



United States Department of Education
OFFICE OF THE DEPUTY SECRETARY

July 5, 2011

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 April 28 and June 29, 2011, the State submitted documentation related to this request 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. On January 6, 2011, the Department sent a letter and "Grant Amendment Submission Process" document to Governors of grantee States indicating the process by which amendments would be reviewed and approved or denied. To determine whether approval could be granted, the Department has applied the conditions noted in the document, and compared it with the Race to the Top program *Principles*, which are also included in that document.

In order to ensure its local educational agency (LEA) plans are of high quality and consistent with other reform efforts, Tennessee requested revisions to align its LEA scope of work approval process with LEA student outcomes. I am pleased to approve the following components of this amendment to allow Tennessee to:

- Shift from May to July the period in which the State reviews revised LEA scopes of work. Since student achievement data becomes available in June, this adjustment will allow the State to consider updated results prior to approving scopes of work.
- Shift to a 15-month budget period for LEAs. LEAs initially prepared 12-month budgets (July 1 through June 30). LEAs will now plan for a period from July to September of the succeeding year, except in the final year when the award period ends July 27.ⁱ This adjustment will allow the State to better align its approval of Race to the Top

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expenditures with the process and timeline it uses for other Federal funds. The State believes that this change is important because it will allow the State to approve activities for the following summer while also being able to approve (pending review of annual achievement data) activities an LEA proposes to carry out during the following school year.

Through the scope of work review process timeline described above, Tennessee plans to continue the ongoing refinement and approval practice used for LEA scopes of work in year one. The State has and will continue to review LEAs' overall four-year grant period scope of work for preliminary approval, but will only formally approve budgets and their associated activities on a year-to-year basis based in part on successful progress toward student performance targets in the prior year. It is our understanding that, upon receipt of this amendment approval, the State will communicate with LEAs about this process in a manner that is also consistent with its previously issued award letters, frequently asked questions, and in person communications.

This revision also impacts line 14 "funding subgranted to participating LEAs (50% of total grant)" of the State's summary budget table. The State initially distributed the total \$250,370,610 equally across all grant years; however, based on the refinement to the LEA scope of work process, this budget line will now reflect the actual amounts budgeted by LEAs each year .

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

I am confident that Tennessee will continue its bold, comprehensive reform efforts. 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 Levin, at 202-453-6651 or Jessie.Levin@ed.gov.

Sincerely,

//s//

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

cc: Commissioner Kevin Huffman
 Erin O'Hara

¹ The State uses this overlapping method with LEAs for other Federal grants and expects the three months repeated in two LEA budget cycles to be consistent. For example, the State would expect an LEA budget for July 2012 to September 2012 to be the same in both the year two and year three submission. If, as the year three budget period approaches, an LEA does not expect these to match, it must submit an amendment to the State. If approved, the more recent approved budget would replace the older version.