



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

JUL 17 2015

The Honorable Doug Ducey
Office of the Governor
1700 West Washington Street
Phoenix, AZ 85007

Dear Governor Ducey:

I am writing in response to Arizona's request to amend its approved Race to the Top grant project, including revisions to the project period to implement a portion of its plan. On June 30, 2015, the State submitted documentation to the U.S. Department of Education (ED) to support an amendment request to its approved Race to the Top plan. ED has the authority to approve amendments to your plan and budget, provided the revisions do not change the overall scope and objectives of the approved proposal. In June 2014, ED issued *Amendment Requests with No-cost Extension Guidance and Principles*, indicating the process by which amendments containing requests to provide additional time for a grantee to accomplish the reform goals and deliverables it committed to in its Race to the Top application and approved Scope of Work would be reviewed. To determine whether approval could be granted, ED has applied the conditions and elements specific to no-cost extensions noted in the document, and compared it with the Race to the Top program *Principles* included in the "Grant Amendment Submission Process" document issued to Governors of grantee States in October 2011.

I approve the following amendments, including an extension of the performance period, as described below.

- For (A)(2)(i)(c), Administrative Oversight & LEA Coordination, shift \$268,616 to Year 5 for personnel, fringe, travel, equipment, contractual, and other costs, and extend the time period for implementation to November 30, 2016. These funds will continue to support State-level oversight of grant implementation, communication and coordination with participating LEAs, fiscal management, and reporting to ED. Given that the end of the four-year grant period was expected for December 2015, the State reserved funds in Year 4 to continue supporting LEAs and finalize grant closeout through the end of SY 2015–2016 and the 90-day liquidation period.
- For (B)(3), AZCCRS Implementation, shift \$610,867 to Year 5 personnel, fringe, other, and travel costs, and extend the time period for implementation to September 30, 2016. These funds will continue to support State-level implementation support for Arizona's College and Career Ready standards (AZCCRS), including professional development and technical assistance, resource development, and awareness and communications. Funds are available due to less than expected expenditures in Years 3 and 4; in addition, given that the end of the four-year grant

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period was expected for December 2015, the State reserved funds in Year 4 to continue supporting local educational agencies (LEAs).

Arizona also submitted a request to revise the project period for LEAs to implement their scopes of work. In order to consider amendment requests with no-cost extensions, ED indicated that States must address the timelines and implications of the amendment on the 50 percent LEA subgrants (i.e., allocations to participating LEAs), as well as the process the State will use to review LEA subgrant requests to obligate and liquidate funds after the current project period. ED generally approves the State's process for approving LEA requests to extend the project period to complete Race to the Top activities, as described in Appendix A. Prior to October 31, 2015, ED expects the State to submit a record of each participating LEA approved by the State for a no-cost extension and the total funding approved for LEAs' Year 5 scopes of work.

ED understands that this no-cost extension will not result in a change in your State's performance measures and outcomes, nor will they substantially change the scope and objectives of the work. Please note that ED expects grantees with no-cost extensions to liquidate all funds by September 30, 2016, given that by law all Race to the Top funds revert to the U.S. Department of Treasury as of October 1, 2017. The State must request and receive approval to move forward with no-cost extensions for any additional projects. This letter will be posted on ED's website as a record of the amendment.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact Monika Kincheloe or Diane Bragdon of my staff at: OSS.Arizona@ed.gov.

Sincerely,

/s/

Monique M. Chism, Ph.D.
Director
Office of State Support

cc: Superintendent Diane Douglas
Peter Laing

Appendix A.

Arizona's approach to no cost extensions for Participating LEAs will be as follows:

- Participating LEAs with funds remaining after the close of Year 4 (12/21/2015) will be provided the opportunity to submit an amendment request through the ADE online Grants Management System to carry over these funds into an extended project period, to end June 30, 2016. Amendments will be due by February 1, 2016. Additionally, Participating LEAs will be required to submit an amended scope of work to reflect their amendment request.
- The criteria for approving amendment requests will include a programmatic review for alignment to an LEA's scope of work, and a fiscal review to ensure that planned expenditures are allowable costs and budgeted appropriately.
- Unexpended funds of Participating LEAs that do not submit an amendment request for carryover by February 1, 2016 will be re-distributed according to the original allocation formula to supplement the budgets of Participating LEAs with approved amendment requests.
- The extended project end date of June 30, 2016 for LEA subgrants has been selected to ensure that Participating LEAs funds are liquidated during a 90-day period ending on September 30, 2016 – coinciding with the overall proposed RTTT NCE project end date.