

# Race to the Top Grantee Frequently Asked Questions



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

January 31, 2011

**Purpose of the Race to the Top Grantee Frequently Asked Questions**

The purpose of this frequently asked questions (FAQs) document is to provide information to grantees about implementing 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 (ARRA); 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.

Any future additions to FAQs for this program will be posted at the website:  
<http://www2.ed.gov/programs/racetothetop/faq.html>.

**U.S. Department of Education – Race to the Top Grantee FAQs  
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## **A. Grant Administration**

### **A-1. What is the timeline for obligating and spending Race to the Top funds?**

Grantees must plan to complete all activities outlined in their approved applications and obligate all Race to the Top funds by the end of the four-year grant period, which began on the date their funds were awarded. Grantees will have 90 days after the end of their project period to liquidate funds (see 34 CFR 80.23(b)). Both Phase I and Phase II grantees should refer to their Grant Award Notifications to determine their award date and corresponding final date for obligations.

Grantees are also eligible to be reimbursed for pre-award costs from the date their award was announced. For Phase I grantees, the announcement date was March 29, 2010; for Phase II grantees, the announcement date was August 24, 2010.

Note that while the U.S. Department of Education (the Department) does have the authority to allow for no-cost extensions past the grant period, approval will not be granted for any grantees until a significant portion of program implementation has been completed, at which point approvals will be determined on a case-by-case basis.

It is important to note that all Race to the Top funds not obligated and liquidated by September 30, 2015 will revert to the U.S. Department of the Treasury.

### **A-2. What are the rules that govern the amount of Race to the Top funds that a grantee or subgrantee may draw down at any one time?**

A State must have an effective system for managing the flow of funds to ensure that local educational agencies (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 CFR 205 (see 34 CFR 80.21(b)). Grantees and subgrantees must promptly, but at least quarterly, remit to the Department interest earned on advances (34 CFR 80.21(i)). The Department will take appropriate actions against grantees and subgrantees that fail to comply with this requirement.

### **A-3. 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.

**A-4. May grantees use Race to the Top funds for indirect costs related to administration of the grant?**

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 use Race to the Top funds for indirect costs, consistent with its approved 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.<sup>1</sup> The indirect cost rate must be applied in accordance with the terms and procedures in the Indirect Cost Rate Agreement.

If a grantee receives an approved Indirect Cost Rate Agreement during the grant period with a different rate than the rate included in its originally approved budget, the State may request to revise its Race to the Top budget to reflect the revised rate. In cases where the revised rate is higher than the approved rate, the Department may consider allowing the grantee to shift direct costs to indirect costs in order to recover indirect costs at the higher negotiated indirect cost 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 subgrant 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) of the Budget Summary Table, Project-Level Budget tables, and Form 524B. [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>.

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<sup>1</sup> 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.

## **B. State Activities**

### **B-1. What activities are grantees required to complete during the grant period?**

Race to the Top grantees and subgrantees are responsible for implementing the State and LEA scopes of work submitted to the Department, including the timelines and budgets proposed in these scopes of work. Race to the Top funds may be used only for activities proposed in the State's approved grant application, unless otherwise approved by the Department.

In the event that the Department determines that a grantee is not meeting its goals, timelines, budget requirements, or annual targets; is carrying out unallowable activities; or is not fulfilling other applicable requirements; the Department will take appropriate enforcement action(s), which could include any of the enforcement measures that are set forth in 34 CFR 80.43 in the Education Department General Administrative Regulations (EDGAR) including putting the grantee on reimbursement payment status, withholding funds, disallowing costs, or exercising any available legal remedy.

