

August 4, 2008

Mr. Arne Duncan
Chief Executive Officer
Chicago Public Schools
125 South Clark Street, 5th Floor
Chicago, Illinois 60603

Dear Mr. Duncan:

I am writing to notify Chicago Public Schools (CPS) that it may continue its participation in the supplemental educational services (SES) pilot for the 2008-09 school year. By extending CPS's flexibility agreement, I am using my authority under section 9401 of the Elementary and Secondary Education Act (ESEA), as amended, to grant CPS eligibility to be a provider of SES to eligible students in Title I schools even though CPS has been identified for improvement and thus is precluded from providing SES under 34 C.F.R. § 200.47(b)(1)(iv)(B).

My decision to extend this flexibility agreement for 2008-09 is conditioned on CPS's fulfilling the requirements detailed in the enclosure to this letter, which include submitting two interim reports to this Department by October 15, 2008, and January 1, 2009, respectively, and a final report by June 30, 2009. Please be sure to review the enclosure carefully, as the conditions for participation have been revised since last year to ensure effective implementation of SES.

In addition, I want to note my concern about the downward trend in student participation in SES in CPS. Since the pilot began in 2005-06, the number of students receiving SES in CPS has decreased each year, to the point that, in 2007-08, the number of reported participants was fewer than the number that participated in the year before the pilot began, despite the fact that the amount of funds available for SES in CPS has remained relatively constant over that period of time. As one of the express goals of this pilot is to increase the numbers of students receiving SES, I am requiring, as an additional condition specific to CPS's flexibility agreement, that the district spend the full amount of the 20 percent expenditure requirement for SES and choice-related transportation in the 2008-09 school year, to ensure that as many students as possible participate in these options. Failure to meet this requirement will result in CPS's losing its eligibility to participate in the pilot in subsequent years.

I am also requiring as part of this flexibility agreement that the Illinois State Board of Education agree to carry out greater monitoring of CPS's implementation of SES by conducting an on-site visit at least annually that will focus specifically on SES implementation. CPS may also be subject to additional monitoring from this Department.

In addition, as part of the terms of this flexibility agreement, CPS must submit a report under section 9401(e)(1) of the ESEA to the Illinois State Board of Education at the end of the 2008-09 school year that: describes the district's provision of SES to eligible students in Title I schools; describes how those schools continued to provide Title I services to eligible students; and evaluates the progress of the district and schools in improving the quality of instruction and the academic achievement of students. The Illinois State Board of Education must then submit a report to the U.S. Department of Education based on CPS's report.

As part of CPS's participation in the SES pilot, we also ask for your continued assistance with the third-party evaluation that we are conducting of CPS and the other districts participating in the pilot. We will need CPS to supply our evaluator with student achievement data files and other information necessary to conduct an evaluation of the effects of SES on student achievement.

This flexibility agreement continues to serve several important goals: increasing the number of students receiving SES; ensuring early notice about SES through multiple venues and extended enrollment windows; allowing external organizations reasonable access to school facilities; and providing information on the academic achievement of students receiving SES.

This extension of CPS's flexibility agreement applies to the provision of SES in Title I schools in CPS during the 2008-09 school year and is subject to a review at the end of that school year to determine if the flexibility will be continued.

SES is an important component of NCLB, and we look forward to working with you to ensure that students are accessing services and succeeding in the classroom.

Sincerely,

Margaret Spellings

Enclosure

cc: Dr. Christopher Koch

**Agreement for the Provision of Supplemental Educational Services
by Districts in Improvement Status for the 2008-09 School Year**

CHICAGO PUBLIC SCHOOLS

Goals of Participation

- To increase the number of students receiving supplemental educational services (SES) under NCLB.
- To evaluate the effectiveness of SES provided by districts and external organizations to raise reading and math scores on state tests and to identify best practices.

Conditions of Participation

Parent Notification and Outreach

- The district must provide parents with an early notification of opportunities for SES under NCLB, contingent upon receiving timely state assessment results for making AYP and school improvement determinations.
- The district must notify parents of the availability of SES in correspondence that is written in language that parents can understand. This notice must highlight the benefits of SES and be clear and concise, as well as clearly distinguishable from the other information sent to parents notifying them that their child's school is in improvement status.
- The district must notify parents and the community of the availability of SES and offer an opportunity for parents to sign their child up for SES by letter to the student's home and by at least two other means, such as community flyers, newspaper postings, or other methods. The district must partner with community-based organizations to inform students and parents of SES options to the extent practicable.
- The district must include on its Web site the following information: the number of students who were eligible for and who participated in SES and public school choice during the 2007-08 school year; a list of SES providers approved to serve the district, as well as the locations where services will be provided for the 2008-09 school year; and a list of available schools to which students eligible for public school choice may transfer for the 2008-09 school year.

Enrollment Process

- The district must provide either a rolling or expanded enrollment process, or more than one opportunity during the school year for parents to enroll their children in SES, and must allow eligible students to receive SES throughout the academic year.
- o The district must make sign-up forms widely available and accessible and must distribute them directly to all eligible students and parents.

Equitable Treatment of Non-LEA Providers

- The district must administer SES in a way that provides a level playing field for all providers by:
 - Distributing parent outreach materials that do not favor the LEA's program over private providers' programs; and
 - Ensuring that providers are given access to school facilities using a fair, open, and objective process, on the same basis and terms as are available to other groups that seek access to school facilities.

Funding

- The district must spend an amount equal to 20 percent of its Title I, Part A allocation for SES and transportation for public school choice in the 2008-09 school year; if it does not, it will lose eligibility to participate in the pilot in subsequent years.
- The district may count, toward meeting the 20 percent expenditure requirement, costs for parent outreach for SES and public school choice. The amount that may be counted toward the 20 percent expenditure requirement is capped at 1 percent thereof (0.2 percent of the district's Title I, Part A allocation). The district may spend more than the 1 percent on parent outreach activities but cannot count more than that amount toward its expenditure requirement.

Monitoring and Reporting

- The district must participate in a kick-off conference call with staff members from the SEA and the U.S. Department of Education, prior to the start of the school year, to ensure that all parties understand the conditions of the pilot. The Department may conduct additional monitoring of the district, on site or through other means, as warranted.
- The SEA must carry out greater monitoring of the district's implementation of SES by conducting an on-site visit at least annually that will focus specifically on SES implementation.
- The district must submit to the Department two interim reports on how it met the goals and conditions of the pilot by October 15, 2008, and January 1, 2009, respectively, and a final report by June 30, 2009.

Program Evaluation

- The district must participate in an independent, third-party evaluation of the effects of its own services and those of external providers on state reading and math tests, including an analysis of the characteristics of children served by district and external providers, and gains in student achievement, controlling for student background characteristics and prior achievement.