



UNITED STATES DEPARTMENT OF EDUCATION
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES



May 23, 2016

Debra McMannis
Director, Early Education and Support Division
California Department of Education
1430 N Street
Sacramento, CA 95814-5901

Dear Ms. McMannis:

This letter is in response to California's request to amend its approved Race to the Top – Early Learning Challenge (RTT-ELC) grant. The U.S. Department of Education approved California's grant projects and scope of work on December 10, 2012. On April 28, 2016, the California Department of Education sent an amendment request to its Project Officers requesting to move funds from its Year 4 budget to Year 5.

As you are aware, the Departments have the authority to approve amendments provided that such a change does not alter the scope or objectives of the approved proposal. On July 18, 2012, the Departments sent a document to Project Directors describing the process by which amendments would be reviewed and approved or denied. To determine whether approval could be granted, the Departments have applied the conditions noted in that document and compared it with RTT-ELC program requirements and conditions.

The changes proposed to nine projects are mainly due to reductions in personnel and related costs, contract adjustments, and changes to indirect costs, resulting in additional funds being added to Projects 4, 10, and 12. For Year 5, funds are budgeted only for Projects 1, 2, 4, and 12, in the total amount of \$1,712,592. Other projects obligated all funds in 2015 but will continue to complete some project activities in 2016. None of the changes proposed in this amendment change the scope or objectives of the grant. All funds will be obligated by December 31, 2016.

The following changes are approved, as described below:

Project 1 (Grants Management): California spent \$379,010 in Year 4 and is requesting to move \$460,060 into Year 5. California received approval in its no-cost extension to spend up to \$480,000 in Year 5, so this budget amendment will decrease that amount slightly.

Project 2 (Regional Consortia): California spent \$10,352,657 in Year 4 and is requesting to move \$1,188,911 into Year 5 in order to enable the Regional Consortia to obligate remaining funds to complete the implementation of their Quality Rating and Improvement Systems. California received approval in its no-cost extension to spend up to \$6,000,000 in Year 5, so this budget amendment will decrease that amount. A small decrease in the overall project budget reflects the actual amount of the contract that supports the Regional Consortia and the fact that funds were redistributed among some Consortia in the fall of 2015.

Project 3 (Home Visiting): The budget for this project was reduced by \$98,819 to reflect the final amounts of two contracts. No funds are needed in Year 5.

Project 4 (Screening Tool Distribution): California received approval in its no-cost extension to spend up to \$42,000 in order to conduct additional training on the Ages and Stages Questionnaire. The Year 5 project budget has been increased slightly to reflect the cost of the contract (\$41,000) and associated indirect costs (\$8,897).

Project 8 (Linking KEA Data to CALPADS): Because of reductions in staffing, savings in Personnel and related costs, and a correction to the indirect costs, funding in the amount of \$40,914 will be redirected to other projects. No funds are needed in Year 5.

Project 9 (PAS/BAS Training for Mentors): The overall project budget decreased slightly (\$2,542) to reflect the final amount of the contract. No funds are needed in Year 5.

Project 10 (Electronic Training Materials on Existing Content): California received approval in its no-cost extension to spend up to \$265,000 in order to complete deliverables for the development of the California Early Childhood Online (CECO) system. Specifically, funds were provided for the development of additional content modules and increased maintenance demand. Since all funds were obligated in 2015, no funds are needed in Year 5.

Project 12 (Independent Evaluation): In Year 4, the evaluation contract had savings of \$469,378. An additional task was added at a cost of \$483,101, which will provide more accurate information, including replicating the measurement properties analysis with 2014 rating data, and supplementing the concurrent validity analysis with additional slots. The \$13,723 needed to complete this project has been added to the Year 5 budget.

Project 13 (Inter-Rater Reliability Contract): California has realigned the budget between years to reflect when funds were encumbered. This resulted in a slight increase in indirect cost charges because the rate varies from year to year. The overall project budget increased slightly but no funds are needed in Year 5.

We understand that this amendment request will not impact California's overall RTT-ELC goals, plans, outcomes, or performance measures, but will ensure California can continue to make progress on its RTT-ELC scope of work activities. Please note that we expect grantees with no-cost extensions to liquidate all funds by March 31, 2017, given that by law all RTT-ELC funds revert to the U.S. Department of Treasury as of October 1, 2017. This letter will be posted on the Department of Education's website as a record of the amendment request and our approval. All budget changes are recorded in the GRADS 360 system and the detailed budget request is saved in the official grant file.

We are confident that California will continue its comprehensive efforts towards building successful state systems of early learning. If you need any assistance regarding RTT-ELC, please do not hesitate to contact your Project Officer, Deborah Spitz, at (202) 260-3793 or Deborah.Spitz@ed.gov or your co-project officer Kim Relph, at (415) 437-8485 or Kim.Relph@acf.hhs.gov.

Sincerely,

/s/

Libby Doggett
Deputy Assistant Secretary
Office of Early Learning
Office of Elementary and Secondary Education
U.S. Department of Education

/s/

Linda K. Smith
Deputy Assistant Secretary for Early Childhood
Development
Administration for Children and Families
U.S. Department of Health and Human Services