



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



June 15, 2016

Susan Broman
Deputy Superintendent
State of Michigan Department of Education
608 West Allegan Street, PO Box 300008
Lansing, MI 48909

Dear Ms. Broman:

This letter is in response to Michigan's request to amend its approved Race to the Top – Early Learning Challenge (RTT-ELC) grant. The U.S. Department of Education and the U.S. Department of Health and Human Services (the Departments) approved Michigan's grant projects and scope of work on January 13, 2015. On May 2, 2016, the Michigan Department of Education submitted an amendment request in which it proposes adjustments to its budget to move unspent funds from 2015 to 2016.

As you are aware, the Departments have the authority to approve amendments to your RTT-ELC plan and budget, provided that such a change does not alter the scope or objectives of the approved proposal. On June 10, 2015, the Departments sent a document, "Grant Amendment Submission Process" to you 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:

Michigan is requesting to move \$12,196,191 into Year 3 (Dec. 31, 2015 – Dec. 31, 2016) of their RTT-ELC grant due to spending delays in Years 1 and 2. The proposed changes are moving funds within projects from Year 2 to Year 3.

Project 1 (governance and coordination): In Year 2, Michigan spent \$945,224 less than budgeted – mainly due to salaries and associated personnel costs being lower than expected due to turnover and time it took to re-fill those positions. These funds will be carried forward into the Year 3 budget.

Project 2 (improving quality through increased participation in QRIS): In Year 2, Michigan spent \$3,779,356 less than budgeted – mainly due to contractual costs being lower because planning and implementation for awarding Quality Improvement Grants and Provider Incentives for GSQ

(Great Start to Quality – Michigan’s Quality Rating and Improvement System) participation took longer than originally planned. Grants and Bonuses are on track to fully launch in 2016. These funds will be carried forward into the Year 3 budget.

Project 3 (meeting the physical and social-emotional health development needs of young children): In Year 2, Michigan spent \$1,678,340 less than budgeted – mainly due to salaries and associated personnel costs and contractual costs being lower than expected because the merge of the State’s Department of Human Services and Department of Community Health delayed hiring of lead positions to undertake activities in the Scope of Work. The funds will be carried forward into the Year 3 budget.

Project 4 (enhancing access to quality for families): In Year 2, Michigan spent \$2,107,425 less than budgeted – mainly due to contractual costs being lower than expected. Turnover in project management staff delayed work in this project and thus delayed the awarding and obligation of contract funds. The funds will be carried forward into the Year 3 budget.

Project 5 (highly qualified early childhood educators): In Year 2, Michigan spent \$1,265,100 less than budgeted – mainly due to contractual costs associated with scholarships being lower than expected. A contractor was identified at the end of Year 2 that will implement strategies to increase utilization of scholarship dollars. The funds will be carried forward into the Year 3 budget.

Project 6 (data systems): In Year 2, Michigan spent \$1,061,002 less than budgeted – mainly due to contractual costs being lower. The contract to establish the Professional Development Registry was delayed but is now in place to undertake that work in Year 3. The funds will be carried forward into the Year 3 budget.

Project 7 (family engagement): In Year 2, Michigan spent \$1,359,744 less than budgeted – mainly due to contractual costs and funds to be distributed to localities being lower than expected. The lead position for this work has been hired at the beginning of 2016 and so contracts and distribution of funds to Great Start Collaboratives and Great Start Parent Coalitions (GSPC) for Community Cafes, competitive grants to build cadres of local Great Start advisors, and staff training on parent engagement are on track for 2016. The funds will be carried forward into the Year 3 budget.

We understand that this amendment request will not impact Michigan’s overall RTT-ELC goals, plans, outcomes, or performance measures, but will ensure the State 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 GRADS360 system and the detailed budget request is saved in the official grant file.

We are confident that Michigan 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 U.S. Department of Health and Human Services Project Officer Ngozi Lawal, at (202) 260-5943 or ngozi.lawal@acf.hhs.gov or U.S. Department of Education Project Officer, Katie Chase, at (202) 205-0266 or Katie.Chase@ed.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

Cc: Kelly Young, Office of Great Start
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