



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

MICHAEL P. FLANAGAN  
SUPERINTENDENT OF  
PUBLIC INSTRUCTION

May 13, 2009

Dr. Zollie Stevenson, Jr.  
Director, Student Achievement and School Accountability Programs  
Office of Elementary and Secondary Education  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

**Re: Michigan Department of Education Title I, Part A, Carryover  
Limitation Waiver**

Dear Dr. Stevenson:

Pursuant to Section 9401 of the No Child Left Behind Act of 2001 (NCLB), the Michigan Department of Education (MDE) requests a waiver from the U.S. Department of Education (USED) of restrictions within Section 1127(b) of NCLB. In order to request a waiver, a State educational agency (SEA) must provide the information required in Section 9401(b). Specifically, Section 9401(b) requires that an SEA provide the following:

- (A) the Federal programs affected by the requested waiver;
- (B) the Federal statutory or regulatory requirements are to be waived and how the waiving of those requirements will—
  - (i) increase the quality of instruction for students; and
  - (ii) improve the academic achievement of students;
- (C) measurable educational goals for the SEA and for each local educational Agency (LEA) that would be affected by the waiver and the methods to be used to measure annually such progress for meeting such goals and outcomes;
- (D) explains how the waiver will assist the SEA and each affected LEA in reaching those goals; and
- (E) describes how schools will continue to provide assistance to the same populations served by programs for which waivers are requested.

This waiver fulfills all of these requirements.

MDE seeks a waiver of allocation requirements under the NCLB Title I, Part A program, specifically Section 1127(b). This section permits an SEA to waive the

**STATE BOARD OF EDUCATION**

KATHLEEN N. STRAUS – PRESIDENT • JOHN C. AUSTIN – VICE PRESIDENT  
CAROLYN L. CURTIN – SECRETARY • MARIANNE YARED MCGUIRE – TREASURER  
NANCY DANHOF – NASBE DELEGATE • ELIZABETH W. BAUER  
REGINALD M. TURNER • CASANDRA E. ULBRICH

608 WEST ALLEGAN STREET • P.O. BOX 30008 • LANSING, MICHIGAN 48909  
[www.michigan.gov/mde](http://www.michigan.gov/mde) • (517) 373-3324

Dr. Stevenson  
Page 2  
May 13, 2009

limitation that an LEA carryover not more than 15 percent of unobligated Title I, Part A funds for a fiscal year only once every 3 years under Section 11127(a). MDE seeks a waiver of this provision in order that it allows the School District of the City of Detroit Public Schools (DPS) to carryover over more than 15 percent of unobligated Title I, Part A funds for fiscal year 2007-2008 and fiscal year 2008-2009. Under the authority in Section 1127(b), Michigan waived the 15 percent carryover limitation on Title I Part A grant funds for DPS at the conclusion of fiscal year 2005-2006. As a result of this previous waiver, Michigan would not be able to waive the carryover limitation for DPS until fiscal year 2008-2009.

Rationale: In fiscal year 2007-2008, DPS concluded the year with an unspent Title I Part A that exceeded the 15 percent carryover limitation by a total of \$16,363,554. Through extensive collaboration between the MDE and DPS, DPS identified additional allowable expenses and obligations in the amount of \$6,565,030 as allowable under the provisions of NCLB for fiscal year 2007-2008. Michigan exercised its authority to approve these as allowable for fiscal year 2007-08, thus reducing the excess carry over for this year to \$9,798,524. The identification of these expenses reflected a good faith effort by Michigan and DPS to address this issue through the existing authorities provided in NCLB.

However, unless this waiver is granted, the remaining, unobligated balance of Title I, Part A funds that exceeds 15 percent – a total of \$9,798,524 – would not be available to support quality instruction and academic achievement for the students of DPS in fiscal year 2008-2009.

DPS is under the new leadership of Robert C. Bobb, appointed as Emergency Financial Manager by Jennifer M. Granholm, Governor of the State of Michigan. Governor Granholm appointed Mr. Bobb and provided him with the responsibility and the authority to balance the DPS budget, manage spending, and establish strong and reliable financial systems that support sound academic decisions for the students of Detroit. Mr. Bobb has begun addressing the financial management weakness that contributed to the situation in which DPS exceeded its Title I, Part A carryover limitation and is fully engaged in the difficult work of addressing the financial weaknesses that led to his appointment. We have attached a list of some examples illustrating the activities that have been undertaken to strengthen internal controls

In addition, Mr. Bobb has submitted an amended consolidated application to MDE for Title I carryover that would allow Detroit Public Schools' unspent Title I, Part A funds to support the academic achievement of students currently in Detroit's school system while targeting resources on increasing achievement for students below grade level. According to the most recent test results on the Michigan

Dr. Stevenson  
Page 3  
May 13, 2009

Educational Assessment Program (MEAP) issued in the fall of 2008, the need to devote all available resources to this cause is evident. In Reading, 40.3 percent of students performed at below basic or failing levels; in Mathematics, 41.1 percent of students performed at below basic or failing levels; and in Science, 45.6 percent of students tested performed at below basic or failing levels. A waiver of the 2007-2008 carryover limitation would make essential resources available to serve the federal purposes of students in most academic need during the current year.

