



THE SECRETARY OF EDUCATION
WASHINGTON, DC 20202

July 19, 2012

Honorable John Huppenthal
Superintendent of Public Instruction
Arizona Department of Education
1535 West Jefferson Street
Phoenix, AZ 85007

Dear Superintendent Huppenthal:

I am pleased to approve Arizona's request for ESEA flexibility, subject to Arizona's meeting the condition described below. I congratulate you on submitting a request that demonstrates Arizona's commitment to improving academic achievement and the quality of instruction for all of the State's elementary and secondary school students.

Last fall, the U.S. Department of Education (Department) offered States the opportunity to request flexibility from certain requirements of the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the No Child Left Behind Act of 2001, in exchange for rigorous and comprehensive plans designed to improve educational outcomes for all students, close achievement gaps, increase equity, and improve the quality of instruction. This flexibility is intended to support the groundbreaking reforms already taking place in many States and districts that we believe hold promise for improving outcomes for students. We are encouraged by the innovative thinking and strong commitment to improving achievement for all students that is evident in Arizona's request.

Our decision to approve Arizona's request for ESEA flexibility, subject to Arizona's meeting the condition discussed below, is based on our determination that the request meets the four principles articulated in the Department's September 23, 2011, document titled *ESEA Flexibility*. In particular, Arizona has: (1) demonstrated that it has college- and career-ready expectations for all students; (2) developed, and has a high-quality plan to implement, a system of differentiated recognition, accountability, and support for all Title I districts and schools in the State; (3) committed to developing, adopting, piloting, and implementing teacher and principal evaluation and support systems that support student achievement; and (4) provided an assurance that it will evaluate and, based on that evaluation, revise its administrative requirements to reduce duplication and unnecessary burden on districts and schools. Our decision is also based on Arizona's assurance that it will meet these four principles by implementing the high-quality plans and other elements as described in its request and in accordance with the required timelines. In approving Arizona's request, we have taken into consideration the feedback we received from the panel of peer experts and Department staff who reviewed Arizona's request, as well as Arizona's revisions to its request in response to that feedback.

The waivers that comprise ESEA flexibility are being granted to Arizona pursuant to my authority in section 9401 of the ESEA. A complete list of the statutory provisions being waived is set forth in the table enclosed with this letter. Consistent with section 9401(d)(1) of the ESEA, I am granting waivers of these provisions through the end of the 2012–2013 school year. If Arizona meets the condition described below prior to the end of the 2012–2013 school year, Arizona may request an extension of these waivers through the end of the 2013–2014 school year. At that time, Arizona, like other States with approved requests, may request an additional extension of these waivers through the 2014–2015 school year.

In the coming days, you will receive a letter from Deborah Delisle, Assistant Secretary for Elementary and Secondary Education, containing additional information regarding Arizona's implementation of ESEA flexibility, as well as information regarding monitoring and reporting. Please note that the Department will closely monitor Arizona's implementation of the plans, systems, and interventions detailed in its request in order to ensure that all students continue to receive the assistance and supports needed to improve their academic achievement.

Our decision to place a condition on the approval of Arizona's request is based on the fact that Arizona has not yet received State Board approval to include graduation rate in its school grading system with a weight of at least 20 percent and the fact that it has not yet finalized its guidelines for teacher and principal evaluation and support systems. However, we have determined that Arizona is able to fully meet the ESEA flexibility principles in the 2012–2013 school year while it continues to finalize the new grading system and its guidelines for teacher and principal evaluation and support systems.

To receive approval to implement ESEA flexibility through the end of the 2013–2014 school year, Arizona must submit to the Department for review and approval an amended request incorporating: (1) the final version of the new letter grading system with a graduation rate weight of at least 20 percent, and (2) final guidelines for teacher and principal evaluation and support systems that meet the requirements of ESEA flexibility, including the use of student growth, as defined in *ESEA Flexibility*, as a significant factor in determining a teacher's or principal's summative evaluation rating. If Arizona's amended request does not meet these requirements, the waivers being granted to Arizona through ESEA flexibility will expire at the end of the 2012–2013 school year, and Arizona and its districts will be required to immediately resume complying with all ESEA requirements.

Arizona continues to have an affirmative responsibility to ensure that it and its districts are in compliance with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age in their implementation of ESEA flexibility as well as their implementation of all other Federal education programs. These laws include Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act, the Age Discrimination Act of 1975, and requirements under the Individuals with Disabilities Education Act. As you are aware, the Department has found Arizona to be in violation of Title VI of the Civil Rights Act of 1964 concerning the State's responsibilities to English Learners. In addition, commitments made to the Department by a number of Arizona districts to comply with Title VI have been impeded due to mandates imposed by the State. These outstanding violations and

unfulfilled agreements are of serious concern to the Department; this grant of ESEA flexibility in no way implies that Arizona and its districts are in compliance with Title VI or any other civil rights statutes that the Department enforces. Arizona must come into compliance with Federal civil rights statutes, and must remove any State-created impediments to ensure its districts can comply with these statutes.