### **B-2. What is the process for requesting a change to a State's Race to the Top plan and/or budget?**

As a condition of receiving a Race to the Top grant, each Race to the Top State agreed to implement all of the activities and meet the timelines in its application, scope of work, and budget. As such, each Race to the Top State will be held accountable for implementing its plan. The Department recognizes, however, that there may come a time when a grantee may need to revise its plan due to unforeseen or unanticipated circumstances in order to keep on its path of reform to improve student outcomes. The Department has the authority to approve amendments to a State's Race to the Top application, budget, and State scope of work. Grantees may propose revisions to goals, activities, timelines, budgets, or annual targets, provided that the following conditions are met:

- The revisions do not result in the grantee's failure to comply with the terms and conditions of the award and the program's statutory and regulatory provisions;
- The revisions do not change the overall scope and objectives of the approved proposal; and
- The Department and the grantee mutually agree in writing to such revisions. The Department has sole discretion to determine whether to agree to such revisions or modifications.

A grantee must request an amendment for proposed revisions that constitute a substantial change in activities from the approved grant project; budgetary changes that exceed \$100,000 of the current approved budget, including transfers among direct cost categories (e.g., personnel, travel, equipment) and among separately budgeted programs, projects, functions, or activities; and for changes to the list of participating LEAs.

A grantee must submit any proposed amendment to the Department in writing. When submitting an amendment, grantees must provide information regarding the grant project

area that would be affected by the change, a description of the requested change, an impact statement regarding the potential effect on the grantee's performance measures and student outcome goals, budget documentation, and the signature of the payee (e.g., SEA Chief or representative.) Amendment requests must be submitted prior to implementing any changes to grant projects or budgets and should be submitted to the State's program officer at the Department. Additional information on the amendment submission procedures and requirements are available on the Department's website at <http://www2.ed.gov/programs/racetothetop/resources.html>.

Please note that all approved amendments will be posted publicly on the Department's website, along with the State's rationale for the change.

### **C. LEA Participation**

#### **C-1. When may LEAs sign up to become participating LEAs under the grant?**

States were encouraged to sign up all of their participating LEAs before applying for a Race to the Top grant but were permitted to add participating LEAs up until 90 days after the announcement that the State had been awarded a grant.

If a State chooses 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 of the Elementary and Secondary Education Act of 1965, as amended (ESEA), it will need to recalculate its section 14006(c) subgrant allocations to all participating LEAs. For this reason, we strongly encourage each State to establish its group of participating LEAs as soon as possible, but no later than within the first 90 days of the grant period, and to maintain the same group over the life of the grant period.

#### **C-2. Do participating LEAs have to implement the State's entire plan?**

Generally, LEAs are expected 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 the scope of LEA participation in the State's plan. This could include specifying the required significant portions of the State's plan that participating LEAs must implement.

#### **C-3. 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. A State has the discretion to include a clause requiring minimum levels of school participation in its agreement with an

LEA, keeping in mind that participation levels should be consistent with the LEA's scope of work.

**C-4. How may a State support its non-participating LEAs that 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 "involved LEAs." 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 State's 50 percent of funds or from other sources.<sup>2</sup>

**C-5. When and how may a State add involved LEAs under the grant?**

A State may, at its discretion, add an LEA as an involved LEA at any time. Adding involved LEAs will not require approval from the Department, since States were not required to submit information on their involved LEAs as part of their application, nor would a State need to recalculate its section 14006(c) subgrant allocations to participating LEAs.

**C-6. Are involved LEAs required to submit a scope of work, even if they are not involved in all aspects of the State's plan?**

The Department expects that involved LEAs will complete scopes of work that are consistent with applicable project plans once the State has made final decisions on the amount of funding available to involved LEAs. As with scopes of work for participating LEAs, States should keep on file (for the purposes of record-keeping and monitoring) the scopes of work for involved LEAs.

Note that involved LEAs' 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 actions taken by and outcomes achieved by participating LEAs.

**C-7. May an LEA that does not receive funding under Title I, Part A of the Elementary and Secondary Education Act (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, at its discretion, provide funding for such a participating LEA from the State's 50 percent of the grant.

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<sup>2</sup> There are two categories of funding under the Race to the Top general program. As discussed in previous FAQs (dated May 27, 2010), 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. 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.

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).

