



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

January 15, 2010

Dear Chief State School Officers:

I am writing about important changes to the School Improvement Grants (SIG) program resulting from the recently enacted Consolidated Appropriations Act, 2010 (Appropriations Act). Specifically, I am announcing the publication of new interim final requirements implementing these changes.

I want to emphasize that the changes to the SIG program will not require any change in a State's Race to the Top application, which is due to the Department by Tuesday, January 19, 2010. State educational agencies (SEAs) will continue to use their list of persistently lowest-achieving schools to identify schools that may be served under the SIG program, and this list will be the same across the State Fiscal Stabilization Fund, Race to the Top, and SIG programs.

As you know, the SIG program, authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965, provides funding through SEAs to local educational agencies (LEAs) with the lowest-achieving schools that have the greatest need for the funds and demonstrate the strongest commitment to use the funds to raise significantly the achievement of their students. To implement the SIG program, the Department published final requirements in the Federal Register on December 10, 2009 (74 FR 65618). The SIG final requirements govern the use of over \$3.5 billion in fiscal year (FY) 2009 funds and \$546 million in FY 2010 funds.

The Appropriations Act, which was signed into law by President Obama on December 16, 2009, includes two critical changes to the SIG program. First, the law allows SEAs and LEAs to use SIG funds to serve certain "newly eligible" schools. In particular, SIG funds may now be used to serve Title I schools that are not in improvement, corrective action, or restructuring and schools that are eligible for, but do not receive, Title I, Part A funds if those schools: (1) have not made adequate yearly progress for at least two years; or (2) are in the State's lowest quintile of performance based on proficiency rates. Second, the Appropriations Act increases the amount that an SEA may award for each school participating in the SIG program from \$500,000 annually to \$2 million annually.

We are implementing the SIG provisions in the Appropriations Act by issuing interim final requirements that define how SEAs and LEAs may use the new flexibility regarding both eligibility and funding. These interim final requirements are available at <http://www.ed.gov/programs/sif/index.html> and are expected to be published in the Federal Register on January 21, 2010. Please see the enclosure to this letter for an overview of these requirements. We have also made minimal conforming changes to the SIG State application,

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which is available on our Web site at: <http://www.ed.gov/programs/sif/index.html>. A State's application is due to the Department by February 8, 2010.

Our goal in issuing the interim final requirements was to regulate only to the extent necessary to implement the changes to the SIG program, consistent with the December 10 SIG final requirements and the overarching purpose of the SIG program. Indeed, the purpose of the SIG program remains the same: to provide funds to LEAs that demonstrate the greatest need for those funds and the strongest commitment to use the funds to turn around their persistently lowest-achieving schools and significantly raise student achievement in those schools. Overall, we believe the interim final requirements will help SEAs and LEAs better achieve the purpose of the SIG program by providing flexibility to serve the lowest-achieving schools regardless of their Title I status and directly provide significant amounts of funding needed for full and effective implementation of the turnaround, restart, and transformation models.

In addition to the interim final requirements and revised State application, we expect to post additional guidance on the SIG program very soon. If you have any questions or need additional information, please contact Carlos McCauley at carlas.mccauley@ed.gov or at 202-260-0824.

We have been impressed by how many of you are moving quickly to take advantage of this unprecedented opportunity to turn around your persistently lowest-achieving schools, and we applaud your efforts. We will continue to do our best to provide the assistance and support you need to implement the SIG program as effectively as possible.

Sincerely,

/s/

Thelma Meléndez de Santa Ana, Ph.D.

Enclosure

OVERVIEW OF THE SIG INTERIM FINAL REQUIREMENTS

The School Improvement Grants (SIG) program, authorized under section 1003(g) of Title I of the Elementary and Secondary Education Act of 1965, provides funding through State educational agencies (SEAs) to local educational agencies (LEAs) with the lowest-achieving schools that have the greatest need for the funds and demonstrate the strongest commitment to use the funds to raise significantly the achievement of their students. To implement the SIG program, the Department published final requirements in the Federal Register on December 10, 2009 (74 FR 65618).

The December 10 SIG final requirements reflect Secretary Duncan's determination to ensure that SIG funds are used to implement one of four rigorous school intervention models—turnaround model, restart model, school closure, and transformation model—in each State's persistently lowest-achieving schools. To drive school improvement funds to LEAs with these schools, the SIG final requirements require each SEA to identify three tiers of schools:

- Tier I schools: any Title I school in improvement, corrective action, or restructuring that: (1) is among the lowest-achieving five percent of those schools in the State (or the lowest-achieving five such schools); or (2) is a high school that has had a graduation rate below 60 percent for a number of years.
- Tier II schools: any secondary school that is eligible for, but does not receive, Title I, Part A funds and: (1) is among the lowest-achieving five percent of such secondary schools in the State (or the lowest-achieving five such secondary schools); or (2) is a high school that has had a graduation rate below 60 percent for a number of years.
- Tier III schools: any Title I school in improvement, corrective action, or restructuring that is not a Tier I school.

The December 10 final requirements require an SEA to give priority in awarding SIG funds to LEAs that commit to serve Tier I and Tier II schools by implementing one of the four models.

The recently enacted Consolidated Appropriations Act, 2010 (Appropriations Act), which was signed into law by President Obama on December 16, 2009, included two critical changes to the SIG program. First, the law allows SEAs and LEAs to use SIG funds to serve certain "newly eligible" schools. In particular, SIG funds may now be used to serve Title I schools that are not in improvement, corrective action, or restructuring and schools that are eligible for, but do not receive, Title I, Part A funds if those schools: (1) have not made adequate yearly progress for at least two years; or (2) are in the State's lowest quintile of performance based on proficiency rates.

