

August 9, 2007

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

Dear Arne:

I am writing to notify Chicago Public Schools (CPS) that it may continue its participation in the supplemental educational services (SES) pilot for the 2007-08 school year, pending resolution of the SES findings noted by the U.S. Department of Education as part of its targeted monitoring review of public school choice and SES in March 2007 and detailed in the Illinois State Board of Education's letter to CPS on August 1, 2007. As you know, this pilot began in 2005-06 and allowed CPS to provide SES to eligible students although it was a district identified for improvement. CPS reported to the Department twice during the past school year, as required, and met the conditions for participation. CPS reported that it increased the number of students participating in SES; notified parents of SES options at many times and through multiple venues; offered two SES enrollment windows; offered 45 private providers access to on-site facilities; and provided data to the Department for the third-party evaluation of SES in the district during the 2005-06 school year.

Additionally, as part of this offer of flexibility, I am allowing CPS to count toward meeting the 20 percent expenditure requirement for SES and choice-related transportation, up to 1 percent of that amount (0.2 percent of CPS's total Title I allocation) on parent outreach activities for SES. The purpose of this flexibility is to support high-quality outreach efforts for SES.

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 your district has been identified for improvement and thus is precluded from providing SES under 34 C.F.R. §200.47(b)(1)(iv)(B). My approval of this flexibility agreement for 2007-08 is conditioned on CPS's fulfilling the conditions detailed in the enclosure to this letter, which include submitting an interim and a final report to this Department on January 1, 2008, and on June 30, 2008, respectively, and on the resolution of the monitoring findings regarding SES. Although the Department expects the Illinois State Board of Education to resolve all monitoring findings detailed in the June 14 report, participation in this pilot is conditioned specifically on the resolution of findings regarding SES in CPS.

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 2007-08 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 your 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 numbers 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.

We hope that CPS will be a model of high-quality implementation of SES. We ask CPS to share with the Department examples of those practices and strategies that are effective and information on why, so that we can disseminate that information to other districts around the country.

This extension of your flexibility agreement applies to the provision of SES in Title I schools in Chicago during the 2007-08 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
State Superintendent of Education