UNITED STATES DEPARTMENT OF EDUCATION

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES

September 10, 2013

Cecelia Fisher-Dahms
Child Development Division
California Department of Education
1430 N Street
Sacramento, CA 95814

Dear Ms. Fisher-Dahms,

This letter is in response to California's request to amend its approved Race to the Top – Early Learning Challenge (RTT-ELC) budget. The State submitted an amendment request to the U.S. Departments of Education and Health and Human Services (the Departments) on May 14, 2013. 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 following amendment request is approved, as described below:

- The amendment request updates the Year 1 budget to reflect actual expenditures and shifts unspent funds to Years 2 and 3 of the grant.
    - The budget in Year 1 of the grant has been amended from $9,319,412 to $6,938,170, a decrease of $2,381,242.
    - The budget in Year 2 of the grant has been amended from $13,428,389 to $14,885,819, an increase of $1,457,430.
    - The budget in Year 3 of the grant has been amended from $14,435,020 to $15,569,468, an increase of $1,134,448.
    - The budget in Year 4 of the grant has been amended from $15,390,114 to $15,179,478, a decrease of $210,636.

- No changes have been made to grant activities. Changes have been made for the following (non-substantive) reasons:
    - Nearly all of the unexpended funds were the result of delays in procurement that resulted in the award of contracts in Year 2 instead of Year 1.
    - Approximately $87,000 of technical assistance funds were not expended in Year 1 and have been shifted to later years of the grant.
    - In two projects, funds in Years 2 through 4 are being changed to a different line item within the project budget due to a change in funding mechanism (i.e., a purchase order instead of a contract). The amounts and activities are not impacted by these changes, except where indirect costs are impacted.

- A change in the approved indirect cost rate resulted in small changes throughout the budget.

It is our understanding that this amendment will not result in a change in your State's performance measures and outcomes, participation rates, and grant activities, nor will delays in spending funds substantially change the scope of work. Please note that this letter will be posted on the Department of Education's website as a record of the amendment request.

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.

Sincerely,

Deborah Delisle
Assistant Secretary
Office of Elementary and Secondary Education
U.S. Department of Education

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

Cc: Tom Torlakson, Superintendent, California Department of Education