UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

MAY 05 2009

THE ASSISTANT SECRETARY

The Honorable Tony Bennett
Superintendent of Public Instruction
Indiana Department of Education
State House, Room 229
Indianapolis, Indiana 46204-2798

Dear Superintendent Bennett:

I am writing in response to your letter of January 28, 2009, proposing two changes to Indiana's differentiated accountability model, which was approved by the U.S. Department of Education (the Department) on July 1, 2008, as part of the Department's differentiated accountability pilot and which was the subject of the flexibility agreement that the Department entered into with Indiana on August 1, 2008 (*see* attached).

I am pleased to approve the two changes Indiana proposed and to fully approve the amended differentiated accountability plan. Specifically, the following changes to Indiana's model are hereby approved:

- Public school choice: Indiana will require that districts offer public school choice to all students attending a "Targeted" or "Comprehensive" school, beginning with the first year of school improvement. Accordingly, public school choice will be offered to all students in addition to supplemental educational services, which will be offered to low-income, non-proficient students, as originally approved for Indiana's differentiated accountability model.
- Interventions for Comprehensive-Intensive schools: Indiana will require schools in this category to use either a State Support Team or participate in the Institute for School Leadership Teams, but not both. In addition, Indiana will double (from 10 to 20 schools) the number of schools in this category.

Each of the foregoing changes will be effective beginning with the 2009–10 school year and will remain in effect throughout the duration of the flexibility agreement that permits Indiana to include its differentiated accountability model as a part of its system of interventions under section 1116 of the Elementary and Secondary Education Act of 1965. Approval of these changes to Indiana's model does not otherwise modify or amend any of the terms and conditions of the flexibility agreement entered into on August 1, 2008.

I look forward to seeing the impact of the differentiated accountability model on student achievement and school reform in Indiana. If you have any questions, please do not hesitate to contact Patrick Rooney (Patrick.Rooney@ed.gov) of my staff.

Sincerely,

Joseph C. Conaty
Delegated Authority to Perform the Functions and Duties of the Assistant Secretary for Elementary and Secondary Education

Enclosure
cc: Governor Mitch Daniels
Lee Ann Kwiatkowski

UNITED STATES DEPARTMENT OF EDUCATION
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THE ASSISTANT SECRETARY

AUG 1 2008

The Honorable Suellen K. Reed
Superintendent of Public Instruction
Indiana Department of Education
State House, Room 229
Indianapolis, IN 46204-2798

Dear Superintendent Reed:

Congratulations on submitting a successful proposal for the U.S. Department of Education's (Department) differentiated accountability pilot. This pilot provides states with an opportunity to explore ways to better match the interventions to improve student achievement to the academic reasons that led to a school's identification for improvement, and helps states target resources and interventions to those schools most in need of intensive assistance under the *Elementary and Secondary Education Act* (ESEA), as amended by the *No Child Left Behind Act of 2001* (NCLB). I commend you and your staff on developing a technically and educationally sound proposal that is consistent with the core principles of the pilot.

As mentioned by the Secretary in her July 1, 2008 letter, on behalf of the Department, I am entering into this flexibility agreement with Indiana under section 9401 of the ESEA. This agreement permits Indiana to include its differentiated accountability model as a part of its system of interventions under section 1116 of the ESEA for a period of up to four years, from the 2008-09 school year through the 2011-12 school year, unless reauthorization of the ESEA changes the requirements on which Indiana's model is based. As part of this flexibility agreement, Indiana must agree to certain conditions detailed in the enclosure of this letter and summarized below. Should Indiana fail to satisfy these conditions, or should it fail to remain eligible to participate in the pilot, the Department may terminate this flexibility agreement.

To participate in the pilot, Indiana must participate in the Department's evaluation of its differentiated accountability pilot program and provide data to the Department on the number and characteristics of schools in each category and phase of improvement under the differentiated accountability model.