Although the Appropriations Act expands the group of schools that are eligible to receive SIG funds, the purpose of the SIG program remains the same: to provide funds to LEAs that demonstrate the greatest need for those funds and the strongest commitment to use the funds to turn around their persistently lowest-achieving schools and significantly raise student

achievement in those schools. By expanding eligibility, the Appropriations Act will simplify efforts to serve Tier II secondary schools that are eligible for, but do not receive, Title I, Part A funds. Under the December 10 SIG final requirements, Tier II schools could be served only through a waiver; under the language in the Appropriations Act, however, these schools now are fully eligible to receive SIG funds and to generate funding like other participating schools without a waiver. The new appropriations language also extends SIG eligibility to elementary schools that are eligible for, but do not receive, Title I, Part A funds, and to Title I schools that are not in improvement, corrective action, or restructuring—two groups of schools that are not addressed in the December 10 SIG final requirements.

Second, the Appropriations Act increases the amount that an SEA may award for each school participating in the SIG program from \$500,000 annually to \$2 million annually. This higher limit will permit an SEA to award directly the \$1 million or more annually that may be necessary for successful implementation of the turnaround, restart, or transformation models in most Tier I and Tier II schools (*e.g.*, a school of 500 students might require \$1 million and a large, comprehensive high school might require the full \$2 million).

The Department is implementing the SIG provisions in the Appropriations Act by issuing interim final requirements that define how SEAs and LEAs may use the new flexibility, consistent with the emphasis of the December 10 SIG final requirements on serving Tier I and Tier II schools, while minimizing disruption and delay in SEAs' efforts to implement the SIG program beginning in fall 2010. The interim final requirements include the following elements:

- Schools identified by an SEA for inclusion in Tier I and Tier II under the December 10 SIG final requirements remain in those tiers.
- An SEA has the option of adding to Tiers I and II, respectively, elementary and secondary schools that are eligible for, but which may or may not receive, Title I, Part A funds if the schools are no higher achieving than the highest-achieving Tier I or Tier II school identified by the SEA under the December 10 SIG final requirements or, in the case of secondary schools, have a graduation rate below 60 percent.
- Newly eligible schools that an SEA adds to Tiers I and II under the interim final requirements must be: (1) identified in addition to, and not instead of, the Tier I and Tier II schools identified under the December 10 SIG final requirements; and (2) served in accordance with the requirements that apply to all other Tier I and Tier II schools (*i.e.*, by implementing the same school intervention models required for other Tier I and Tier II schools).
- An SEA may add newly eligible schools that do not meet the requirements to be a Tier I or Tier II school to Tier III and may use additional criteria to set priorities for serving Tier III schools.
- An SEA must award SIG funds to serve all of the State's Tier I and Tier II schools that its LEAs commit to serve, and that the SEA determines its LEAs have capacity to serve, before awarding funds to serve Tier III schools.

The following chart summarizes how an SEA identifies an eligible school as a Tier I, Tier II, or Tier III school. The left column represents the schools an SEA must identify in each of Tiers I, II, and III; the right column represents the newly eligible schools based on the Appropriations Act that an SEA may, but is not required to, identify in Tiers I, II, and III.

	Schools an SEA MUST identify in each tier	Newly eligible schools an SEA MAY identify in each tier
Tier I	Schools that meet the criteria in paragraph (a)(1) in the definition of “persistently lowest-achieving schools.” ¹	Title I eligible ² elementary schools that are no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(1)(i) in the definition of “persistently lowest-achieving schools” <u>and</u> that are: <ul style="list-style-type: none"> • in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u> • have not made AYP for two consecutive years.
Tier II	Schools that meet the criteria in paragraph (a)(2) in the definition of “persistently lowest-achieving schools.”	Title I eligible secondary schools that are (1) no higher achieving than the highest-achieving school that meets the criteria in paragraph (a)(2)(i) in the definition of “persistently lowest-achieving schools” or (2) high schools that have had a graduation rate of less than 60 percent over a number of years <u>and</u> that are: <ul style="list-style-type: none"> • in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u> • have not made AYP for two consecutive years.
Tier III	Title I schools in improvement, corrective action, or restructuring that are not in Tier I. ³	Title I eligible schools that do not meet the requirements to be in Tier I or Tier II <u>and</u> that are: <ul style="list-style-type: none"> • in the bottom 20% of all schools in the State based on proficiency rates; <u>or</u> • have not made AYP for two years.

¹ “Persistently lowest-achieving schools” means, as determined by the State--
(a)(1) Any Title I school in improvement, corrective action, or restructuring that--

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- (i) Is among the lowest-achieving five percent of Title I schools in improvement, corrective action, or restructuring or the lowest-achieving five Title I schools in improvement, corrective action, or restructuring in the State, whichever number of schools is greater; or
 - (ii) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years; and
- (2) Any secondary school that is eligible for, but does not receive, Title I funds that--
- (i) Is among the lowest-achieving five percent of secondary schools or the lowest-achieving five secondary schools in the State that are eligible for, but do not receive, Title I funds, whichever number of schools is greater; or
 - (ii) Is a high school that has had a graduation rate as defined in 34 CFR 200.19(b) that is less than 60 percent over a number of years.

² With respect to schools that may be added to Tier I, Tier II, or Tier III, “Title I eligible” schools may be schools that are eligible for, but do not receive, Title I, Part A funds or schools that are Title I participating (*i.e.*, schools that are eligible for and do receive Title I, Part A funds).

³ Certain Title I schools in improvement, corrective action, or restructuring that are not in Tier I may be in Tier II rather than Tier III. In particular, Title I secondary schools in improvement, corrective action, or restructuring that are not in Tier I may be in Tier II if they meet the criteria in section I.A.1(b)(ii)(A)(2) and (B) of the interim final requirements and an SEA chooses to include them in Tier II.