



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

May 1, 2014

The Honorable Vincent C. Gray
Executive Office of the Mayor
1350 Pennsylvania Avenue, NW
Suite 316
Washington, DC 20004

Dear Mayor Gray:

I am writing in response to the District of Columbia's Office of the State Superintendent of Education (OSSE)'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. Between January 31 and April 30, 2014, the State submitted documentation to and held conversations with the U.S. Department of Education (Department) to support amendment requests to its approved Race to the Top plan. As you are aware, the Department 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 March 2013, the Department 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 and approved or denied. To determine whether approval could be granted, the Department 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 to the time period for implementation of one project, as described below.

- Update the State's overall budget to reflect the total funds made available for local educational agencies (LEAs) to extend the timelines for LEAs to implement activities of the grant from September 23, 2014 to June 30, 2015. The State determined that LEAs would benefit from additional time to effectively implement and enhance sustainability of many reforms enacted as a part of the Race to the Top grant.

Additionally, the State is approved to shift up to \$493,750 of unspent funds from Years

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The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

1 - 3 within the State's overall Budget 1 to Year 5 in grant project area (A)(2): OSSE Implementation Capacity. These personnel and fringe funds will support four full-time equivalent positions from September 23, 2014 to September 1, 2015. The agency reports that unspent funds were due to staffing transitions and vacancies and that contracts were not expended as planned due to procurement delays. The remaining \$2,201,569 in unspent funds in Budget 1 will remain unallocated until an amendment request is submitted and approved.

In order to consider amendment requests with no-cost extensions, the Department 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. Through conversations with OSSE and documentation submitted as part of these amendment requests, we understand that OSSE will review requests from participating LEAs to extend the project period to complete Race to the Top activities on a case-by-case basis. The Department generally approves OSSE's process as described in Appendix 1.

Prior to June 30, 2014, the Department expects OSSE to submit a record of each participating LEA project approved by OSSE for a no-cost extension and the total funding approved for LEAs' Year 5 Scopes of Work.

It is our understanding that these amendments and no-cost extensions 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 we are expecting grantees to liquidate all funds by September 1, 2015, given that by law all Race to the Top funds revert to the U.S. Department of Treasury as of October 1, 2015. The State must request and receive approval to move forward with no-cost extensions for any additional projects. Please note that this letter will be posted on the Department's website as a record of the amendments.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact the OSSE's Race to the Top Program Officers, Ariel Jacobs at 202-453-7025, Ariel.Jacobs@ed.gov or Loveen Bains at 202-453-5999, Loveen.Bains@ed.gov.

Sincerely,

//s//

Ann Whalen
Director, Policy and Program Implementation
Implementation and Support Unit

cc: Jesus Aguirre, Acting State Superintendent of Education
Abigail Smith, Deputy Mayor for Education
Sharon Gaskins, Deputy Assistant Superintendent for Accountability, Performance and Support

Appendix 1: Process the State will use to review LEA subgrant requests to obligate and liquidate funds after the current project period, as described by OSSE.

The LEA Submission Process:

- On a case-by-case basis, an LEA participating in the Race to the Top grant program may request a no-cost extension for specific activities it believes additional time is needed to complete the project. The LEA may request an extension that results in revisions to its goals related to specific deliverables, activities, timelines, and/or budgets provided that any such requests do not change the LEA's overall scope of work or limit the LEA's ability to comply with its pertinent terms and conditions. In addition, such requests must not limit the LEA's ability to comply with the terms and conditions of its scope of work. LEAs that choose to request a no cost extension must continue to adhere to Race to the Top Reporting requirements during year 5 of the grant period. No new projects may be funded through this no-cost extension.
- An LEA must:
 - Align requests with and support the state in meeting the requirements in the District of Columbia's Race to the Top application.
 - Align requests with the LEA's goals and activities outlined in its scope of work.
 - Explain why all funds were not spent by the end of year 4 of the grant.
 - Identify clear deliverables, activities, and timelines.
 - Identify other projects that may be impacted by the request.
 - Identify new timelines for activities within a timeframe to ensure all funds are obligated by June 30, 2015 and liquidated by September 1, 2015.
 - Explain, including a clearly defined plan, how the impact of the work will be sustained (and, if appropriate, completed) after the timeframe of the no-cost extension.

As noted above, while LEAs may not propose new projects, an LEA may request a no-cost extension for activities in any of the reform areas within its current Scope of Work and are not limited to the reform areas for which the State is requesting an extension. OSSE will consider, for example, requests to provide additional training for teachers and leaders to successfully implement the Common Core State Standards or teacher and leader evaluation systems.

- The LEA should formally notify OSSE of its intent to seek a no-cost extension by **May 9, 2014**.
- The LEA must submit its no-cost extension application by **June 1, 2014**. This deadline will allow OSSE sufficient time to review the request, request clarification (if needed), and approve applications. The request application should include the LEA's updated Statement of Work and, if applicable, the Year 5 budget.
- The no-cost extension must be signed by the Authorized Official (e.g., Chancellor, Executive Director, Board Chair, or agency designee).

LEA Criteria for No-Cost Extension Eligibility

- The Race to the Top team will use the following factors to determine if an LEA is eligible to receive a no-cost extension based on the following:
 - The LEA's capacity and/or commitment to implementing its scope of work.

- Findings from LEA desktop or on-site monitoring.
 - The timely submission of reports, including completion and quarterly expenditure reports.
 - A high-risk designation as determined by other federally-funded programs.
- LEAs with unresolved fiscal audit findings (typically related to inappropriate use of funds, no internal controls, fraud, waste, abuse) will not be considered for a no-cost extension.
 - Any outstanding fiscal and program monitoring findings must be resolved or have an approved corrective action plan before the LEA can submit a request. OSSE will use the risk status and audit reports to determine eligibility.

DC OSSE Review Process

The review process will be similar to the current budget and scope of work amendment process. LEAs' no-cost extension requests will be reviewed by the Race to the Top Project Director, Program and Fiscal Managers. OSSE will review each project in detail, identify and request any additional information needed, and determine a decision. The documented decision will be submitted in writing to the LEA.