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TO: Joshua Brammer
             Office of Information and Regulatory Affairs
             Office of Management and Budget (OMB)

THROUGH: James Hyler
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             U.S. Department of Education

FROM: Ann Whalen
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SUBJECT: Emergency Clearance of Race to the Top Annual Performance Report

The U.S. Department of Education (Department) has developed an Annual Performance Report for the Race to the Top program. The American Recovery and Reinvestment Act of 2009 (ARRA) provided $4.3 billion for the Race to the Top Fund (referred to in the statute as the State Incentive Grant Fund), of which approximately $4 billion was used to fund comprehensive statewide reform grants under the Race to the Top program. Given the unprecedented level of funding for this program, the Department is committed to protecting the investment made with these funds by gathering, analyzing, and using data on Race to the Top grantees' progress in as timely a manner as possible. The Annual Performance Report is an essential means by which the Department will gather information to create State-specific and comprehensive reports that will apprise the public and Congress about Race to the Top grantees' progress. In addition, the Department will use the information collected to identify grantee needs and provide targeted assistance designed to help grantees meet ambitious student achievement goals.

The Race to the Top program will utilize the Annual Performance Report and the comprehensive monitoring protocol (known as "program review" protocols) recently approved by OMB as complementary means of eliciting data on the progress and needs of Race to the Top grantees. The Annual Performance Report permits the Department to track grantees' progress towards meeting the annual performance targets that States included in their applications and those which they have added through the amendment process. Grantees will be asked to consider not only their progress on meeting timelines and budgets but will also be asked to reflect on the quality of the implementation of their Race to the Top plans and success in making progress towards specific performance measures and goals. These performance measures are seen as leading indicators of grantees' success toward improved outcomes for students. The ISU intends to hold States accountable for increasing student achievement, increasing high school graduation rates, narrowing the achievement gaps, and preparing students for success in college and the workforce. Based on analysis of the Annual Performance Report data, the Department will pinpoint areas in which grantees would benefit from technical assistance.

Race to the Top program review is a multi-level process that emphasizes outcomes and the quality of program implementation by States, rather than being solely a compliance-driven approach focused on inputs and discrete tasks. The program review process includes monthly reports and calls, on-site program reviews, grantee self- evaluations, and stocktake meetings with the Secretary of Education and ISU leadership. During the clearance of the Race to the Top program review protocols, OMB expressed concern that those documents might not generate sufficient information on the progress of grantees and their local educational agencies (LEAs), as well as ongoing needs for technical assistance. The Annual Performance Report is an important means of collecting data to address those issues. In particular, the data informs a stocktake with Race to the Top leadership that will be focused on assessing grantee progress and identifying areas where the Department can provide support.

Given the interrelated nature of the program review protocols and the Annual Performance Report, the program review protocols were sent to OMB first for approval, on the presumption that feedback from OMB might necessitate adjustments to the Annual Performance Report to ensure collection of all of the data necessary to fulfill the Department's programmatic and fiscal oversight responsibilities. This method was employed to avoid duplication and ensure that the Annual Performance Report requested only necessary information, based on our understanding at that time that it would not be advisable to publish the Annual Performance Report if it might need to be significantly changed after the program review protocols were approved.

Pursuant to 5 CFR 1320.13, the Department requests that OMB review the Annual Performance Report data collection tool under its emergency procedures because the collection of this information is reasonably likely to result in public harm to the Race to the Top State grantees and their participating LEAs, as well as the $4 billion investment of their Education grant funds, if normal time limits under OMB's regulations at 5 CFR Part 1320 are followed.

