



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

January 18, 2013

The Honorable Martin O'Malley
Office of the Governor
Maryland State House
100 State Circle
Annapolis, MD 21401

Dear Governor O'Malley:

I am writing in response to Maryland's request to amend its approved Race to the Top grant project. Between October 25, 2012, and January 7, 2013, 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 that such a change does not alter the scope or objectives of the approved proposal. On October 4, 2011, the Department sent a letter and revised "Grant Amendment Submission Process" document to Governors of grantee States indicating the process by which amendments would be reviewed and approved or denied. To determine whether approval could be granted, the Department has applied the conditions noted in the document, and compared it with the Race to the Top program *Principles*, which are also included in that document.

I approve the amendments outlined in the attached table. The amendments are driven by three factors.

- First, Maryland has chosen to align their Race to the Top grant year (October 1 – September 30) with its State fiscal year (July 1 – June 30). This change requires funds intended for expenditure between June 30 and September 30, 2012 to be shifted from Year 2 to Year 3 of the grant.
- Second, in some instances, the funds shifted from Year 2 to Year 3 were greater than anticipated based on the grant year adjustment due to implementation delays or changes in approach. For these projects, the State provided additional explanation and documentation to justify the shift in funds, as outlined in the attached table.

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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.

- Finally, the State adjusted its indirect cost allocation to account for an increased approved rate for Year 2 and actual direct cost project expenditures. This adjustment resulted in minor shifts in funds in the projects outlined in the attached table.

It is our understanding that these amendments will not result in a change in your State's performance measures and outcomes, nor will they substantially change the Scope of Work. 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 Maryland's Race to the Top Program Officer, Melissa Siry, at 202-260-0926 or Melissa.Siry@ed.gov.

Sincerely,

//s//

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

Cc: Dr. Lillian Lowery, State Superintendent of Schools
James V. Foran

This table details the grant project area, specific project and description of each approved amendment.

Grant project area affected	Specific project	Description of change
B. Standards and Assessments	4/3: Curriculum and Formative Assessment Development	1) Shift \$1,567,966 from Year 2 (across budget categories) to Years 3 and 4 due to the change in budget years and delays in the online STEM courses project. Based on conversations with the State, it is the Department's understanding that STEM course procurements were delayed due to the complexity of the solicitation, along with the cross-project collaboration needed to develop, review, and finalize requirements. The State will shift contractual funds into Year 3 as a result of the course development delays. These four courses will now be available in fall 2013, a year later than planned. 2) The State has updated contractual costs for the STEM online courses based on more accurate cost estimates, and will shift project funds to support the work of four educators to align Maryland with the New Generation of National Standards for the Arts Initiative.
C. Data Systems to Support Instruction	8/11: Develop the Overall Technology Infrastructure to Support Race to the Top Initiatives	Shift \$2,486,934 from Year 2 to Years 3 and 4 contractual, equipment and indirect costs as a result of the project year change, project delays, and project funds that have been obligated but not yet spent. As a result of delays, both the K12 and P-20 (LDS) production systems will now be fully rolled out in January and February of 2013, instead of September 2012. The State will also shift Year 2, 3, and 4 personnel, fringe, and travel funds shift to Years 3 and 4 contractual and indirect costs because MSDE has been unable to hire qualified personnel and would like to use to funds to hire contractors to accomplish the work detailed in the approved Scope of Work.
C. Data Systems to Support Instruction	10/28: Multi-Media Training	1) Shift \$630,924 of contractual funds from Year 2 to Year 3 due to procurement delays. As a result of these delays, the LEA LDS Training Academy is approximately four months behind schedule. The State indicated that it is providing other training opportunities and does not believe the delay will have a significant impact on system usage by teachers and principals. 2) The State made minor adjustments to its indirect costs based on the revised rate and actual direct costs.

Grant project area affected	Specific project	Description of change
C. Data Systems to Support Instruction	13/61: Develop P-20 and Workforce Data Warehouse and Center	Due to change in budget year, the State will shift \$1,776,191 from Year 2 to Year 3. Of this total, \$783,582 was encumbered in contracts, but not expended during Year 2. Additionally, \$663,750.50 was budgeted for the final quarter in Year 2, and will therefore move to the first quarter of Year 3 due to the change in fiscal year.
C. Data Systems to Support Instruction	14/31: Develop and Implement a State Curriculum Management System	Shift \$1,235,552 from Year 2 to Year 3 as a result of the change in budget year and project delays. The State's inability to hire qualified staff and delays in the procurement process have resulted in a two-month delay (November 2012 instead of September 2012) for the launch of the Curriculum Management System (CMS) with full rollout now scheduled for Spring 2013. The shift also moves equipment funds to contractual because the original equipment budget called for hardware and software procurements no longer needed because the State is leveraging previously purchased software applications. These funds will support additional contractual resources needed for application support, system administration resources as the system transitions into production, and meta-tagging services for CMS content.
C. Data Systems to Support Instruction	15/7: Expand Instructional Toolkit	Due to change in budget year, the State will shift \$1,519,119 from Year 2 to Year 3. Of this total, \$996,913 was encumbered in contracts, but not expended during Year 2.