In addition, because this flexibility agreement allows districts in Indiana to provide supplemental educational services (SES) to eligible students in Title I schools in the first year of improvement and count the costs for those services toward the 20 percent expenditure requirement, Indiana must satisfy certain additional conditions. In particular, and as described more fully in the enclosure to this letter, Indiana must ensure the following in the participating districts: an increase in the number of students receiving SES from prior years; parent access to SES providers; timely, clear, accurate parental notification; multiple or continuous enrollment periods; and a level playing field for all providers. Indiana must also supply SES and public

school choice data to the Department via the Educational Data Exchange Network (EDEN), and must submit an interim report to the Department on the implementation of this SES flexibility by January 1, 2009, and a final report by June 30, 2009.

Additionally, to remain eligible to participate in the pilot, Indiana must continue to make progress on its compliance with Part B of the Individuals with Disabilities Education Act (IDEA), as amended in 2004. William W. Knudsen, Acting Director of the Office of Special Education Programs, outlined the Department's concerns regarding Indiana's compliance with IDEA, Part B in his June 6, 2008 letter (http://www.ed.gov/fund/data/report/idea/partbspap/2008/in-aprltr-2008b.doc).

As required by section 9401(b)(3)(A) of the ESEA, within 30 days of the date of this letter, Indiana must provide all interested local educational agencies in the state with notice in the manner in which it customarily provides similar notice to the public and a reasonable opportunity to comment on its request to participate in the differentiated accountability pilot. Within 30 days thereafter, Indiana must submit any comments to the Secretary. Indiana must also submit a report under section 9401(e)(2) of the ESEA to the Department at the end of the school year that describes its use of the differentiated accountability model.

Again, I congratulate you on Indiana's successful differentiated accountability proposal. I look forward to seeing the impact of the differentiated accountability model on student achievement and school reform in Indiana. If you have any questions, please do not hesitate to contact Abigail Potts (Abigail.Potts@ed.gov) or Patrick Rooney (Patrick.Rooney@ed.gov) of my staff.

Sincerely,

Kerri L. Briggs, Ph.D.

Enclosure

cc: Governor Mitch Daniels
Linda Miller

Conditions of Flexibility Agreement with Indiana

To participate in the U.S. Department of Education's (Department) differentiated accountability pilot, Indiana must agree to take each of the following actions:

Differentiated Accountability

- Provide data comparing the number and characteristics of schools in each level of school improvement under the statutory requirements and the number and characteristics of schools in each category of improvement under Indiana's differentiated accountability model.
- Participate in the Department's evaluation of its differentiated accountability model.
- Continue to make progress on resolving issues with its compliance with IDEA, Part B, as detailed by Acting Director of the Office of Special Education Programs William W. Knudsen in his June 6, 2008 letter.

Supplemental Educational Services (SES)

- Availability of SES providers.
  - Maintain a comprehensive list of approved SES providers, which may include nonprofit, for-profit, faith- and community-based, and online providers; and
  - Ensure that there are at least two providers available in each participating local educational agency (LEA) from which parents may choose.

- Effective parent notification and outreach. Ensure that participating LEAs:
  - Provide timely, clear, accurate notice to parents about the identification of their child's school as in need of improvement and their parental involvement opportunities, including the availability of the SES and public school choice options, in simple language that parents can understand;
  - Notify parents of eligible students about SES prior to the start of the 2008-09 school year, or within the first few weeks of the school year, and provide SES shortly thereafter; and
  - Offer continuous enrollment in SES or multiple SES enrollment periods throughout the 2008-09 school year until each participating LEA spends the 20 percent required by Title I of the ESEA or until all students who request SES and public school choice are served.

- Level playing field for all providers. Ensure that participating LEAs:
  - Provide fair and equitable treatment of non-LEA providers by giving providers access to school facilities at a reasonable price and dividing space among providers in a fair manner; and
  - Allow providers to market their services to parents and work with community and business partners to reach out to parents and provide them with information on their options.

- Reporting.
  - Submit complete and accurate public school choice and SES data for all its LEAs to the Department via the Educational Data Exchange Network (EDEN) for the 2007-08

school year by the end of October 2008, and for the 2008-09 school year by the end of October 2009; and

- Submit reports to the Department on how the conditions of the flexibility relating to SES were met, including an explanation of trends in participation in SES and public school choice within the participating LEAs, at the end of the first semester of the 2008-09 school year and at the end of the second semester of that school year.