



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

April 17, 2014

The Honorable Tom Corbett  
Office of the Governor  
225 Main Capitol Building  
Harrisburg, PA 17120

Dear Governor Corbett:

I am writing in response to Pennsylvania's request to amend its approved Race to the Top Grant project. Between October 17, 2013 and April 2, 2014 the State submitted amendment requests to the U.S. Department of Education (Department). As you are aware, the Department has the authority to approve amendment requests to your plan and budget, provided that such a change does not alter the scope or objectives of the approved proposal. On October 4, 2011, the Department published the "Grant Amendment Submission Process" indicating the process by which amendments would be reviewed and approved or denied. To determine whether approval could be granted, the Department has applied the conditions noted in the document, and compared it with the Race to the Top program *Principles*, which are also included in that document.

I approve the following amendments:

- For the State's budget, PDE shifted the length of its grant Year 1 by six months to end on June 30, 2013. The State faced initial hiring delays for key personnel across multiple projects in Year 1. The additional time allowed PDE to complete their Scope of Work and begin implementation of grant activities. Therefore, the State shifted funds budgeted between December 30, 2013 and June 30, 2013 into the State's Year 1 budget. In addition, the State's grant Year 4 will span from June 30, 2015 to December 30, 2015. See *Appendix 1: Summary Budget Table* for an updated summary budget.
- For the (B)(3) "Online Course Access" project, the State created a new PDE-owned website called the "Online Course Catalog (OCC)" to house high quality STEM online courses instead of supporting the staff to utilize the existing "Keystone Campus," managed by Pennsylvania's Intermediate Units (IUs). The State reported this approach allowed PDE to ensure proprietary ownership of the website. In turn, the State will manage the process to review and publicize online courses submitted by vendors instead of the IUs. PDE contracted with an OCC manager to oversee the project instead of hiring personnel.

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As a result, shift \$454,474 from Years 1-4 Personnel, Travel, and Equipment to Years 1-4 Contractual. PDE reports this budget shift allowed the State to contract with additional subject matter experts to review online courses and ensure quality.

- For the (C)(2) “Data Strategy” project, make the following budgetary shifts:
  - The State contracted with a Director of Data Strategy instead of hiring personnel as originally proposed. As a result, shift \$482,125 from Years 1-4 Personnel and Fringe to Years 1-4 Contractual. PDE reports this shift allowed the Director of Data Strategy to contract with a project manager and subject matter expert to analyze data flow and strengthen PDE’s data governance.
  - Shift \$750,000 unexpended funds from Year 1 Contractual to Year 2 Contractual for PDE’s contract to modify Pennsylvania’s Information Management System (PIMS) to allow LEAs and PDE to access real-time data. The State reports that funds were committed but not expended as of June 30, 2013. The State also reports this project was underway in Year 1 but faced some delays due to system compatibility issues. PDE also clarified this contract included adding a Data Quality Engine to the PIMS in order to ensure data quality. The State added associated activities, including a Data Quality Engine pilot, to its Scope of Work to clarify the scope of this project.
  - Shift \$675,000 unexpended funds from Year 1 Contractual to Year 2 Contractual for PDE’s contract to modify PIMS to achieve a correlation between individual teachers and students for the State’s educator evaluation system. The State reports this project was underway in Year 1 and funds were committed but not expended as of June 30, 2013.
  
- For the (C)(2) “School Performance Profile (SPP) ” project, shift \$68,456 Year 1 Contractual to Year 2 Contractual. The Department acknowledges that this shift is necessary because PDE delayed implementation of its SPP from fall 2012 to fall 2013 in order to align with the availability of achievement gap measures. The State’s accountability plan requires the SPP to include State assessment data from Pennsylvania’s Keystone Exams as baseline data, which the State implemented for the first time in SY 2012-2013. As a result, PDE shifted implementation of the SPP and dependent activities by one year in the State’s Scope of Work, (e.g., IU support for LEAs in implementing school improvement plans based on SPP results) in order for PDE and the Department to manage to these timelines moving forward.

In addition, reallocate \$273,824 of Years 1-4 Contractual funds to a contract with an IU for Academic Recovery Liaisons (ARLs) to support Priority school principals and the State’s lowest-achieving schools identified through SPP scores. These funds originally supported contracts to assist with the development of the SPP and IU communication efforts on the SPP to various constituencies (e.g., parents, families, educators). PDE reports this work was completed in Year 1 utilizing other funds and that the State will leverage other State funds to publicize and maintain the SPP in the future.

- For the (B)(3) “STEM/Standards Aligned System (SAS)” project, shift the timeline to secure and embed classroom diagnostic tools (CDTs) for grades 3 - 5 in mathematics and science from August 2013 to May 2014. The State reports this additional time will allow the State to complete a field test of the tools and gather feedback from the field. There is no budget implication for this delay as PDE leveraged other State funds to develop and implement the field test in Year 1. PDE will also reallocate \$5,495 of Year 1 Contractual funds intended for IU support of the State’s (B)(3) work to Year 2 Contractual to complete the development of the CDTs.
- For (C)(2) “Educator Dashboard/Early Warning System (EWS)” project, PDE clarified its implementation strategy for this project. The State’s Race to the Top application indicated the dashboard would provide educators access to real-time student data populated by the PIMS. The system was also intended to house student growth data for the State’s teacher and principal evaluations. PDE clarified this project will support one element of the Educator Dashboard, the EWS, which will provide educators with academic and behavioral early-warning indicators for dropout prevention. LEAs will implement the EWS and update the student data on a voluntary basis. Furthermore, the State will use a separate system for student growth data collection and reporting for the teacher and principal evaluation system. The Department understands the State will utilize PIMS to calculate a three-year average of student growth data to be included in final performance ratings for teachers of tested grades and subjects by SY 2015-2016.

