, renovation, or modernization project is included in an approved State Race to the Top plan, do the Davis-Bacon wage requirements apply to these activities?

Yes. Any laborers and mechanics employed by contractors or subcontractors for school repair, renovation, or modernization projects assisted in whole or in part with Race to the Top ARRA funds must be paid in accordance with the prevailing wage requirements as

¹¹ Available at: www.ed.gov/programs/statestabilization/guidance-mod-05112009.pdf.

determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the U.S. Code (commonly called Davis-Bacon and related acts). (See also 20 U.S.C. 1232b Labor Standards and section 1606 of the ARRA.) Contracts must include language that acknowledges that all contractors or subcontractors must pay wages that are not less than those established for the locality of the project (prevailing wage rates). 29 CFR 5.5.

The U.S. Department of Labor (DOL) determines and publishes prevailing wage rates for the various regions of the country. If an LEA needs information about the prevailing wages in its community, the LEA should contact the DOL regional office serving its geographic location. A list of the regional offices with contact information can be found at the following Web site: <http://www.dol.gov/whd/programs/dbra/regions.htm>. An LEA can also find additional Davis-Bacon and other prevailing wage information at the following DOL Web sites: <http://www.dol.gov/whd/programs/dbra/faqs.htm> and <http://www.dol.gov/whd/recovery/dbfaqs.htm>.

The DOL regional offices may also provide guidance as to where the required weekly payroll submissions referenced in the Davis-Bacon regulations (see 29 CFR 3.3 and 3.4 for example) should be sent. State Departments of Labor (or equivalent) may also provide further guidance on these types of issues.

L-4. What role do parents, teachers, and students play in Race to the Top?

Students are, of course, the ultimate beneficiaries of Race to the Top reform efforts and funding. However, they – together with parents, teachers, and other members of the public – can also play a role in helping their States win Race to the Top grants. For example, stakeholders may play critical roles in supporting States and LEAs in implementing the plans, helping to identify and share effective practices, and ensuring that plans are leading to improved outcomes for students. They might, for example, be asked by their State to support the design and development of the State’s Race to the Top proposals, to help the State identify promising local practices on which to build, or to write statements of support for their State’s application. States receive points specifically for their stakeholders’ involvement under criterion (A)(2)(ii)(b).

L-5. *From Addendum 2, published December 18, 2009.*

May Race to the Top funds be used to support early childhood education programs?

To the extent that it is consistent with a State’s Race to the Top plans (*e.g.* in response to Invitational Priority 3, Innovations for Improving Early Learning Outcomes), States and their LEA subgrantees have considerable flexibility in using these grant funds to support early childhood programs and services. Such activities could be considered authorized activities under the ESEA, since under Title VIII of the ESEA (Impact Aid) an LEA may support pre-K programs, even if pre-K is not considered part of “elementary education” under State law.

L-6. *From Addendum 2, published December 18, 2009.*

Should States include hyperlinks in their applications?

States should *not* include hyperlinks to websites in their applications. Reviewers will be instructed not to follow such hyperlinks. We understand that hyperlinks can be a convenient way to provide information; however, because hyperlinks can be updated after the deadline for submitting applications, they cannot be considered as part of the application.

L-7. *From Addendum 2, published December 18, 2009.*

What file types must a State use in its application?

As specified in the notice inviting applications, all electronic application files must be in a .DOC (Microsoft Word document in compatibility mode), .DOCX (Microsoft Word document), .RTF (rich text), or .PDF (Portable Document) format. Each file name should clearly identify the part of the application to which the content is responding. If a State submits a file type other than the four file types specified in this paragraph, the Department will not review that material. States should not password-protect these files.

We recommend that, where possible, States convert any .DOC, .DOCX, or .RTF files into .PDF format. If a State does not do so, graphics and tables may not properly retain their formatting when the application is printed. The Department will not reformat applications.

L-7a. *From Addendum 7, published May 5, 2010.*

In preparing their applications to submit to the Department, how should States divide their applications into electronic files?

The Department strongly encourages States to submit their applications in two PDF files: the first containing the application narrative, and the second containing all appendices (including a Table of Contents for the appendices). Please be sure to clearly label the two files.

