Joanne Weiss’ career demonstrates that social innovations are often created and driven by people who reach across the nonprofit, for-profit, and government sectors. Weiss started her career by co-founding and leading several for-profit companies, most of which were in the educational field. She then joined the nonprofit NewSchools Venture Fund, which for the last 12 years has funded nonprofit and for-profit educational reform organizations. And last year Weiss was recruited to be the director of the U.S. Department of Education’s $4.3 billion Race to the Top Fund.

The Race to the Top Fund is not a typical government program. Instead, it borrows from the nonprofit and for-profit sectors, most notably the idea that competition can stimulate change. Rather than getting grants based simply on how many children are in school or how many schools are failing, states must compete for money by putting forward innovative programs that improve their educational system. Some states will get money and others will not, based on performance and outcomes.

In this interview with Stanford Social Innovation Review Managing Editor Eric Nee, Weiss explains what the department hopes to accomplish with Race to the Top, what criteria will be used to judge the states’ proposals, why it is important for states to compete for funding, and how the Race to the Top Fund is different from the U.S. Department of Education’s Investing in Innovation Fund.

Eric Nee: Before joining the U.S. Department of Education you spent nearly eight years at the NewSchools Venture Fund. What were the fund’s biggest accomplishments?

Joanne Weiss: There are probably three big accomplishments that came out of NewSchools during the time I was there. First, NewSchools helped build an education reform movement—whether it was the conferences that NewSchools ran, or the knowledge management activities that it undertook, or the different convenings and communities of practice that it started. It had the impact of creating a community of education reformers in K-12 who had similar goals and were in the field every day fighting to dramatically improve educational outcomes for underserved students. It’s exhausting work, and finding other people with common points of view, engaged in common efforts, who can learn from and with one another, can invigorate and fuel a movement.
The second thing we did was to help create the field of venture philanthropy. The idea of applying venture capital processes and concepts to creating a new social sector—in this case, education reform—was largely untried at that point. NewSchools did a terrific job of proving that you could take the approaches that worked so well to build industries on the for-profit side and apply them in the nonprofit world. NewSchools was a nonprofit, so there was no financial return back to the investors, but with that one tweak, everything else—from thinking how you invest, build, and scale organizations for the long term, take board seats, remain committed to the organizations and help them grow and become real forces in a new marketplace—applied beautifully from the venture capital world into the venture philanthropy world.

The third accomplishment is that we helped create the charter management organization market. The notion that charter laws provided a terrific umbrella for scaling a new type of school system, not just individual schools, was an insight that Kim Smith, Reed Hastings, and Don Shalvey had. You could use charter school laws, not just to let 1,000 flowers bloom, but actually to scale and grow the most successful schools by creating systems of schools operated by charter management organizations.

Why did you leave NewSchools and join the federal government? Arne Duncan (now U.S. secretary of education) was a leader in the education reform community, and I had known him, albeit not well, for some time. I had tremendous respect for him—not only for his intellect and for his accomplishments in Chicago (where he was CEO of Chicago Public Schools), but also for his political courage. Everything he did and said had to meet the test of “what’s going to be best for education and best for kids?” I’m not a political person or an ideologue—I’m a pragmatist. If it works for children educationally, I’m for it. So Arne’s approach resonated with me.

The combination of Arne’s leadership and the amount of funding that the department had gotten from the stimulus created a perfect storm for education reform. The opportunity to create educational reform at a national scale was very compelling. When he made me the offer to lead the Race to the Top, it was a once-in-a-lifetime opportunity that I couldn’t say no to.

Why is the Race to the Top Fund important? There are pockets of excellence and incredible assets that a lot of states have within their borders—schools and districts that are doing tremendous work for kids. The problem is that we don’t recognize those efforts, understand what it takes to replicate them, and disseminate what’s working and make sure that it’s spread across the state.

Race to the Top is designed to help America identify which states “get” the problem and are willing to step up to the plate and say: “You know what? We do have assets in our state. Here are the things that are going well and here’s how we’re going to scale and replicate those things. And here are things we’re not doing so well, but another state, another country, another place is doing them well. We’ve studied them, and here’s what we’re going to do in our state.” The hope, of course, would be that once we’ve got a number of states doing it, the rest of the states can come along.

The third area is data systems. I am a data geek from way back. I have a tremendous belief that education should be much more rooted in data, in cycles of continuous instructional improvement. Teachers and principals need to become really good consumers of instructional data and use it to make informed decisions about what kids need.

The last area is turning around struggling schools. No system is stronger than its weakest link. We’ve got schools that, in some cases for decades, have been manufacturing dropouts instead of high school graduates. That is totally unacceptable. Tinkering around the edges doesn’t work. You need a wholesale turnaround plan in place for those schools in order to make sure that they are delivering a totally different kind of education.

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Which of those four areas has there been the most controversy over? The controversy is primarily in two places. One is around school turnaround. Here, the controversy isn’t so much whether we should be engaged in turning around schools, it’s that people don’t know how to do it. We’re getting a lot of comments like “you’re too prescriptive” or “you’re not prescriptive enough.” The “you’re too prescriptive” argument goes like this: “We don’t have proven answers about how to actually turn these schools around, so how can you say that these approaches are the approaches that we should try?” The “it’s not prescriptive enough” argument holds that adults have been letting kids down in these systems for years and years, so we have to get very, very clear about what needs to happen to turn these schools around, or it will never happen.