As you are aware, Race to the Top is the largest discretionary grant program ever administered by the Department. The use of the normal clearance procedures will significantly disrupt and delay the timely collection of the information critical for managing the performance and effectiveness of this $4 billion dollar public investment. Given that the performance targets are based on school years (e.g. school year 2010-11), grantees will be able to provide initial information on implementation of the Race to the Top program by early summer 2011. In order to robustly fulfill our programmatic and fiscal oversight responsibilities, it is essential that we gather this data from Race to the Top grantees and their LEAs as soon as possible to inform decision-making for the second year of the grant. Under the full collection process, however, a collection of the Annual Performance Report data likely could not begin until after September 1, 2011. Such a timeframe would mean that grantees are not able to use the analysis of year one performance to inform planning for programmatic activities in school year 2011-12. In addition, any technical assistance needs that emerge through this collection would not be fully ascertained or analyzed until at least November or December 2011, at which point the grantees and their LEAs will be well into their second year of implementation and nearly halfway through the 2011-12 school year.

Postponing analysis and dissemination of data on first-year implementation would make it difficult for grantees to make appropriate and necessary course corrections in the second year of

the grant. Given that Race to the Top is an innovative program expected to improve student outcomes in a short period of time, delaying these efforts would pose a significant detriment to our grantees, including the 13.6 million students and 980,000 teachers in those States. Such a delay would also prove harmful to the wider education community, which is intently examining this program to learn from it and to implement effective emerging practices nationwide. Additionally, the regular collection timeframe would create an undue burden on the States and LEAs, as the grantees have noted that the start of the school year is a difficult time to do reporting of this nature, given the other activities that take place at that time. Grantees provided the Department with informal feedback that summer would be a better time to collect this data than early fall.

Since the September grant awards, the Race to the Top staff at the Department has been working continuously with Race to the Top Phase 2 grantees to finalize their budgets, as well as to approve State-level scopes of work and review LEA scopes of work, both of which were due to the Department by November 22, 2010. The State scopes of work, which have required individual and ongoing refining through a collaborative process with grantees, as well as the completion of uniform program review protocols, provide further detail on how grantees will implement their approved Race to the Top plans and the key milestones that grantees will use to track progress. The Department could not submit an Annual Performance Report any sooner since its complete development was dependent on all of these other activities, including extensive collaboration within and outside of our agency.

Additionally, the Department began work in the fall to create an Implementation and Support Unit (ISU) to assist States as they build their capacity to implement and sustain education reform and to ensure that the Department's support of State and local efforts is coordinated across Department programs. The ISU serves as the single point of contact at the Department for the Recovery Act programs that require the involvement of the Governor and Chief State School Officers, including the State Fiscal Stabilization Fund program, the Race to the Top State program, the Race to the Top Assessment program, and the Education Jobs program. The creation of this unit, as well as maintaining ongoing program operations, has required significant coordination across the Department in order to finalize both its structure and staffing.

During the drafting of the Race to the Top Annual Performance Report, Race to the Top staff worked closely with members of other programs to ensure that data collection would not be duplicative. We identified several areas in which we can utilize existing Department collections, resulting in a reduced burden for grantees. Additionally, these meetings helped Race to the Top staff ensure that data collected would be usable by other programs for comparative purposes. For example, we ensured that the reporting format for data on turning around the lowest-achieving schools would be aligned with the School Improvement Grants program. We also incorporated feedback from the Department's program offices through the internal clearance process; the Office of the Secretary approved the Race to the Top Annual Performance Report with the approval of all of the Department's program offices.

With your approval, we propose to offer a 30-day expedited comment period during the collection review, which will allow us to launch the Race to the Top Annual Performance Report data collection tool in June. Given that this is a first-time collection, after we receive approval

we will be building the online platform for data submission. We will also require sufficient time to provide training and support to grantees and subgrantees on how to collect and provide this information to the Department. We believe that these efforts will ensure that data quality is high, a key priority given the interest this program has generated. Additionally, we believe this timeline will allow the grantees use the data to inform programmatic activities in school year 2011-12 and will allow the Department to identify and begin to address any technical assistance needs. This timeline will also permit the broader education community to analyze this data and use it to inform educational programs in the upcoming school year.

ED is requesting OMB approval by May 30, 2011.

Thank you for your prompt consideration of my request. If you have questions, please contact Jim Butler at (202) 260-9737 or james.butler@ed.gov.