Grant project area affected	Specific project	Description of change
C. Data Systems to Support Instruction	17/32: Implement a Test Item Bank System and 18/33: Implement a Computer Adaptive Test Delivery System	1) In Project 17/32, shift \$1,059,997 from Year 2 to Year 3 and in Project 18/33, shift \$2,110,404 from Year 2 equipment and contractual to the same categories in Year 3 as a result of the new budget year and a five month delay in project activities. The State reports that delays were caused by its decision to combine the RFPs for Projects 17/32 and 18/33. Procurement of the test item bank system and computer adaptive testing system occurred in December 2012 instead of July 2012, as initially planned. Maryland reports that the procurement delay will not result in a delay in the completion and rollout of the systems. 2) In Project 17/32, shift \$206,054 in Year 2 equipment to Year 4 contractual (\$150,000) and Years 3 (\$37,454) and 4 (\$18,600) indirect costs because the State anticipates needing additional contractual funds in Year 4 to support rollout of and training for the test item bank system and indirect costs were not originally calculated correctly for this project budget. 3) In Project 18/33, shift \$264,296 in Year 2 equipment to Year 4 contractual (\$150,000) and Year 3 (\$95,946) and Year 4 (\$18,600) indirect costs because indirect costs were not assessed in the original project budget and the State anticipates needing additional contractual funds in Year 4 to support rollout and training.
C. Data Systems to Support Instruction	19/34: Complete an Item Load and Set Up for the Test Bank and CAT System	Shift all Year 2 funds (\$780,000) from Year 2 to Year 3 due to the new budget year and delays in project activities resulting in delays in interdependent projects (17/32 and 18/33); the test item bank and computer adaptive testing system must be selected prior to purchasing test item content, since item content selection is dependent on system selection. Item content will now be procured in January 2013 instead of May 2012, as initially planned.
C. Data Systems to Support Instruction	22/06: Develop On-line Instructional Intervention Modules	1) Shift all Year 2 funds (\$500,000 in contractual) from Year 2 to Year 3 as a result of delays in finalizing the contract with the vendor and subsequent contract approval delays. 2) The State will also reduce the number of online instructional intervention modules to be procured through this project from 750 to approximately 375, based on increased estimates of the cost of each module. As a result of these changes, fewer modules will be available to teachers but the State believes 375 modules are sufficient to meet all stated project goals and support the required shifts in instruction and focus standards at each grade level.

Grant project area affected	Specific project	Description of change
C. Data Systems to Support Instruction	24/56: Develop and Implement a Course Registration System	Shift \$1,948,320 in Year 2 equipment and contractual funds to Year 3 due to the change in budget year and changes to the project scope. As described below, procurement originally planned for the system described in project 24/56 will now be fulfilled through the Learning Management System (LMS), procured with 26/43 project funds. Project funds in 24/56 will be used for the procurement of 1) infrastructural support services for ongoing work, 2) hiring of professional development services to enable end-user training and training module development, and 3) procurement of portal design services to develop the main Race to the Top consolidated portal for all Race to the Top web-enabled applications.
C. Data Systems to Support Instruction	26/43: Implement a System to Support LMS for Intervention, Enhancement, and Enrichment	1) Shift \$2,112,465 from Year 2 equipment and contractual costs to Years 3 and 4 equipment, Year 3 contractual, and Year 3 indirect costs due to change in budget year and project delays. As a result of procurement delays the LMS will not roll out until spring 2013, instead of fall 2012. Shifting funds will allow for vendor payments to be spread across three years ensuring that risks associated with one-time payment are alleviated. 2) The State will also shift all project activities related to procurement for the Course Registration System (project 24/56) to this project, as the LMS (will meet the needs of the systems described in projects 26/43 and 24/56.
D. Great Teachers and Leaders	28/47: Develop and Implement a Statistical Model to Measure Student Growth	Due to change in budget year, the State will shift \$651,006 from Year 2 to Year 3. Of this total, \$265,609 was encumbered in contracts, but not expended during Year 2.