L-8. *From Addendum 2, published December 18, 2009.*

Should a State format its application in color or in black and white?

When the Department prints the applications for reviewers, the applications will not be printed in color. Therefore, we recommend that States format their applications in black and white.

L-9. *From Addendum 3, published December 24, 2009.*

Must applicants use the application format available on the Race to the Top website?

We understand that some applicants have experienced formatting difficulties using the application made available on the Race to the Top website (see

<http://www.ed.gov/programs/racetothetop/applicant.html>). A State may either use the application the Department has provided on the Race to the Top website or format its own tables and application, so long as that application looks substantially similar to the Department's application, contains all of the same information, in the same order that it is presented in the Department's application, and is submitted in accordance with all other requirements. A State may not change any of the text or language in the Department's application. In other words, a State may cut and paste the text and tables from the Department's application into its own application document, but may not change any of this information.

We strongly recommend that, where possible, States submit their applications to the Department in PDF format. If a State does not do so, graphics and tables might not properly retain their formatting when the application is printed. The Department will not reformat applications.

Further information on application submission procedures is available on page 98 of the Application.

L-10. *From Addendum 4, published January 6, 2010.*

Must a State adhere to the recommended page limits?

As stated in the Application, the Department recommends that applicants limit their narrative responses in Section VI of the application to no more than 100 pages of State-authored text, and limit their appendices to no more than 250 pages. These page limits are recommended, but not required.

L-11. *From Addendum 4, published January 6, 2010.*

May activities pertaining to an invitational priority be included in the State's budget?

Yes. States' budgets under Race to the Top may include work related to invitational priorities.

L-12. *From Addendum 4, published January 6, 2010.*

Are there "supplement, not supplant" requirements for Race to the Top?

Race to the Top contains no "supplement, not supplant" requirements.

L-13. *From Addendum 4, published January 6, 2010.*

What funds are included under the definition of total revenues available to the State?

"Total revenues available to the State" is defined in the Race to the Top Application and notices. This term means either (a) projected or actual total State revenues for education and other purposes for the relevant year; or (b) projected or actual total State appropriations for

education and other purposes for the relevant year. Notably, “total revenues available to the State” does not include Federal or local funds.

M. Interactions with other Programs

M-1. How does Race to the Top interact with the Investing in Innovation (i3) fund?

Race to the Top and i3 are designed to be complementary and mutually reinforcing; however, there is no direct interaction between these two programs. The eligible applicants for i3 are LEAs and nonprofit partners.

M-2. How does Race to the Top interact with the Statewide Longitudinal Data Systems, Teacher Incentive Fund, and School Improvement Grants programs?

Each of these three programs provides funding for States and/or LEAs to do work in one of the four education reform areas that Race to the Top addresses (data, teacher and principal effectiveness, and turning around persistently lowest-achieving schools, respectively). Race to the Top applications should include discussions of how the State and its LEAs will use these and/or other major funding sources consistent with the State’s plans. For example, States may propose to use their School Improvement Grants to fund school intervention efforts in Race to the Top (under criterion (E)(2)), or to use Statewide Longitudinal Data Systems funding to pursue plans under criterion (C)(2) (Accessing and Using State Data). States should keep in mind that Race to the Top funding is highly flexible while funding from other programs may be more targeted, and should use this flexibility in a way that is most likely to improve student outcomes. Race to the Top encourages States to coordinate funding from other Federal, State, and local sources to align with the State’s Race to the Top goals (see criterion (A)(2)(i)(d)). In addition, the Budget section of the Application prompts States to describe how other Federal (*e.g.*, School Improvement Grants, Statewide Longitudinal Data Systems grants, Teacher Incentive Fund grants, Title I, Part A), State, and local funds will be leveraged to further support Race to the Top education reform plans.

For further discussion of how States can design their Race to the Top and Title I School Improvement Grant plans together, see question I-1 in this document.

M-3. How does the Race to the Top State competition interact with the Race to the Top Assessment competition?

