



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

November 14, 2013

The Honorable Bill Haslam
Office of the Governor
State Capitol
Nashville, Tennessee 37243-0001

Dear Governor Haslam:

I am writing in response to Tennessee's request to amend its approved Race to the Top grant project. Between July 12, 2013 and October 25, 2013, the State submitted amendment requests to the U.S. Department of Education (Department). As you are aware, the Department has the authority to approve amendments to your plan and budget, provided that such a change does not alter the scope or objectives of the approved proposal. In March 2013, the Department issued "Amendment Requests with No-cost Extension Guidance and Principles" indicating the process by which amendments containing requests to provide additional time for a grantee to accomplish the reform goals and deliverables it committed to in its Race to the Top application and approved Scope of Work would be reviewed and approved or denied. To determine whether approval could be granted, the Department has applied the conditions and elements specific to no cost extensions noted in the document, and compared it with the Race to the Top program *Principles* included in the "Grant Amendment Submission Process" document issued to Governors of grantee States in October 2011.

I approve the following amendments, including an extension to the time period for implementation of two projects and conditions for three projects, as described below and in the attached table.

- The "School Turnaround" budget includes Renewal and Focus school grants based on categories of low-performing schools as well as revised activities for ESEA Focus Schools, Reward Schools, and Priority Schools aligned with the State's approved ESEA Flexibility request (see Race to the Top amendments approved in September and December 2012). In the "School Turnaround" project, shift funds based on final expenditures and utilizing other State and federal funding sources to carry out grant activities.

www.ed.gov

400 MARYLAND AVE., SW, WASHINGTON, DC 20202

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

- *ESEA Focus Schools:* Consistent with its commitment, the State granted competitive awards to more than one-third of the 170 schools identified as Focus Schools under the State's new accountability system, and provided contractual support for Tennessee Academic Specialists for schools not awarded competitive grants. Other funding sources were used for more of the costs to carry out these activities than initially budgeted and therefore \$9,218,237 will shift to "Common Core Standards Professional Development." Additionally, the State will shift \$231,872 budgeted for a "Gap Closure Specialist" given that role of this position is now met through a position in each of the State's eight CORE offices to "Common Core Standards Professional Development."
- *Reward Schools:* Consistent with the approach of establishing partnerships between Focus Schools and Reward Schools identified in the State's new accountability system, the State recruited its first cohort of 15 Reward School Ambassadors in SY 2012-2013, all of whom returned for the in-service year in SY 2013-2014. The State determined that it was necessary to determine whether this program has an impact in the field before recruiting a second cohort. The State is approved to shift \$700,000 in Year 4 budgeted for the first year of cohort two to support another aspect of the State's plan on the condition that it submit data evidencing whether the program did or did not have its intended impact by September 30, 2014.
- *Priority Schools:* The State is meeting the commitment of supporting Priority Schools principals through other funding sources and therefore will shift the \$1,504,351 previously budgeted for this activity to "Common Core Standards Professional Development."
- *Focus Schools:* The grant period for the initial Focus School grants ended. Based on final obligations, the State will reduce the budget for this activity by \$46,166 and shift it to "Common Core Standards Professional Development."
- *Renewal Schools:* Based on revised estimates to fully fund the 19 grantees previously awarded three-year Renewal School awards, the State will apply \$796,019 of the \$3,164,903 identified in amendment 13 to be requested for specific use in a future amendment. The remainder will be included in the total shifting from this project to support another aspect of the State's plan.

Based on the shifts above and small adjustments across cost categories based on actual costs in Years 1-3 including revised indirect costs, the total four-year budget for "School Turnaround" is now \$30,098,137 and \$13,898,749 shifts to "Common Core Standards Professional Development."