A copy of Arizona's approved request for ESEA flexibility will be posted on the Department's Web site at: <http://www.ed.gov/esea/flexibility/requests>. Again, I congratulate you on the approval of Arizona's request for ESEA flexibility and thank you for the work that you and your staff have done. I look forward to continuing to support you as you implement Arizona's ESEA flexibility request and work to improve the quality of instruction and academic achievement for all students.

Sincerely,

/s/

Arne Duncan

Enclosure

cc: Governor Jan Brewer
John Stollar, Chief of Programs and Policy

**Provisions Waived Through Approval of Arizona's
Request for ESEA Flexibility**

ESEA SECTION ¹	DESCRIPTION	NOTES
STATE-LEVEL RESERVATION FOR SCHOOL IMPROVEMENT		
1003(a)	Requires State educational agency (SEA) to reserve 4 percent of its Title I, Part A allocation for school improvement activities and to distribute at least 95 percent to local educational agencies (LEAs) for use in Title I schools in improvement, corrective action, and restructuring	The reservation is not waived; SEA may distribute section 1003(a) funds to LEAs for use in priority and focus schools
SCHOOL IMPROVEMENT GRANTS		
1003(g)	Requires SEA to award School Improvement Grant (SIG) funds to LEAs with Title I schools in improvement, corrective action, or restructuring	Waiver permits SEA to award SIG funds to an LEA to implement one of the four SIG models in any priority school
2013–2014 TIMELINE		
1111(b)(2)(E) - (H)	Establishes requirements for setting annual measurable objectives (AMOs)	Waiver permits SEA to set new ambitious but achievable AMOs
ADEQUATE YEARLY PROGRESS (AYP) DETERMINATIONS		
1116(a)(1)(A)-(B) and 1116(c)(1)(A)	Requires SEA and its LEAs to make AYP determinations for LEAs and schools, respectively	
WITHIN-DISTRICT ALLOCATIONS		
1113(a)(3)-(4) and (c)(1)	Requires LEA to rank and serve eligible schools according to poverty and allocate Title I funds to schools in rank order of poverty	Waiver permits LEA to serve with Title I funds a Title I-eligible high school with a graduation rate below 60 percent that the SEA identified as a priority school even if that school does not rank sufficiently high to be served based solely on the school's poverty rate
SCHOOLWIDE POVERTY THRESHOLD		
1114(a)(1)	Requires 40 percent poverty threshold to be eligible to operate a schoolwide program	Waiver permits LEA to operate a schoolwide program in a priority school or a focus school with less than 40 percent poverty that is implementing a schoolwide intervention

¹ The corresponding regulations that implement these statutory provisions are also waived. Any ESEA statutory provision not listed in this table is not waived.

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SCHOOL IMPROVEMENT REQUIREMENTS		
1116(b) (except (b)(13))	Requires LEA to identify schools for improvement, corrective action, and restructuring with corresponding requirements	1116(b)(13), which requires LEA to permit a child who has transferred to remain in the choice school through the highest grade in the school, is not waived
LEA IMPROVEMENT REQUIREMENTS		
1116(c)(3) and (5)-(11)	Requires SEA to identify LEAs for improvement and corrective action with corresponding requirements	
1116(e)	Requires SEA and LEAs to take a variety of actions to offer supplemental educational services to eligible students in schools in improvement, corrective action, restructuring	
RESERVATION FOR STATE ACADEMIC ACHIEVEMENT AWARDS PROGRAM		
1117(b)(1)(B)	Limits the schools that can receive Title I, Part A funds reserved for State awards program	Waiver allows funds reserved for State awards program to go to any reward school
HIGHLY QUALIFIED TEACHER PLAN ACCOUNTABILITY AGREEMENT REQUIREMENT		
2141(c)	Requires SEA/LEA agreement on use of Title II, Part A funds for LEAs that miss AYP for three years and fail to make progress toward reaching annual objectives for highly qualified teachers	Waiver includes existing agreements and applies to restrictions on hiring paraprofessionals under Title I, Part A
LIMITATIONS ON TRANSFERABILITY OF FUNDS		
6123(a)	Limits to 50 percent the amount an SEA may transfer from a covered program into another covered program or into Title I, Part A	Waiver applies to the percentage limitation, thereby permitting SEA to transfer up to 100 percent from a covered program
6123(b)(1)	Limits to 50 percent or 30 percent the amount an LEA may transfer from a covered program into another covered program or into Title I, Part A	Waiver applies to the percentage limitations as well as to the restrictions on the use of transferred funds
6123(d)	Requires modification of plans and notice of transfer	
6123(e)(1)	Transferred funds are subject to the requirements of the program to which they are transferred	Waiver permits an LEA to exclude funds transferred into Title I, Part A from the base in calculating any set-aside percentages

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RURAL SCHOOLS

6213(b)	Requires LEAs that fail to make AYP to use funds to carry out the requirements under ESEA section 1116	
6224(e)	Requires SEA to permit LEAs that fail to make AYP to continue to receive a Small, Rural School Achievement grant only if LEA uses funds to carry out ESEA section 1116	