The Department intends to hold a separate \$350 million Race to the Top Assessment competition. Receiving or not receiving a grant in one program will not privilege or penalize a State in the other competitive program. However, the implementation work States will do on standards and assessments in both competitive programs will be aligned, so that the two programs amplify each other’s impact.

M-4. *From Addendum 2, published December 18, 2009.*

How should States include their plans to coordinate funding from other competitive grant programs in their Budget and Budget narratives if the awards for those other programs have not yet been made?

Note: In the November version of the Race to the Top Guidance/FAQs, question M-2 addresses a related issue. This answer further clarifies that guidance.

Race to the Top encourages States to coordinate funding from other Federal, State, and local sources to align with the State's Race to the Top goals (see criterion (A)(2)(i)(d)). In some situations, States may be applying for other competitive grant funds at the time they are applying for Race to the Top, and may not know whether they will receive these other funds. For example, grants under the Statewide Longitudinal Data Systems are scheduled to be awarded in May 2010, after States will have applied for Phase 1 of Race to the Top.

In such cases, States may build their budgets under the assumption that they will not receive these other competitive funds, and discuss in their budget narrative how they would further expand their plans if they received the funds.

However, if a State is confident that it will receive funding – for example, because the source in question is a formula program such as the Title I School Improvement Grants program – the State may build its budget under the assumption that it will receive these funds.

N. Transparency, Accountability, Reporting, and Other Obligations

N-1. What are our shared responsibilities for ensuring that all funds under the ARRA are used for authorized purposes and instances of fraud, waste, and abuse are prevented?

All ARRA funds must be spent with an unprecedented level of transparency and accountability. Accordingly, recipients of ARRA funds must maintain accurate, complete, and reliable documentation of all ARRA expenditures. The law contains very specific reporting requirements and requires that detailed information on the uses of funds be available publicly on www.recovery.gov.

States have important oversight responsibilities and must monitor activities supported by grants and subgrants to ensure compliance with all applicable Federal requirements. If a grantee or subgrantee fails to comply with requirements governing the funds, the Department may, consistent with applicable administrative procedures, take one or more enforcement actions, including withholding or suspending, in whole or part, funds awarded under the program, or recovering misspent funds following an audit.

The ARRA established the Recovery Accountability and Transparency Board, which is responsible for coordinating and conducting oversight of spending under the ARRA to prevent fraud, waste, and abuse. The Department's Office of Inspector General (OIG) will be conducting comprehensive audits of ARRA implementation activities. In addition, Department program offices will closely monitor these activities.

Any instances of potential fraud, waste, and abuse should be promptly reported to the OIG hotline at 1-800-MIS-USED or oig.hotline@ed.gov. Moreover, recipients are reminded that significant new whistleblower protections are provided under section 1553 of the ARRA.

N-2. What are the reporting requirements for Race to the Top?

A State receiving Race to the Top funds must submit to the Department an annual report that must include, in addition to the standard elements, a description of the State's and its participating LEAs' progress to date on their goals, timelines, and budgets, as well as actual performance compared to the annual targets the State established in its application with respect to each performance measure. For more details, see the Reporting requirement published in both notices.

A State that receives Race to the Top funds must also meet the reporting requirements that apply to all ARRA-funded programs. Specifically, the State must submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by the Office of Management and Budget or the Department (ARRA Division A, Section 1512(c)). Guidance for section 1512 quarterly reports is available at <http://www.ed.gov/policy/gen/leg/recovery/section-1512.html>.

In addition, for each year of the program, the State will submit a report to the Secretary, as required by section 14008 of the ARRA, at such time and in such manner as the Secretary may require, that describes:

- the uses of funds within the State;
- how the State distributed the funds it received;
- the number of jobs that the Governor estimates were saved or created with funds;
- the State's progress in reducing inequities in the distribution of highly qualified teachers, in implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and students with disabilities;
- if applicable, a description of each modernization, renovation, or repair project approved in the State application and funded, including the amounts awarded and project costs. (ARRA Division A, section 14008)

Grantees may request information from participating LEAs to complete these reports. For the reports required under sections 1512(c) and 14008 of the ARRA, grantees must submit separate reports through FederalReporting.gov for the Stabilization and Race to the Top programs.

