



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



February 3, 2015

Jennifer Ranji
Secretary, Department of Children, Youth and Families
1825 Faulkland Rd
Wilmington, DE 19805-1195

Dear Secretary Ranji:

This letter is in response to Delaware's request to amend its approved Race to the Top – Early Learning Challenge (RTT-ELC) grant projects. The U.S. Department of Education and the U.S. Department of Health and Human Services (the Departments) approved Delaware's grant projects and scope of work, including supplemental funds, on December 11, 2012. On December 10, 2014, the Delaware Office of Early Learning submitted an amendment request, whereby it proposes overall adjustments to its budget based on expenditures and cost savings in its third grant year.

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.

Delaware has requested to reallocate unspent funds from projects with lower than expected expenditures to other projects in need of additional funds (Projects 2, 5, 6, 8-13, 16, and 18). Funds will also be reallocated to later years to address minor project delays (Projects 1, 8, 11, 13, 16, and 18). These delays will not result in changes to approved activities or to the scope and objectives of the grant. The specific amounts changing in each year and category are detailed in the State's request.

Projects receiving additional funds are as follows:

Project 3 (Financial Incentive Program for Quality Improvement): This project will receive \$122,589 from Project 2 and \$1,467,411 from Project 5. Funds will be used in the Contractual category to support incentives for 4 and 5-Star programs serving infants below 12 months of age and serving a minimum of 5% through child care subsidy. A cost study performed by Anne Mitchell showed that high-quality programs needed additional resources in the infant room due to the low teacher-child ratios.

Specifically, the breakdown looks as follows:

- \$150,000 for incentives to offset the high cost of quality infant care based on enrollment in October 2014.
- \$450,000 for incentives to offset the high cost of infant care based on enrollment in March and October 2015.
- \$165,000 to increase the Tiered Reimbursement Rate from 90% to 93% for 4-Star programs and from 100% to 102% for 5-Star programs in 2014.
- \$825,000 to increase the Tiered Reimbursement Rate from 90% to 93% for 4-Star programs and from 100% to 102% for 5-Star programs in 2015.

Project 7 (Comprehensive Screening): In Year 3, additional funds were needed to address increased demand from Stars programs for screening materials in both English and Spanish. Within this project, \$2,143 is being reallocated from Year 2 to Year 3 and \$20,533 is being reallocated from Year 4 to Year 3. An additional \$26,987 from Project 6 is allocated to meet the increased need for screening materials.

Project 15 (Purchase of Care System): After consultation with a team of early childhood data experts, Delaware is working to enhance the scope of its child subsidy system so it includes the early work on the Early Childhood Integrated Data System (ECIDS). Funds are reallocated from Projects 6, 8, and 9 as described above totaling \$57,000. In addition, \$18,000 in unspent funds in Year 2 are reallocated to Year 4, and \$1,071,963 in unspent Year 3 funds are reallocated to Year 4.

Project 17 (Leadership for System Development): In Year 4, additional funds are needed for efforts related to sustainability of the grant, including holding public input meetings and budget development planning. Funds are reallocated from projects 5, 8, 10, 11, 12, 13, 15, and 18 as described above, totaling \$1,549,837. In addition, \$108 in unspent funds from Year 2 and \$158,031 in unspent funds from Year 3 are reallocated to Year 4 (primarily due to the vacancy in the Grant Director position).

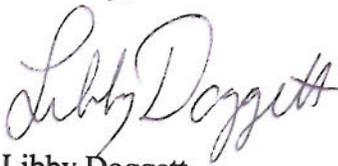
There are no changes requested to Projects 4 and 14.

We understand that this amendment request will not impact Delaware's overall RTT-ELC goals, plans, outcomes, or performance measures, but will ensure Delaware can continue to make progress on its RTT-ELC scope of work activities.

Please note that 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 Delaware 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 Richard Gonzales, at (202) 401-5138 or Richard.Gonzales@acf.hhs.gov.

Sincerely,



Libby Doggett
Deputy Assistant Secretary
Office of Early Learning
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
Service

Cc: Nancy Widdoes