As described in B-2, grantees must request approval from the Department before making substantive changes to their approved grant applications, including changes in participating LEAs.

**C-8. Once an LEA signs the memorandum of understanding (MOU) and submits a scope of work, may it be removed from the list of participating LEAs?**

In certain situations, an LEA may be removed from participation in the project. An LEA may choose to withdraw from the State's Race to the Top reform plan, as long as the terms of the withdrawal are consistent with the termination terms in the MOU signed between the State and the LEA and the scope of work, if applicable.

In other cases, if a grantee determines that a participating LEA is not meeting its goals, timelines, budget requirements, or annual targets; is carrying out unallowable activities; or is not fulfilling other applicable requirements; the grantee may take appropriate enforcement action(s), which could include any of the enforcement measures that are set forth in 34 CFR 80.43 in the Education Department General Administrative Regulations (EDGAR) including putting the LEA on reimbursement payment status, withholding funds, disallowing costs, or exercising any available legal remedy.

Note that, as described in question B-2, grantees must request approval from the Department before making substantive changes to their approved grant application, including changes in participating LEAs.

**D. LEA Funding Allocations**

**D-1. How must 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 five LEAs, of which three are participating in the State's Race to the Top grant. Assume that those three 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		

**D-2. 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.

**D-3. May a State opt to re-calculate LEA allocations after Year 1 of Race to the Top to account for additional participating LEAs or to adjust for revised relative shares of Part A of Title I of the ESEA using more recent data than the 2009 appropriation?**

Grantees may request to re-calculate their LEA allocations based on revised LEA participation numbers or more recent data on Part A of Title I of the ESEA. The Department will consider these requests on a case-by-case basis, only after new data that would affect LEA allocations become available to the State. States are encouraged to consider, among other things, the importance of communicating with LEAs on changes that may affect the total funding available to them, the possible risks to LEA participation should allocations change, and the extent to which changing LEA allocations may make it more difficult for LEAs to complete the activities outlined in their approved scopes of work.

**D-4. May a State allow LEAs to organize into consortia with the purpose of combining Race to the Top funds and pooling resources?**

Yes. States may elect to allow LEAs to organize into consortia in order to assist in meeting the objectives of the State and LEA Race to the Top plans. However, States must insure that the following criteria are met in cases in which the LEA allows another entity to administer a portion of the funds:

1. All participating LEAs must be subgranted the full allocation of Race to the Top funds to which they are entitled based on their relative shares of Part A of Title I of the ESEA. Grantees are responsible for maintaining sufficient records to show that LEAs received their full allocations prior to designating another entity to administer the funds on behalf of the consortium. In particular, LEA scopes of work must include detailed plans for the use and administration of all Race to the Top funds, including those administered by an entity on behalf of a consortium.
2. The State and LEAs, both those that are acting as fiscal agents of Race to the Top funds and those that are providing Race to the Top funds to another entity for disbursement, are responsible for maintaining sufficient documentation to account for the disposition of all Race to the Top funds. In particular, this documentation should provide a record of the services provided and/or received by the LEA or consortium's fiscal agent in return for Race to the Top funds.

Likewise, grantees may determine that it is in the interest of the State's overall reform agenda to allow or require LEAs to allocate a portion of their Race to the Top funds to the State for particular activities included in the LEA or State Race to the Top plans. In these cases, the criteria above must be met and States are strongly encouraged to communicate with LEAs regarding the services that will be provided in return for the funds and the ways in which these services support the State's Race to the Top plan.

States and LEAs must take into consideration that documentation on the disposition and uses of Race to the Top funds will be required for audit purposes and that all applicable regulations regarding the transfer of funds and their disbursement by the grantee or subgrantee apply, including those found under U.S. Department of the Treasury regulations at 31 CFR part 205 and 34 CFR 80.21(b).

**D-5. 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.

**E. Uses of Race to the Top Funds**

**E-1. May 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, the MOU, the final LEA scope of work 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 of the ESEA, the LEAs' uses of Race to the Top funds are not subject to the restrictions on uses of funds that apply to Title I funds.

