



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

September 27, 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 August 5 and September 23, 2011, the State submitted an amendment request and supporting documentation 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.

I am pleased to approve the following amendment to the Achievement School District project with the conditions specified below.

Tennessee's approach to turning around the lowest achieving schools includes the creation of a State-run "Achievement School District" (ASD) consisting of Tennessee's persistently lowest-achieving schools. In its application, Tennessee indicated that school year (SY) 2010-11 would serve as a planning year. Given the timing associated with a gubernatorial transition, including the subsequent hiring of a Commissioner of Education (sworn in April 4, 2011) and an ASD Superintendent (began on August 1, 2011), the State did not believe it had sufficient time to effectively execute a complete takeover of eligible ASD schools in SY 2011-12 and proposed an alternative approach for this year under which the State would instead co-manage the State's lowest achieving schools with the home local educational agency (LEA) and carefully monitor a second tier of low-achieving schools. The Tennessee Department of Education's authority to manage a school district as authorized by the First to the Top Act of 2010 is unchanged; however, the State believes this approach to SY 2011-12 is critical to learn more deeply about the schools identified for the ASD, to phase in the necessary functions of the ASD as a school district, and to assume a greater level of engagement with ASD eligible schools.

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

Tennessee's application identified an initial set of 13 schools eligible for possible inclusion in a state-run ASD.ⁱ Under the proposal, for SY 2011-12, five of these schools, which met all aspects of the eligibility definition, will be co-managed by the ASD and their LEAs in the 2011-12 school year. The State indicated in its amendment request that each LEA containing a co-managed school entered into a memorandum of understanding with the State regarding the co-management approach. This approach requires joint decision-making on staffing, academics, non-academics (e.g., community engagement, extracurricular support), culture, and funding.

The remaining eight ASD eligible schools will remain under the jurisdiction of their LEAs for SY 2011-12.ⁱⁱ It is the Department's understanding all eight will remain identified as ASD eligible and that Tennessee Department of Education will continue to monitor each school's implementation of its school intervention model as part of its School Improvement Grant.

Additionally, the State will make a budget adjustment to shift unused year one Race to the Top funds to support the additional planning, communication, and collaboration with LEAs that will take place in SY 2011-12 to prepare for full ASD implementation in SY 2012-13. To support two additional positions, a chief talent and strategy officer and a chief public affairs officer, in year two of the grant period, the State will shift funds that were budgeted to support the salary and associated benefits and travel costs for an ASD Superintendent in year one of the grant period. The State has indicated that when the ASD directly manages schools beginning in SY 2012-13, the ASD will be able to use alternative funding streams rather than Race to the Top funds to support these positions.

The approval for this amendment is conditioned on the State submitting as soon as possible but no later than November 15, 2011:

- 1) An updated scope of work for the ASD project that contains:
 - a. significant milestones over the next nine months to ensure the State is able to fully implement an ASD in SY 2012-13; and
 - b. the processes by which the State plans to identify schools eligible to enter the ASD in SY 2012-13 and beyond, including how identified schools will be designated as direct-run, co-managed, or chartered by the ASD.

Additionally, Tennessee will submit evidence to the Department about notification to schools about participation in the ASD in SY 2012-13. By December 31, 2011, Tennessee will submit evidence to the Department that all schools that are eligible for the ASD in SY 2012-13 have been notified of their eligibility status, and by February 28, 2012, the State will submit evidence as to whether the school has been designated as direct-run, co-managed, or chartered.

The Department expects that Tennessee will fulfill the commitment it made in its Race to the Top application to establish an ASD to implement effective reforms in the State's lowest achieving schools. It is our understanding that the amendments 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
Chris Barbic
Erin O'Hara

ⁱ The current ASD eligibility definition includes the U.S. Department of Education's persistently lowest achieving status, the State accountability status, and a statewide lowest five percent designation

ⁱⁱ Tennessee indicates that these eight schools met only one or two aspects of the current eligibility definition