The centerpiece of the DPS plan, provided to MDE, is an expanded summer program that provides structured intervention at all grade levels for Title I eligible students, by providing supplemental instruction to assist students in acquiring the skills needed to be successful at the next grade level. This program is designed to be the most comprehensive summer program ever provided to DPS students and will serve 41,000 (more than 40 percent) of the Detroit Public School student base.

The program will provide targeted instruction aligned to the curriculum, with interventions at the Elementary, Middle and High School levels designed to dramatically expand the educational opportunities for current DPS students, and provide supplemental instructional services to ensure that these students receive the best programs for academic success.

In addition to summer instructional support, this program will include rigorous professional development and opportunities for parent involvement. It will also provide resources for training and professional development for staff as part of the school restructuring process. A list of examples of some of the activities that are clear evidence that the federal funds are being utilized to support teaching and learning of Title I students is attached.

Michigan requests that the USED further waive the 15 percent carryover limitation for the current academic year (2008-2009). This is necessary because if USED grants the waiver for the 2007-2008 fiscal year, Michigan would not have authority to waive it again for three additional years and the district is unlikely to spend all but 15 percent of its Title I, Part A allocation this year.

Rationale: Mr. Bobb was appointed by Governor Granholm on January 26, 2009, midway through the current fiscal year. The previous DPS administration took numerous actions to slow the expenditures of Title I, Part A funds in an effort to institute internal controls, with limited success. As a result, at the time Mr. Bobb took over, only 19 percent of the Title I, Part A budget had been obligated, while the district was 8 months into the fiscal year. As an example, Mr. Bobb inherited a situation in which nearly 350 Title I teachers had not yet been hired and engaged to serve the interests of students as eligible Title I beneficiaries. Mr. Bobb immediately initiated the hiring and assignment process to fill these positions, and

Dr. Stevenson  
Page 4  
May 13, 2009

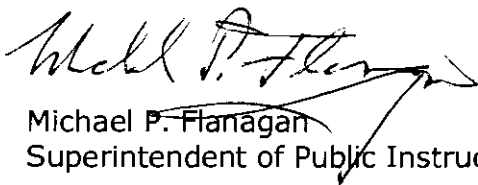
streamlined the process of procurement for implementing the approved Title I consolidated application while instituting stronger internal controls, monitoring and enforcement to prevent, detect and resolve fraud, abuse and waste.

However, it is unlikely that Detroit will be able to obligate 85% of this year's Title I, Part A allocation and last year's carryover on legitimate, allowable Title I initiatives that are necessary, reasonable and allocable by September 30, 2009. We are therefore requesting a waiver of the 2008-2009 limitation on carryover to make these funds available to serve student needs for an additional year.

In summary, we are requesting two waivers of the 15 percent carry over limitation, one for the 2007-2008 fiscal year and one for the 2008-09 fiscal year. Each of these waivers will allow the DPS to increase services to Title I schools. The primary use of these funds are: 1) to improve English language arts and mathematics achievement of students in schools failing to make adequate yearly progress and in other Title I schools; 2) to increase graduation rates for all high schools; 3) to increase support services to Title I eligible student; and 4) to provide a strong, cohesive system of professional development for academic staff serving Title I eligible students.

Thank you for your assistance in this matter. I look forward to hearing from you on this issue. If you have questions or need additional information, please contact Mike Radke at 517-373-3921.

Sincerely,



Michael P. Flanagan  
Superintendent of Public Instruction

Attachments

cc: Mr. Joseph Conaty  
Acting Assistant Secretary  
Office of Elementary and Secondary Education  
U.S. Department of Education  
400 Maryland Avenue, SW  
Washington, D.C. 20202

## Attachment 1: List of Internal Controls Established

The Emergency Financial Manager established an Office of the Inspector General and an Office of the Auditor General, under the leadership of experienced professionals with capable staff, that provide the institutional capacity for a robust internal control environment. Under the leadership of the Office of the Inspector General, the DPS issued an Employee Code of Ethics and Whistleblower policy that apply to all DPS staff including members of the Board of Education.

