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Changes Urged in Rules for Federal Innovation Aid

By [Michele McNeil](#)

As the U.S. Department of Education prepares final rules for the \$650 million **Investing in Innovation Fund**, officials face strong concerns from school districts and philanthropies that requiring matching funds from the private sector is unworkable and would turn foundations into the gatekeepers for these federal grants.

Concern about the proposed matching-funds requirement for the so-called “i3” grants, which will be given out next year to districts through the economic-stimulus program, was a common thread among the 346 responses the department received during a 30-day public comment period that ended Nov. 9.

But that wasn't the only big concern about how the department is looking to dole out the grants, a small—though highly coveted—piece of some \$100 billion in stimulus aid for education.

Many school districts objected to the requirement in the proposed rules that applicants show strong evidence of past success in order to justify funding for an innovative strategy, while many education researchers thought the department should be even stricter. Other commenters didn't like that the department placed caps on individual award amounts.

And many urban school districts took issue with a proposed competitive preference to be given to projects that would help address the needs of rural school districts, which are often considered underdogs to the big, urban districts in large-scale grant competitions. In the words of the Palm Beach County, Fla., school district, prioritizing rural schools “is overtly unfair in disadvantaging all other applicants.”

Philanthropies Respond

Still, some of the strongest criticism was reserved for the idea that districts or other applicants would have to secure 20 percent in

[← Back to Story](#)

Fine-Tuning the i3 Proposal

Those commenting on the Education Department's draft rules for the innovation fund see some big potential pitfalls:

On the rigor of the evidence that would be required to compete for a grant:

“A number of the department's own program priorities and models that are reflected in Race to the Top and School Improvement grant notices would not meet an acceptable level of evidentiary effectiveness articulated in the draft notice [in certain categories]. ... ”
Michael Casserly, Executive Director, Council

matching funds from the private sector and philanthropies, or seek a waiver from the department.

The influential Bill & Melinda Gates Foundation, the biggest education philanthropy of them all, was among the critics.

Such a match “is unworkable in its demands of the philanthropic organizations: it makes philanthropies de facto gatekeepers for applicants by requiring the match at the time of application; it privileges those organizations that already have relationships with large foundations,” wrote Allan Golston, the president of the Seattle-based foundation’s United States Program.

The Arkansas-based Walton Family Foundation, a leading K-12 donor that was built by the family that founded the Wal-Mart retail chain, noted that many philanthropies commit their grant money years out, and wouldn’t be able to find room in their budgets, at this late notice, for new grants to school districts.

Districts, meanwhile, pointed out that the sluggish economy will make raising private dollars very difficult.

“The current economic climate, to which [the American Recovery and Reinvestment Act] was a response, will make it difficult for school districts to find private, external partners able to supply funding matches for much-needed education programs,” wrote Meria Joel Carstarphen, the superintendent of the Austin Independent School District in Texas.

Awards Next Year

The i3 grants are part of the \$787 billion economic-recovery package passed by Congress in February. The department has not said when the final rules and applications will be available; however, the grants have to be awarded by September 2010. The only two types of eligible applicants are school districts, and nonprofit groups working in conjunction with a district or a consortium of public schools.

of the Great City Schools

On a 20 percent required match from the private sector:

“[The match] makes philanthropies de facto gatekeepers for applicants by requiring the match at the time of application; it privileges those organizations that already have relationships with large foundations.”
Allan Golston, President, Bill & Melinda Gates Foundation United States Program

“The 20 percent match is not viable. Rural areas with the private sector to provide such a match should not be expected to exist in the proposed definition of ‘rural.’”
Paul D. Stapleton, Superintendent, Halifax County Public Schools, Virginia

On a requirement that districts have met adequate yearly progress for two years in a row to be eligible:

“Since none of Florida’s 67 school districts met ayp in the last two consecutive years, this requirement would remove all [districts] in Florida as eligible applicants.”
Palm Beach County School District, Florida

“Excluding districts that have not met ayp ... excludes districts and students most in need of new, innovative educational initiatives.”
Meria Joel Carstarphen, Superintendent, Austin Independent School District, Texas

On the program’s overall aim:

“The department [should] recognize, and revise the guidance to reflect, that it is an entire school system—not a single project in a single school—that produces the system-wide results the proposed guidance calls for.”
American Association of School Administrators

Source: U.S. Department of Education

The grants, which are meant to expand promising, innovative education-improvement practices at the district level, would be divided into three tiers, with programs that have already shown evidence of success eligible for the heftiest grants of up to \$50 million each.

A second category of “validation” grants, of up to \$30 million each, would go to programs with moderate evidence of success. The smallest grants, of up to \$5 million each, would be linked to programs that have “reasonable research-based findings or theories.”

Many of those commenting on the draft rules focused on how much evidence should be required to justify a grant, illustrating the tension the department faces in funding innovative, but often untested, education strategies without squandering money on something that isn't going to work.

One line of argument, offered mostly by school districts, was that the level of evidence required for the largest grants would favor a select, few “silver-bullet” reforms, in the words of New York City Schools Chancellor Joel I. Klein.

In a similar vein, Ariela Rozman, the chief executive officer of The New Teacher Project, a New York City-based teacher-training organization, said that although the goal of i3 is to spur innovation, the “draft notice favors the replication of mature projects.”

But the department's own research arm, the Institute of Education Sciences, and the American Educational Research Association, are urging that even more rigorous evidence be required, such as by placing heavier emphasis on the results of well-designed, randomized experiments over less-rigorous research studies.

District Capacity Issues

Many school districts, however, maintain they do not have the capacity or knowledge to find robust research that supports their programs, or that many school officials can't communicate in the language of researchers about terms such as effect size or statistical significance.

“Determining the effect size of a given initiative is something that highly specialized researchers can do, but that school systems—whose job it is to implement a strategy or program—generally do not have the capacity to do well,” wrote Randi Weingarten, the president of the 1.4 million-member American Federation of Teachers.

Others warn that the requirements will be especially burdensome for rural school districts, which don't have large central office staffs to help write and research grant proposals.

Mark Bielang, the superintendent of the Paw Paw Public Schools, in southwestern Michigan, said in an interview that the i3 grants aren't on most rural school superintendents' radar screens, even though there's a competitive edge to applications focusing on rural schools.

“Many of us simply do not have the capacity to spend all of this time applying for grants,” he said.

Legislative Fix

Within the comments, there was also a resounding chorus of agreement with the department's efforts to widen the eligibility for these grants, which are currently limited by the economic-stimulus law to those districts that make adequate yearly progress under the No Child Left Behind Act for the previous two consecutive years.

Language to remove this eligibility requirement is contained in both the Senate and House education appropriations bills pending in Congress. The legislation is expected to pass by the end of the year, or just in time for the final i3 regulations, which are expected within the next several weeks.

In its formal comments, the Hillsborough County, Fla., school district pointed out that if the AYP requirement sticks, no Florida school district would be eligible, since none of the state's 67 districts passed that bar.

In fact, according to the latest data provided by the Education Department, nearly 2,600 school districts did not make AYP for the 2006-07 and 2007-08 school years. That's about 18 percent of the nation's nearly 14,000 school districts, and includes large, urban districts in Boston, Chicago, Dallas, the District of Columbia, and Seattle.

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