N-3. Does the receipt of Race to the Top funds require recipients to comply with Federal civil rights laws?

Yes. The receipt of any Federal funds obligates recipients to comply with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age. For additional information on civil rights obligations, see <http://www.ed.gov/policy/gen/leg/recovery/notices/civil-rights.html>.

N-4. *From Addendum 4, published January 6, 2010. Edited version posted in Addendum 5, published January 13, 2010.*

What rules must States follow regarding contracting for services?

States that plan to use Race to the Top funds to procure services to support their Race to the Top plans must comply with Section XV of the Application, titled “Contracting for Services” (see Application, page 97). This section specifies that:

Generally, all procurement transactions by State or local educational agencies made with Race to the Top grant funds must be conducted in a manner providing full and open competition, consistent with the standards in Section 80.36 of the Education Department General Administrative Regulations (EDGAR). This section requires that grantees use their own procurement procedures (which reflect State and local laws and regulations) to select contractors, provided that those procedures meet certain standards described in EDGAR.

Because grantees must use appropriate procurement procedures to select contractors, applicants should not include information in their grant applications about specific contractors that may be used to provide services or goods for the proposed project if a grant is awarded.

It is each State’s responsibility to ensure that the requirements contained in Section XV are met. EDGAR is available at www.ed.gov/policy/fund/reg/edgarReg/edgar.html.

O. Resources and Information

O-1. Where can one obtain updated information or answers to questions about the Race to the Top program?

The Department will post updated information about the Race to the Top program on the Department’s Web site at www.ed.gov/programs/racetothetop.

You may submit specific questions about the Race to the Top program to the following e-mail address: racetothetop@ed.gov. Department staff will respond promptly to your questions. We will update this FAQ document with relevant questions and answers.

O-2. What technical assistance will the Department offer to prospective applicants?

The Department will be hosting two Technical Assistance Planning Workshops for potential Race to the Top applicants to review technical and logistical aspects of the competition. At the workshops, Department staff will review the Race to the Top selection criteria, requirements, and priorities and answer technical questions about the Race to the Top program.

The first workshop will be in Denver, Colorado on December 3, 2009. The second workshop will be in the Baltimore-Washington area on December 10, 2009. These two workshops will cover the same content, so we recommend that applicants attend whichever one of the two workshops is most convenient. For those who cannot attend in person, we will provide a conference call-in number for the December 10 workshop. In addition, we will post transcripts of the workshops at www.ed.gov/programs/racetothetop. Next spring, we intend to host one or more similar workshops to support States preparing their Phase 2 applications.

For more information, please go to www.ed.gov/programs/racetothetop. Announcements of any other conference calls or webinars will also be available at this Web site.

Appendix A – Technical Guidance Regarding NAEP

AA-1. NAEP uses a sample of students in three grades for its assessments, which by design will have less statistical power for detecting growth than assessments that test every student. Given this fundamental difference, what options are available to States to demonstrate their progress using NAEP under criterion (A)(3)(ii)?

It is true that the NAEP is based on samples of the student population that result in larger margins of error in detecting differences than would be the case with a census or test of every student. Similarly, for some student groups within some States, NAEP's sample sizes may be too small to detect even fairly substantial changes in achievement or achievement gaps with a high degree of statistical precision. Here are two ways that States might address this problem in demonstrating their progress using NAEP under criterion (A)(3)(ii).

First, States may provide in their applications a justification for reducing the statistical significance level. The standard criterion used in many statistical agencies such as the National Center for Education Statistics (NCES) in the Department is 0.05. That is, there must be at least a 95 percent chance that the null hypothesis is false before a difference can be accepted as statistically different from zero. However, in some applied settings, when samples are relatively small, a relaxed criterion may be more appropriate for making educationally meaningful comparisons. For example, a State might justify using a 0.10 criterion for statistical significance because a particular subgroup in NAEP might be too small to yield a statistically significant finding at the 0.05 level. The justification should follow professional statistical guidelines, such as those recommended by Cohen (1988). (J. Cohen, (1988). *Statistical Power Analysis for the Behavioral Sciences*, Lawrence Earl Baum, Hillsdale, NJ).