**E-2. May a State elect to limit LEA access to Race to the Top funds over a specific time period based on State-determined measures?**

Yes. States may limit LEA access to funds as long as LEAs ultimately receive the entire allocation they are entitled to through the Title I funding formula over the course of the four-year Race to the Top project period. A State may choose to limit LEA access to funds for various reasons, such as non-compliance with cash management policies.

If a State chooses to limit access to funds to participating LEAs, the Department encourages States to clearly communicate the requirements LEAs must meet in order to access their funds, the process and standards that will be used to determine if LEA funds will be limited, and the measures by which LEA progress will be measured.

**E-3. May 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 from its portion of funds. 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.

**E-4. Is there a cap on administrative expenses for either States or LEAs?**

No. There is no cap on administrative expenses for States or LEAs. In writing their proposals, States were allowed to include items such as indirect costs to cover overhead and other administrative expenses. However, while administrative expenses are not prohibited, States should ensure that State-level costs in this area are reasonable, necessary, and aligned with the approved budget. Similarly, States are also responsible for ensuring that administrative costs charged by LEAs are reasonable and necessary.

**E-5. May Race to the Top funds be used to pay for travel expenses for candidates traveling for job interviews?**

No. Race to the Top funds may not be used to pay for candidates to travel for job interviews because they are not yet State employees. OMB Circular A-87 provides that allowable "Travel costs are the expenses for transportation, lodging, subsistence and related items incurred by employees who are in travel status on official business of the governmental unit."

**E-6. May private schools receive Race to the Top funds?**

No. The statutory language of the ARRA specifically provides 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.

**E-7. 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,<sup>3</sup> 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. 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 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) (see 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.

**E-8. May Race to the Top funds be used to support early childhood education programs?**

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<sup>3</sup> Available at: [www.ed.gov/programs/statestabilization/guidance-mod-05112009.pdf](http://www.ed.gov/programs/statestabilization/guidance-mod-05112009.pdf).

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.

**E-9. Are there "supplement, not supplant" requirements for Race to the Top?**

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

**E-10. Can federal funds be used to purchase food for RTT-related events?**

Food is not an allowable expense if it is part of an activity that is considered to be entertainment. (See OMB Cost Circular A-87, Attachment B item 14, available at: [http://www.whitehouse.gov/omb/circulars\\_a087\\_2004](http://www.whitehouse.gov/omb/circulars_a087_2004)). However, food may be an allowable cost if it is necessary to accomplish the objectives of the program, and is reasonable in cost. For example, we do not consider meal services at an RTT-related conference to be necessary to accomplish the objectives of the program. There may be rare instances where food is a necessary and reasonable cost. For example, if a State's RTT plan proposes to complete community outreach in the evening and low-income families would otherwise not be expected to participate in the event, providing food may be reasonable and necessary.

**F. Technical Assistance**

**F-1. Will the Department provide technical assistance to States?**

Yes. The statute allowed the Secretary to reserve up to one percent of the total funds available for Race to the Top for technical assistance (TA) to States.

In collaboration with the Department, the Race to the Top TA Network will provide technical assistance to support States in implementing Race to the Top reforms to achieve dramatic improvements in student outcomes by:

- Boosting the capacity of State agencies to accelerate reforms and continuously improve outcomes;
- Supporting States in working effectively with LEAs to drive reform;
- Identifying and sharing promising and effective practices;
- Facilitating collaboration across States; and
- Supporting transparency, and appropriate and efficient use of funds.

**F-2. 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 completed a final 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.

## **G. Transparency, Accountability, Reporting, and Other Obligations**

### **G-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](http://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](mailto:oig.hotline@ed.gov). Moreover, recipients are reminded that significant new whistleblower protections are provided under section 1553 of the ARRA.

### **G-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 English Learners 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](http://FederalReporting.gov) for the Stabilization and Race to the Top programs.

**G-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>.

**G-4. 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](http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html).