Grant project area affected	Specific project	Description of change
D. Great Teachers and Leaders	30/49: Expand Educator Information System to Accommodate Additional Data	1) Shift a total of \$879,548 in Year 2 contractual and equipment funds to Year 3 contractual, equipment, and indirect costs due to delays in ratifying an Memorandum of Understanding with a partner agency and delayed procurement. Development, testing, and implementation of the upgraded Educator Information System will continue into Year 3 instead of being completed in Year 2, as initially planned. 2) The State made minor adjustments to its indirect costs based on the revised rate and actual direct costs.
D. Great Teachers and Leaders	33/50: Compensation to Teachers and Principals in the Lowest 5% Schools	Due to the change in budget year, the State will shift \$1,072,000 from Year 2 to Year 3. All of these funds were obligated in contracts, but not expended, during Year 2.
D. Great Teachers and Leaders	36/75: Maryland Approved Programs (MAP) Cost for LEAs, Providers, and IHEs (UTeach)	Due to the change in budget year, the State will shift \$638,445 from Year 2 to Year 3. However, 100% of these funds were obligated, but not expended, during Year 2.
D. Great Teachers and Leaders	41/24: Educator Instructional Improvement Academies	Due to the change in budget year, the State will shift \$3,103,666 from Year 2 to Year 3. However, \$2,628,077 was obligated, but not expended, during Year 2.

Grant project area affected	Specific project	Description of change
D. Great Teachers and Leaders	43/21: Develop On-Line Professional Development on Educator Instructional Improvement Content	The State will shift \$700,000 back to Years 3 and 4 that was previously approved by amendment to move to Year 2. No funds were expended in Year 2, although the State reports extensive work in the project and remains on track with the goals outlined in its approved Scope of Work. However, the State experienced procurement delays during Year 2.
E. Turning Around the Lowest-Achieving Schools	46/57: School Culture and Climate	1) Hire one additional Positive Behavioral Interventions and Supports (PBIS) specialist and two PBIS coaches/trainers to provide differentiated supports directly to the schools that are receiving services under this project. Maryland has determined that the identified schools are implementing the system with varying degrees of fidelity and would like to focus its efforts in Years 3 and 4 on providing individualized support to each school. 2) Due to project delays, the State has identified \$519,176.00 in additional funds. The State will submit an amendment to propose a use for these funds.
Invitational Priority	54/79: Implement Statewide Centralized Student Transcript System	1) Shift \$332,176 in Year 2 contractual, travel, equipment, and supplies costs to Year 3 contractual because additional time is needed to complete the implementation phase of the eTranscript system and to monitor and support system modifications and connectivity. 2) The State made minor adjustments to its indirect costs based on the revised rate and actual direct costs.

The projects in the following table had minor shifts in indirect costs based on the revised rate and actual direct costs.

Grant Area	Project
B. Standards and Assessments	5/4: Curriculum and Formative Assessment Development for ITEEA
B. Standards and Assessments	7/5: World Languages Pipeline

Grant Area	Project
C. Data Systems to Support Instruction	9/27: Accessing and Using State Data Dashboards
C. Data Systems to Support Instruction	12/60: Expansion to LDS for Data Exchange
C. Data Systems to Support Instruction	23/55: Develop Framework for Teacher Toolkit Portal
D. Great Teachers and Leaders	25/10: MSDE -IHE Teacher Preparation Workgroup
D. Great Teachers and Leaders	27/46: Equating MSA for Use on Growth Model
D. Great Teachers and Leaders	31/30: Building Leadership Capacity in Low-Achieving Urban and Rural Districts
D. Great Teachers and Leaders	32/73: Teach for Maryland
D. Great Teachers and Leaders	35/26: Elementary STEM Certification
D. Great Teachers and Leaders	39/25: Teacher Induction Academies
D. Great Teachers and Leaders	40/15: Professional Development for Executive Officers
D. Great Teachers and Leaders	42/17: Expand Maryland Principals' Academy to Target Low-Achieving Schools
E. Turning Around the Lowest-Achieving Schools	44/41: The Breakthrough Center
E. Turning Around the Lowest-Achieving Schools	45/67: RITA Team Audits in 20 Tier I and Tier II Schools
E. Turning Around the Lowest-Achieving Schools	47/45: Coordinated Student Services
E. Turning Around the Lowest-Achieving Schools	48/69: School Health Services

Grant Area	Project
E. Turning Around the Lowest-Achieving Schools	49/63: Physical Activity
E. Turning Around the Lowest-Achieving Schools	50/58: Extended Learning
E. Turning Around the Lowest-Achieving Schools	52/77: Primary Talent Development