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### Education

# Ed tech company folds after receiving millions in Race to the Top funds

By [Emma Brown](#) May 6

An education technology company has folded after receiving millions of dollars in federal [Race to the Top](#) funds to provide online assessments and other services to school districts.

Charlotte-based Thinkgate LLC shut down last week, according to state education officials in Ohio and Massachusetts, two states that used Race to the Top money to contract with the company.

Their joint contract with Thinkgate does not expire until the end of the school year, leaving some schools scrambling to fill the void left by the company's closure and some parents concerned about the security of student data in the company's systems.

The company also had statewide contracts in North Carolina and Illinois, and altogether served more than 500 education agencies and 3 million students, according to its Web site.

Thinkgate chief executive and founder Eric Waynick did not respond to e-mail requests for comment Wednesday and calls to his office were sent to a voice mailbox that was full and not accepting messages.

The growing company had 70 employees last year when it moved from Atlanta to Charlotte, and it had been planning to hire another 120 people, according to the [Charlotte Business Journal](#).

Ohio and Massachusetts teamed up to sign a joint contract with Thinkgate after each state promised, in their 2010 applications for Race to the Top grants, to create "instructional improvement systems": Online platforms meant to give teachers a one-stop shop for accessing academic standards and curriculum; creating classroom tests aligned to state academic standards; and storing and analyzing student test scores and other data.

The joint contract covered two school years, 2013-2014 and 2014-2015. Education officials in both states said they hoped that at the conclusion of that period, school districts that liked the system would sign individual contracts with Thinkgate.

But last week the company went out of business, surprising educators in both states.

Ohio education officials were informed on April 28 that Thinkgate would be going out of business within two days, according to an e-mail from a state official to school district superintendents

“If you would like to keep and use any assessments that you have created, you will need to immediately print and save them before the system shuts down,” said the e-mail, obtained by The Washington Post.

Ohio, which received about \$400 million in Race to the Top funds, has paid Thinkgate \$9.8 million to date for its services, said John Charlton, a spokesman for the state education department. More than 300 school districts signed up to use the system in 2013, he said. In 2014-2015, fewer than 150 school districts were using the system.

Mark Neal, the superintendent of the Tri-Valley Local School District, criticized the state education department’s contract with Thinkgate as a waste of time and money, and he said the company’s sudden closure raised questions about the security of children’s private information.

The contract “was a dismal failure that ended exactly in the way that most parents and educators were most concerned about. Student data in the hands of for-profit corporations,” he wrote in a text message.

Charlton said that the Thinkgate contract includes safeguards regarding secure storage and destruction of data. Ohio’s student data has been transferred to a secure server in the state, he said.

Massachusetts education officials also said that student data would be destroyed in accordance with state standards. Approximately 60 of Massachusetts’s 400 school districts were using the Thinkgate system.

Officials could not immediately say how much Massachusetts has paid Thinkgate to date. The state received \$250 million from Race to the Top.

Officials in both states said they could not immediately provide a copy of the Thinkgate contract.

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Emma Brown writes about national education and about people with a stake in schools, including teachers, parents and kids.

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