- In the “Scope of Work Supplemental Fund” project, update the budget to reflect the total funds made available for local educational agencies (LEAs) to increase their allocations by committing to implement a specific set of reform activities and extend the timelines for LEAs to implement one category of activities under the condition described below.
 - Based on additional planning, the State made a total of \$8 rather than \$10 million available to distribute to LEAs that opted to commit to a specific reform activity in each of three categories: teacher evaluation, Common Core State Standards (CCSS) implementation, and student assignment. According to the State, this decrease in available funding did not impact interest among LEAs in the project as more than 80 of the State’s 140 participating LEAs committed to implement activities as described in an amendment approved in April 2013. The \$2 million shifts to support the “Common Core Standards Professional Development” project, as described below.
 - Based on the timing of making this opportunity available to LEAs in late spring 2013, the State determined that LEAs needed additional time to effectively implement activities related to student assignment. LEAs that opted to participate in the “Scope of Work Supplemental Fund” will now plan for implementation of their selected student assignment activity in school year (SY) 2013-2014 and fully implement in SY 2014-2015.
 - Approval of this amendment is conditioned on the State establishing a list of evidence it expects LEAs to share with the Tennessee Department of Education (TDOE) at the end of SY 2013-2014 and during SY 2014-2015 to demonstrate the LEAs’ progress carrying out their commitments within the student assignment category. The State will provide evidence to the Department to meet this condition as soon as possible but no later than December 31, 2013.
- In the “Innovation Acceleration Fund” (IAF) project, shift funds based on actual grant obligations and extend the project period to complete activities.
 - Consistent with its Scope of Work commitment, the State awarded multi-year grants to five LEAs to design and implement alternative compensation systems.ⁱ A total of \$9,626,127 was awarded, which will shift from Years 2-4 to Years 3-5 to reflect the timing of paying teachers for performance. In order to provide adequate time and flexibility for LEAs to make adjustments based on actual annual payouts and to complete payouts based on performance in SY 2013-2014, the State is approved to extend the project period for this budget to June 30, 2015.

- Based on the difference between the initial \$12 million budgeted and actual obligations in the “IAF” grant awards, \$2,373,873 will be utilized as follows:
 - \$497,346 remains in “IAF” Year 4 contractual and travel to provide technical assistance to additional LEAs implementing strategic compensation initiatives. Based on outreach with LEAs to prepare applications for the second IAF competition and State policy passed in spring 2013 that will require all LEAs to submit and gain State approval of a differentiated pay plan by the beginning of SY 2014-2015, the State identified a need for broadening supports to LEAs to implement alternative salary schedules. These funds will support TDOE’s development and implementation of training sessions for all LEAs as well as more in-depth planning for approximately 30 LEAs during SY 2013-2014. The State believes this additional technical assistance will allow the State to exceed both the goals as revised in January 2012 and its initial four-year target of 20 percent of LEAs using the qualifying evaluation system to inform compensation of teachers and principals.
 - \$194,351 shifts to support the “Common Core Standards Professional Development” project, as described below.
 - \$1,682,176 will be proposed in an additional amendment(s) for Department review. ⁱⁱ
- In the “Strengthening Instruction in Tennessee Elementary Schools – Focus on Mathematics,” (SITES-M) reduce the budget based on delayed implementation and refined estimates and redirect funds to another project.
 - Due to delays with contracting, implementation of program services through the “SITES-M” expansion supported through Race to the Top were not delivered in SY 2010-2011, therefore one-fourth of the \$8 million budget was not expended. Additionally, based on actual costs in Years 2 and 3 and refined contract estimates for Year 4, the State will reduce the total budget by an additional \$590,600. According to the State, the number of schools and teachers served by the program is not impacted by this budget refinement. Note that based on an update submitted by the State in March 2012, the performance measures for this project are now based on a total of 17 schools and 155 teachers participating.
 - This total, \$2,590,600, will shift to support the “Common Core Standards Professional Development” project, as described below.
- In the “School Leadership” project, further refine the approach to supporting school leadership through activities related to preparation and program approval, human

capital development, and an LEA grant competition to develop or replicate innovative leadership programs. As of January 2013, the Department indicated that it would consider additional State requests for the use of \$5,516,120 remaining from the original "Leadership Action Tank." Based on review of progress updates, amendment requests, and additional documentation submitted, the Department approves the State's request to utilize these funds as follows, with a condition on one activity as described below:

- Further refine the approach to development of a data system to support educator licensure and evaluation. The State is approved to utilize \$2,503,400 to support this activity on the condition that additional information on this approach, including timelines and key milestones expected during and after the grant period, if applicable, is submitted to the Department for review as soon as possible and no later than December 31, 2013.
- Utilize a total of \$561,410 to expand upon the approach to supporting school leadership and update budget estimates. These additional funds will expand support to LEAs around teacher leadership through a Teacher Leader Council and will assist LEAs in recruiting and selecting assistant principals based on the State's new leadership standards through additional tools and training. Additionally, this total accounts for updated budget estimates for personnel, indirect costs, and contractual based on the total awarded to TN LEAD grantees.
- Shift a total of \$2,451,309 as follows: \$852,781 to "Teacher and Principal Evaluation," \$832,228 to "Integrating Data to Improve Instruction," and \$766,300 to "Common Core Professional Development," to support these projects as described below and in the attached table.
- In the "Common Core Professional Development" project, the State will utilize a total of \$19,570,000 funds shifted from the "School Turnaround," "Scope of Work Supplemental Fund," "IAF," "SITES-M," and "School Leadership" projects as described above as well as from the "Rural Literary," "Teacher Working Conditions Survey," "Teacher Preparation Program Report Card," and "STEM Network" as described in the attached table, to continue and deepen its approach for supporting LEAs, school leaders, and teachers in the transition to CCSS. Based on implementation of activities to support the transition to date and feedback from the field on the value and relevancy of those supports as well the State's commitment to fully transition to CCSS in English language arts and mathematics statewide in SY 2013-2014, the State determined that additional focus on professional development in this aspect of its reform plan was critical.
 - One component of the State's strategy for supporting school leaders in the transition is a Leadership Course developed by the State and delivered in each of the eight Centers of Regional Excellence (CORE) regions by school and LEA leaders with a record of improving student achievement. Based on interest

among the 2,800 administrators who participated in the course in SY 2012-2013 as well as those who did not participate, the State will utilize a portion of this increased budget to develop a second follow-up course and to reoffer the first course throughout the State in SY 2013-2014.

- With the input of the Common Core Leadership Council, the State also made tools and training available to LEAs, schools, teachers, and students, to provide opportunities for formative information and learning experiences with the rigor and expectations of the instructional shifts in the CCSS. To that end, the State will utilize redirected funds to contribute to efforts in SYs 2012-2013 and 2013-2014 to develop, administer, and train these groups through authentic constructed response and writing tasks as to build capacity to fully implement the CCSS.
- In the “Distinguished Professionals” project, shift funds to another project in the State’s plan and meet the commitments related to equitable distribution of effective teachers through other initiatives in the State’s reform plan.
 - In its application, Tennessee budgeted \$100,000 per year for four years to expand a program to identify, hire, train and place technical professionals to teach hard to staff high school content areas. Due to multiple delays and lack of progress recruiting candidates, the State cancelled the contract for this project. A total of \$376,053 will be shifted to support the “Teacher and Principal Evaluation” project, as described below.
 - According to the State, this project adjustment will not have a negative impact on its progress toward ensuring equitable distribution of effective teachers. For example, given two years of progress implementing the State’s teacher evaluation system, the State believes LEAs have a better mechanism to make informed hiring and assignment decisions. Additionally, a new signing or retention incentive available to highly effective teachers to move or stay in Priority Schools as well as the “Scope of Work Supplemental Fund” and technical assistance around differentiated pay plans as described above will enable the State to support LEAs in this area of the State’s plan.
- In the “Teacher and Principal Evaluation” project, the State will shift funds from Year 2 and other projects as outlined above and in the attached table to refine the approach and extend the timeline for delivering training and support around the State’s educator evaluation system through June 30, 2015.
 - \$1 million shifts from Year 2 to Years 3 and 4 based on timing of billing for activities in summer 2012 and savings based on a revised approach to summer training travel logistics and supplies. Additionally, as discussed in this letter a total of \$1,527,959 is added to the overall “Teacher and Principal Evaluation”

project from “Distinguished Professionals,” “Leadership,” “Teach Tennessee,” and “STEM Network.”