Second, States may include in their applications justification for using effect sizes, or consistency in the effect size of gains between NAEP and a State test, as evidence for detecting growth. State tests are based on larger samples of students than NAEP. Because NAEP scores are reported on a 0 to 500-point scale, and State tests normally use other scale units, the score gains need to be compared in terms of some common unit. This can be done by expressing the gains on both assessments in standardized units; that is, by dividing the number of score points gained by the number of score points in a standard deviation.¹² For example, a six-point gain on a NAEP mathematics test, for which the national standard deviation is 35 points, would be equivalent to a gain of 0.171 in standardized units. A ten-point gain on a State-administered test, for which the nationally normed standard deviation is 60 points, would be equivalent to a (very similar) gain of 0.167 in standardized units. Similarly, a State could compare the achievement gains in standardized units for a subgroup on the NAEP to the achievement gains in standardized units for that same subgroup on the State test, as long as it uses comparably calculated, preferably nationally normed, estimates of standard deviation for NAEP and the State test. If the gain on the State test was statistically

¹² The standard deviation is a statistical measure of the variability of the scores in the population. By dividing each score by the corresponding, comparably calculated standard deviation, the assumption is made that the two measures are based on the same population, and the variability is the same, although measured in different units. For greater transparency, it is best to use nationally normed standard deviations. However, if this is not available for a State administered test, the effect size calculations should be based on State standard deviations for *both* the State test and NAEP.

significant, the NAEP gain could be considered confirmatory, even if it was not statistically significant. The use of such methodology should follow professional statistical guidelines such as those discussed in Cohen (1988).

AA-2. Since NAEP and State assessments are not perfectly aligned, what recommendations could the Department offer to States for demonstrating progress on NAEP?

The content of State assessments may be different from NAEP's broader coverage of a particular subject matter. Therefore, NAEP and State assessment results are not perfectly correlated. It is possible that a State will show gains on State-specific content that is not represented on NAEP or, conversely, a State may show gains on NAEP-specific content that is not included on a State's assessment. Thus, NAEP and State assessments are expected to show a similar—but not identical—pattern of performance. For example, when State trends indicate score growth, it would be helpful for the State to explain why there may be a discrepancy in patterns of scores.

Similarly, since State assessments and NAEP set performance standards for proficiency that have overlapping, but different purposes, States could explain why there are discrepancies in the percent of students performing at the proficient level and describe the implications for having different definitions for proficiency. A full discussion of this issue regarding tracking gains in the percentage of students meeting State proficiency targets using NAEP can be found in a recent NCES publication entitled: *Mapping State Proficiency Standards Onto NAEP Scales: 2005-2007*, available at <http://nces.ed.gov/nationsreportcard/pdf/studies/2010456.pdf>.

State assessments and NAEP also differ in their population coverage, particularly with respect to the inclusion of English language learners and students with disabilities. Although NAEP follows school guidelines for inclusion of such students in the assessments, NAEP does not allow all the accommodations permitted in some States, and NAEP does not have alternate assessments. NCES regularly publishes Full Population Estimates on its Web site (e.g., <http://nces.ed.gov/nationsreportcard/about/inclusion.asp#research>) to evaluate the impact of this alignment issue. Such data can be used by States to help explain discrepancies, if any, between gains reported by the States versus what is reported by NAEP. In addition, under application requirement (g)(1), States should include the NAEP exclusion rate for students with disabilities and the exclusion rate for English language learners, along with clear documentation of the State's policies and practices for determining whether a student with a disability or an English language learner should participate in the NAEP and on whether a student needs accommodations.

AA-3. Is the Department interested in student progress on NAEP as demonstrated by improvement in parameters other than the percentage reaching NAEP's proficient level?

Yes. States may demonstrate progress using any NAEP statistic, including scale scores, percentiles, and the percent of students reaching NAEP's *Basic*, *Proficient* or *Advanced* levels or moving from one of these levels up to the next.