



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



April 4, 2016

Terry S. Tolan
Executive Director
Governor's Office of Early Childhood
125 Holmes Street
Frankfort, KY 40601

Dear Ms. Tolan:

This letter is in response to Kentucky's request to amend its approved Race to the Top -Early Learning Challenge (RTI-ELC) grant project budgets. The U.S. Department of Education and the U.S. Department Health and Human Services (the Departments) approved Kentucky's grant projects and scope of work on September 18, 2014.

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 RTI-ELC program requirements and conditions.

On March 15, 2016, the Kentucky Office of Early Childhood sent an amendment request to its Project Officers indicating the grantee would like to reallocate unspent funds forward in each of its projects from its Year Two budget into its Year Three budget. These changes are primarily due to unspent personnel costs (staff vacancies and delays in hiring) and other related project costs. All 7 projects had unspent funds in Year 2. There are no changes to the activities in these projects.

The specific amounts changing in each year and category are detailed in the State's request.

The following amendment request is approved, as described below:

- Project 1 (Grants Management): Kentucky is requesting that unspent funds for year 2 of project 1 be carried over into year 3 of the grant. Below is a list of unused funds from year 2 from the Governor's Office of Early Childhood (GOEC):
 - a. Unused personnel costs: \$58,532
 - b. Unused fringe benefits: \$53,074
 - c. Unused travel costs: \$853
 - d. Unused supplies costs: \$18,297
 - e. Unused other costs: \$60,000
 - f. Unused set-aside to local agencies: \$135,825
- Project 2 (Expanding the TQRIS): Kentucky is requesting that unspent year 2 funds be made available to spend in year 3 in the following categories:
 - o Personnel: \$202,114
 - o Fringe: \$82,840

- Travel: \$19,394
- Contractual costs: \$ 5,533,011
- Supplies: \$232,387

- Project 3 (KY Early Learning Standards): During year 2, Kentucky switched development of online modules from Kentucky Educational Television (KET) to Eastern Kentucky University (EKU). EKU has substantially lower development costs than KET. Kentucky is requesting that unspent funds from project 3 year 2 be distributed to year 3 of the grant to support further development of free online content:
 - Contractual costs: \$44,281

- Project 4 (United Way Born Learning Academies): Kentucky is requesting that unspent funds for project 4 in year 2 be transferred to year 3 of the grant:
 - a. Personnel costs: \$2,821
 - b. Fringe benefits: \$8,683
 - c. Funds to be distributed to local agencies: \$10,000

- Project 5 (Strengthening Families): Savings realized through leveraging partnerships with other agencies on travel costs resulted in a total of \$5,942 for project 5 during the second year. As a result, Kentucky is requesting that unspent travel dollars for project 5 be reallocated to year 3 of the grant.
 - a. Travel: \$5,942

- Project 6 (Responsive PD System and Unified Registry): Kentucky is proposing a budget amendment to support implementation of Leadership Development Academies. The Academies will be a series of regional professional development opportunities for early childhood leaders from licensed and certified child care, Head Start and state funded Pre-K programs. The purpose of the Academies is to provide program leaders training and technical assistance on how they may become the lead learners in their agencies and support their own professional growth through the creation of learning networks. As a result, KY is seeking to carry over all remaining year 2 dollars in this project to year 3 of the grant. The following is a list of unused funds for year 2:
 - a. Contractual costs: \$859,673
 - b. Training stipends: \$257,085

- Project 7 (Longitudinal Data System): Savings were realized in Year 2 of the grant due to longer than anticipated hiring time for the Kindergarten Entry Analyst. During year 2, the Kentucky Department of Education entered into an agreement with the Kentucky Center for Education and Workforce Statistics to hire the analyst and in the 3rd quarter of year 2 the analyst was hired. This resulted in unspent funds in year 2 that will be rolled over to year 3:
 - a. Personnel: \$89,515
 - b. Fringe Benefits: \$31,775
 - c. Other costs: \$263,271

We understand that this amendment request will not impact Kentucky's overall RTT-ELC goals, plans, outcomes, or performance measures, but will ensure Kentucky 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.

If you need any assistance regarding RTT-ELC, please do not hesitate to contact your project officer, Marsha Basloe, at (202) 401-7241 or MarshaBasloe@acf.hhs.gov or your co-project officer Anne Karasek, at (202) 245-6108 or Anne.Karasek@ed.gov.

/s/

Libby Doggett
Deputy Assistant Secretary
Office of Early Learning
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/s/

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Development
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