- The State will utilize these redirected funds to extend and expand support to LEAs on the State’s educator evaluation system, including: (1) providing summer training in 2013 and 2014 on the teacher evaluation rubric and the administrator evaluation rubric, (2) working with a contractor and LEAs in SY 2013-2014 to refine and pilot a revised principal evaluation rubric aligned to the new Tennessee Instructional Leadership Standards (TILS) prior to full implementation in SY 2014-2015, (3) expanding TDOE’s capacity to support principal evaluation through the addition of a Director of Administrator Evaluation. According to the State, extending the summer training and enhancing capacity to refine the administrator evaluation process, tools, and supports allow opportunities for continuous improvement to enable it to better meet its goals of implementing a consistent, and effective qualifying evaluation system for teachers and principals.

As described in a July 12, 2013, amendment approval letter, the Department indicated that it generally approves the State’s process to review LEA subgrant requests to obligate and liquidate funds after September 23, 2014. Prior to June 30, 2014, the Department expects the State to submit a record of each participating LEA project approved by the State for a no-cost extension and the total funding approved for LEAs’ Year 5 Scopes of Work.

It is our understanding that these amendments will not result in a change in your State’s performance measures and outcomes, nor will they substantially change the scope and objectives of the work. Please note that this letter will be posted on the Department’s website as a record of the amendments.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact Tennessee’s Race to the Top Program Officer, Jessie Harteis, at 202-453-6651 or Jessie.Harteis@ed.gov.

Sincerely,

/s/

Ann Whalen
 Director, Policy and Program Implementation
 Implementation and Support Unit

cc: Kevin Huffman, Commissioner
 Meghan Curran, Director, First to the Top

Grant project area affected	Specific project	Description of change
(A)(2)	Tennessee Consortium on Research, Evaluation, and Development	<ul style="list-style-type: none"> Shift \$1,082,310 to Year 3 based on timing of billing expenditures for work completed in Year 2.
(B)(3)	Integrating Common Core into Pre-Service	<ul style="list-style-type: none"> Shift \$1,250,000 from Year 2 to Year 3 based on contract delays. According to the State, this work is on track to complete deliverables by Year 4 as specified in its Scope of Work. Utilize \$3,161 shifted from “School Leader Study” to cover Year 2 travel costs that were higher than initially budgeted. Utilize \$336,269 shifted from “UTeach” to expand an existing contract to provide additional online modules to support the integration of CCSS into teacher and school leader pre-service programs.
(B)(3)	Integrating TVAAS into Pre-Service	<ul style="list-style-type: none"> Utilize the \$450,000 shifted from the “UTeach” project to expand an existing contract to provide additional data to teacher preparation programs on their program completers and analysis of how program completers perform relative to other programs.
(D)(1)	UTeach	<ul style="list-style-type: none"> Based on actual contract costs with each of the expansion sites and one campus not utilizing the final year of funding, shift funds to other project, as described below. According to the State, this site is still operating the program, and the State does not expect this change in funding to impact its ability to meet its target of producing an additional 150 mathematics and science teachers by SY 2014-2015. A total of \$949,070 will be shifted as follows: \$450,000 to “Integrating TVAAS into Pre-service,” \$336,269 to “Integrating Common Core into Pre-Service,” and \$162,801 to be proposed in an additional amendment(s) for Department review.
(D)(1)	School Leader Study	<ul style="list-style-type: none"> The State will shift funds from Year 2 to Year 4 and \$3,161 to “Integrating Common Core into Pre-Service” based on delays in Years 2 and 3. The State’s budget includes \$162,900 to develop and release a report including effectiveness of program graduates by winter 2013. According to the State, data reliability and policy changes impacted short-term deliverables, including a report on the Learning Centered Leadership Policy (LCLP). The State indicated that while it completed some review of the LCLP, given the adoption of TILS as discussed above, it decided to focus on revisions to program approval processes based on TILS rather than LCLP. According to the State, it still expects to develop and release a report including effectiveness of program graduates by the end of the grant period as specified in its Scope of Work.