In addition, the Emergency Financial Manager issued a series of Orders that provide the first steps towards establishing a framework for internal controls for DPS. These orders include the following:

Order 2009-1: Order Assuming Control Over All School District Fiscal Matters

Order 2009-2: Order Directing Issuance of Contract Non-Renewal Notices

Order 2009-3: Order Requiring Screening of All Contracts for Legal Services by the General Counsel And Approved By The Emergency Financial Manager

Order 2009-4: Order Directing a Hiring Freeze Pending Review of Vacant School District Positions and Creating a Hiring Review Committee

Order 2009-5: Order Terminating Contract NO. 9-0244-2

Order 2009-6: Order Suspending all Travel to Conferences and Workshops at School District Expense

Order 2009-7: Standing Order Mandating Document Production and Testimony

Order 2009-8: Order for Retention of School District Records, Files, and Documents

Order 2009-9: Order Requiring Reporting of Waste, Fraud, and Abuse

Order 2009-7a: Amended Standing Order Mandating Document Production and Testimony

## Attachment 2: List of Summer Programs:

The Emergency Student Achievement Summer School Academies comprises a series of Title I-eligible initiatives which will enhance the academic programs and provide unprecedented opportunities at DPS this summer for students, parents, and school staff.

- **Program for Students**

This summer program provides structured intervention at all grade levels for Title I eligible students by providing supplemental instruction to assist students in acquiring the skills needed to be successful at the next grade level. It is designed to be the most comprehensive summer program ever provided to DPS students. The expanded summer program will provide academic interventions at all grade levels and ensure that every student who is falling behind has the opportunity to catch up and succeed. It includes the following:

1. Summer Learning Academy (SLA) will provide academic intervention for students in Grades 3, 5 and 8 who do not meet the Districts Promotion criteria with a focus on Reading, Mathematics and Science. Students with performances levels of 3 or 4 on the MEAP are the target population. The program is augmented by the building level Summer Learning Communities programs, which are available to Grades 1, 2, 4, 6 and 7.
2. Transition Academy will target 8<sup>th</sup> grade students with MEAP Performance Levels of 3 or 4, who are passing to the 9<sup>th</sup> grade and are in need of academic support.
3. Credit Recovery classes will be conducted for students who have taken and failed required classes. Students will also be provided with tutorial services to improve performance levels.
4. The 9<sup>th</sup> Grade Academy will be provided for students who have acquired the 45 hours necessary to become a freshman and need to acquire the knowledge and skills to successfully function at the 10<sup>th</sup> Grade level. It will also serve students who are at risk of dropping out of school through targeted retention efforts.
5. Technology for Carnegie Program will provide laptop carts containing 30 Dell wireless units to support the implementation of the Carnegie Cognitive Tutor Algebra 1 program at 20 high schools.
6. Community Use. Costs will include staff assignments based on extended hours for engineering and housekeeping services needed to support summer programs.
7. ACT Prep. This program is an intensive test preparation which includes a thorough review of all content on the ACT test for 11th and 12th graders. The program reinforces study and management skills, and provides practice skills in a test like format.
8. Supplemental Educational Services (SES) Summer Program. Free tutoring services will be expanded beyond the standard school year. A summer SES initiative will allow for up to 1,875 SES-eligible students to receive tutoring services through July 27, 2009.

- **Programs for Parents (Parent Involvement)**

The following programs will be offered to parents of Title I eligible students:

1. Parent University will offer six training sessions for parents to enable them to support their child's learning of the core academic content through workshops and academic field trips.
2. Kindergarten Kaleidoscope Program will provide training and Ready for Kindergarten kits to parents of pre-schoolers transitioning to kindergarten to educate them on effective strategies to prepare their children to enter kindergarten.

- **Programs for School Staff (Professional Development)**

The following programs will be offered to support professional development for Title I eligible staff:

1. Role of Instructional Leader series will provide training on ways to implement improvements throughout the Title I schools.
2. Differentiated Instruction Summer Academy training will provide training in all core curriculum areas.
3. Research To Results training will be provided for teachers in High Priority Schools. Training will provide strategies to increase student achievement in Literacy, Math, Science and Social Studies.
4. Technology for Administrators training will provide professional development on applications related to improving student achievement and effective use in classrooms.
5. Teachers As Leaders series will provide training to teachers at summer school sites on the administrative role and responsibilities and how it all works together with effective instruction.
6. Counselors Creating Climate and Clusters of Support to Increase Student Achievement workshop series will provide training for counselors in areas such as transcript interpretation, data-driven planning, developing a mentoring relationship with students and programming for success.
7. Continuous Improvement series will provide training on the alignment of expectations grade-to-grade and expecting both high standards and high success rates at the same time.
8. Professional Development series for principals and assistant principals will focus on the delivery of high quality instruction and strategies for having comprehensive, clear and accurate student outcome data to drive decision making.
9. Participatory Learning Ages 0 – 6: Workshop series emphasizing direct instruction, hands-on experiences with people, objects, events and ideas for language and numeracy readiness.