In addition, shift the timeline to launch the Early Warning System component of the Educator Dashboard from March 2013 to September 2014. The State faced significant delays in Year 1 with selecting a dashboard to ensure compatibility with State systems. As a result, the State shifted several dependent activities in the State’s Scope of Work, (e.g., training for IUs on the EWS, ongoing training and technical assistance for LEAs) in order for PDE and the Department to manage to these timelines moving forward. The State will also shift \$331,000 from Year 1 Contractual to Year 2 Contractual to fund technical support for implementation of the Educator Dashboard. These funds were originally allocated for IUs to assist with the initial development of the Educator Dashboard, but PDE utilized funds from other sources to complete this work.

- For (F)(2) “Charters,” shift \$37,500 and \$10,500 from Years 1-4 Supplies and Travel respectively to Years 1-4 Contractual to enhance the quality of required annual reports for cyber charter schools. The resources will also be made available to LEAs for brick-and-mortar charter school reporting. Funds were originally allocated to support the monitoring of charter schools and communication efforts to promote awareness on public school options. Race to the Top staff will continue to monitor charter schools through its sub-recipient monitoring and use existing communication streams to promote awareness on public school options.

I conditionally approve the following amendments:

- In multiple sub-criteria, the State will shift unexpended contractual funds from Year 1 to Year 2 for contracts with IUs dedicated to provide support and training to LEAs and, as

appropriate, IHE faculty. PDE reports these budget shifts are due to the timing of reimbursements and initial hiring delays that impacted project timelines. These shifts include the following:

- In (A)(2) "Building Strong Statewide Capacity," shift \$108,136 of unexpended Year 1 Contractual funds to Year 2 Contractual for IU coordination of all Race to the Top activities with PDE Leadership.
- In (B)(3) "Supporting the Transition," shift \$982,158 of unexpended Year 1 Contractual funds to Year 2 Contractual for IU support to LEAs for implementing Standards & Assessments, including Common Math Tasks, online course access, and SAS resources.
- In (C)(2) "Provide Easy Access to Meaningful Data," shift \$163,051 of unexpended Year 1 Contractual funds to Year 2 Contractual for IU support for the development and implementation of the Educator Dashboard, Early Warning System, and School Performance Profile.
- In (D)(2) "Refine and Implement Teacher and Principal Evaluations," shift \$425,333 of unexpended Year 1 Contractual funds to Year 2 Contractual for IU work to finalize the educator effectiveness rubrics and support of teacher and principal evaluation implementation.
- In (D)(5) "Provide Professional Development for Evaluations," shift \$988,102 of unexpended Year 1 Contractual funds to Year 2 Contractual for IUs to provide training to educators and teacher preparation faculty on inter-rater reliability and the educator effectiveness observation tools.

This approval is conditioned on the State providing to the Department an updated budget, detailing updated expenditures for Year 2 and budget for Years 3 and 4 by July 25, 2014. The Department also expects to receive additional documentation from the State regarding its findings from SY 2013-2014 sub-recipient monitoring by June 30, 2014 to clarify how PDE will monitor and support IU and LEA progress in implementing Race to the Top activities in SY 2014-2015.

It is our understanding that the amendment will not result in a change of your State's goals and performance measures, nor will it substantially change your scope and objectives. Please note that this letter will be posted on the Department's website as a record of the amendments.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact your Race to the Top Program Officer, Julie Glasier, at [julie.glasier@ed.gov](mailto:julie.glasier@ed.gov) or 202-205-0940.

Sincerely,

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Ann Whalen  
 Director, Program and Policy Implementation  
 Implementation and Support Unit

cc: Dr. Carolyn Dumaresq, Acting Secretary of Education  
Angie Eifert, Race to the Top Director

**Appendix 1: Summary Budget Table:**

This table summarizes the overall budgeted amount for the Race to the Top Phase 3 Pennsylvania grant activities by budget category and by year, including the budget category total by year.

	Year 1 (Dec. 30, 2011 – June 30, 2013)	Year 2 (July 1, 2013 – June 30, 2014)	Year 3 (July 1, 2014 – June 30, 2015)	Year 4 (July 1, 2015 – Dec. 30, 2015)	Total
1. Personnel	\$552,500	\$495,000	\$495,000	\$247,500	\$1,790,000
2. Fringe	\$248,625	\$222,750	\$222,750	\$111,375	\$805,500
3. Travel	\$38,813	\$25,875	\$25,875	\$12,938	\$103,500
4. Equip	\$7,500	\$0	\$0	\$0	\$7,500
5. Supplies	\$19,463	\$12,975	\$12,975	\$6,488	\$51,900
6. Contractual	\$6,538,365	\$4,359,244	\$4,359,244	\$2,180,122	\$16,954,849
7. Training Stipends	\$0	\$0	\$0	\$0	\$0
8. Other	\$0	\$0	\$0	\$0	\$0
9. Total Direct	\$7,405,265	\$5,115,844	\$5,115,844	\$2,558,422	\$19,713,249
10. Indirect	\$263,451	\$250,357	\$250,357	\$191,879	\$949,881
11. Involved LEAs	\$0	\$0	\$0	\$0	\$0
12. Supplements to participating LEAs	\$0	\$0	\$0	\$0	\$0
13. Total Costs	\$7,668,716	\$5,366,201	\$5,366,201	\$2,750,300	\$20,663,130
14. Funding Subgranted to Participating LEAs	\$5,165,792	\$5,165,792	\$5,165,792	\$5,165,792	\$20,663,170
15. Total Budget	\$12,834,508	\$10,531,993	\$10,531,993	\$7,916,093	\$41,326,299