Grant project area affected	Specific project	Description of change
(D)(1)	Teacher and Principal Residencies	<ul style="list-style-type: none"> • Shift \$2,929,448 from Year 2 to Years 3 and 4 to reflect timing of reimbursement requests against obligations to the four grantees funded through this project. According to the State, while the timing of reimbursement requests were delayed in Year 2, it is still expecting to meet its commitment for residency programs to provide 88 additional teachers and 61 principal mentors as outlined in the grant applications.
(D)(2)	Integrating Data to Improve Instruction	<ul style="list-style-type: none"> • Shift \$865,312 to Year 3 based on timing of billing expenditures for work completed in Year 2. • Utilize \$581,237 identified in May 2012 to be proposed in an additional amendment for Department review and \$832,228 shifted from the “Leadership Action Tank” budget as described above, to support budget adjustments, including refined contractual costs to support a field-based data analyst and mathematics coordinator in each of the eight CORE offices in Years 3 and 4.
(D)(3)	Teach Tennessee	<ul style="list-style-type: none"> • The Teach Tennessee program includes both Commissioner’s Fellows, who are currently funded through Race to the Top, and Governor’s Fellows, who have been funded by State funds.ⁱⁱⁱ In Years 3 and 4 the State will continue to support summer training and ongoing mentoring for all Commissioner’s Fellows and will now also support a portion of the Governor’s Fellows. While the State did not meet its goal for number of Commissioner’s Fellows during the grant period, according to the State, this approach addresses sustainability of the overall alternative certification program. • Shift \$36,183 from Year 2 based actual costs for supporting 29 of the 35 targeted Fellows and use of State funds to cover travel and supplies in Year 2. Of that total: <ul style="list-style-type: none"> ○ \$10,600 shifts to Year 4 contractual and indirect costs to conduct an analysis of the State’s alternative route program, including recommendations for the future. ○ \$25,583 shifts to “Teacher and Principal Evaluation.”
(D)(3)	Teacher Working Conditions Survey	<ul style="list-style-type: none"> • Shift \$169,500 from Year 2 to Years 3 and 4 contractual due to timing of billing expenditures and delivering support to LEAs around survey data. While the State did not provide as much training and resources to LEAs after the 2011 survey administration, the State now plans to provide additional support to LEAs based on 2013 survey results. • Based on refined estimates for other and indirect costs, shift a total of \$50,880 to support “Common Core Standards Professional Development.”
(D)(4)	Teacher Preparation Program Report Card	<ul style="list-style-type: none"> • Based on refined personnel and travel costs, shift \$11,648 to “Common Core Standards Professional Development.”
(D)(5)	Rural Literacy	<ul style="list-style-type: none"> • Based on refined contract costs, shift \$50,000 to “Common Core Standards Professional Development.”

Grant project area affected	Specific project	Description of change
(D)(5)	Oak Ridge STEM Leadership Academy	<ul style="list-style-type: none"> Shift \$497,148 from Year 2 to Years 3 and 4 based on timing of billing expenditures. The State’s plan commits to three STEM leadership academies, and while the first did not take place until June 2012, the State still plans to complete all three within the grant period and provide support to academy participants throughout the year through face-to-face and online training and resources.
(E)(2)	College Access and Success Network	<ul style="list-style-type: none"> Shift \$93,461 into Year 4 contractual from Years 2 and 3 and from other budget categories in Year 4 based on actual costs, revised personnel estimates, and timing of invoices. These additional funds will expand professional development including identifying and sharing best practices across the State. Shift \$1.2 million budgeted in supplemental funding to LEAs across Years 2-4 to contractual during the same time period. The Tennessee College Access and Success Network entered into contracts with each of the 41 grantees awarded during three competitions even if it was an LEA.
(C)(P)(P)	STEM Network	<ul style="list-style-type: none"> Based on revised estimates, only \$620,067 of the \$908,343 shifted to this project is needed to carry out the expanded activities as described in amendment 14. Therefore the remaining total shifts to support other projects as follows: \$273,542 to “Teacher and Principal Evaluation,” \$7,472 to “Common Core Standards Professional Development,” and \$7,262 to be proposed in an additional amendment(s) for Department review.

ⁱ The fifth grantee, Metro Nashville Public Schools, funded in the second round of IAF (approved in amendment 8) was only funded for design planning in Year 3.

ⁱⁱ The State will submit additional amendment(s) for a total of \$2,228,268 based on the IAF amount as well as smaller amounts aggregated based on cost refinements identified in UTeach, STEM Network, and First to the Top Oversight (amendment 14) budgets that are not approved to be redirected to other projects at this time.

ⁱⁱⁱ Governor’s Fellows are typically professionals with five years of work experience; Commissioner’s Fellows typically start the teaching support program directly from completion of their undergraduate