The truth is that we don’t know exactly how to turn around schools. The truth is also that excuses and inaction don’t help
students who are trapped in these schools. It’s a real dilemma, not a fake one. But at the department, our feeling is that we have some models of success on which to build and we need to step up to the plate and start working on it.

The other big controversy is around teacher effectiveness. How do you measure teacher effectiveness? How do you know whether a teacher is a good teacher or not? And how important is it to know whether a teacher is a good teacher or not? There’s a very complex national debate going on around that issue now, and the Race to the Top asks states to take these questions head on.

Is the Department of Education agnostic about what programs the states put forward, or will you be favoring some solutions over others?
What we’ve tried to do in the guidelines is to be clear that these four areas make up the fundamental pillars of the education system. But the right way to address each of these is often a very local issue. States should look at what assets they already have, what they’re good at, and build on those. States set their own goals in these areas and put together their own plans for how they are going to address them.

In the past the department has operated a system based largely on compliance monitoring and formula funding. We’ve built entire systems around checking boxes. We need to retool our systems at the federal level so that we’re focused on helping support the success of states. And states need to retool their support systems so that they are adding more value to their districts and schools, helping them be successful and improve student outcomes. Those are not the roles that any of us have been in, but it is the big change that I think we all believe needs to happen.

This money was part of the stimulus package, which was a one-time appropriation. Is there any notion that the program could be funded in the future?
Over the next few months we will take up reauthorization of the Elementary and Secondary Education Act (the No Child Left Behind Act), so it’s likely that we’ll be talking to Congress about this issue. We’ll definitely be talking to Congress about the role of competitive funding vs. formula funding. This is an issue we’ve been talking a lot about internally, because these two types of programs have different purposes—they’re used to achieve different kinds of goals and outcomes. They’re both important, but by and large, the department’s tool in K-12 education has, to date, been formula funding. I think that you’ll see us recommending a much heavier role for competitive funding like Race to the Top going forward. Maybe even a Race to the Top II.

What is formula funding?
Formula funding is the way most funding is distributed by the department; it allocates specific amounts of money based on a formula. Formula funding is vital to getting federal money to particular programs that serve children who might otherwise be under-supported. For example, Title I funding is directed toward low-income students; migrant funding supports programs specific to meeting the needs of children of migrant workers. You could imagine students being marginalized, underserved, or even neglected if there wasn’t specific money “assigned” to them.

The downside of large formula funding programs is that they can lead to complacency as opposed to excellence, because, for example, whether a high school is graduating 90 percent of its kids or 40 percent of its kids, it still gets its funding. With Race to the Top, states win funding based on performance and outcomes. We think it’s an important part of the way that funding needs to happen in the future.

Are you prepared for the political fallout that might occur when some states get money and others don’t?
Ask me in a year, I guess! But today I’d say “absolutely.” After all, the goal here is to identify the states that have the best ideas and provide them with funding to replicate their good ideas and show the rest of the country how to do it. I think everybody is prepared for there to be winners and losers—that’s what happens in a competition.

How is the Race to the Top Fund different from the Education Department’s Investing in Innovation Fund?
The grantees for Race to the Top are states. It’s a theory of change based on comprehensive, statewide education reform. The Innovation Fund is for districts and nonprofits. Its theory of change is to support and incent innovation and to scale up specific programs that show evidence of success.

There are a lot of questions in education that we don’t know the answer to. We’ve got to have a funding engine that provides the fuel for innovation, to make sure that we are getting the best ideas out there, that they’re known, and that they’re replicable. The Innovation Fund is designed to do that.

Why not pool the two funds?
Because the small innovations would get overlooked. The state level is about scale, whereas innovation is first about ideas, then about being able to do it with reliability and validity, and then about scale. If you don’t have those first two steps, you don’t ever get to scale.

The Innovation Fund sounds similar to what you did at NewSchools.
Yes, it is similar. At NewSchools, we were funding entrepreneurs who were, by and large, nonprofits or school management organizations. The Innovation Fund is for nonprofits and districts.

Is there any coordination between the Race to the Top Fund and the Innovation Fund?
There’s a lot of effort in the department to make sure that these programs are aligned and moving consistently in the same direction. That has been a problem in the past—a lot of federal programs have worked at odds with one another or in disjointed instead of complementary ways. These two programs have aligned goals. Having said that, if you’re a district in a state that wins Race to the Top, you don’t get preference in the competition for the Innovation Fund, or vice versa.

It must be exciting to see a lot of the ideas that you helped launch while at NewSchools now have the support of the federal government with billions of dollars behind it.
Yes, it’s very exciting. It definitely feels like a wonderful opportunity and a great time to be doing this work. It gives me a lot more hope for the future of education than I’ve had for a while. And I’m a pretty hopeful, optimistic person. So that’s saying a lot. ☺