



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

April 9, 2014

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, including revisions to the project period to implement a portion of its plan. Between December 27, 2013 and April 8, 2014 the State submitted amendment requests and no cost extension requests to the U.S. Department of Education (Department). 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. 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 extensions to the time period for implementation of several projects, as described below.

- In the "Division of Academic Policy and Innovation" project (1/78), shift \$492,296 from Years 3 and 4 Personnel to Year 5 Personnel to sustain the Division of Academic Policy and Innovation oversight and communications support for local educational agencies (LEAs) around the State's reform agenda during the extended performance period.

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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.

Additionally, add \$638,800 from unexpended Year 3 Race to the Top funds from other projects to Years 4 and 5, as described below.

- In order to continue the development of MSDE's Comprehensive Training Plan, the State will allocate \$228,800 and \$10,000 from unspent Year 3 funds from other projects to Years 4 and 5 Personnel and Supplies respectively. The State reports this plan will allow MSDE to deliver more coordinated training and communications to LEAs and increase stakeholder access to resources across the State's reform agenda.
- The State will allocate \$200,000 from unspent Year 3 funds from other projects to Years 4 and 5 Contractual to update MSDE's website. The State indicates the updated website will make information (e.g., compliance information, policy information) and resources more accessible to LEAs, educators, and other stakeholders as part of MSDE's efforts to provide effective communications to the field. Furthermore, the State plans to link MSDE's technology systems and data portals with the site in order to increase utilization and better integrate the State's Race to the Top projects.
- MSDE will also utilize \$200,000 in unspent Year 3 funds from other projects in Years 4 and 5 Equipment and Contractual to support a Communications Hub in existing MSDE conference room space. The Communications Hub will use technology (e.g., wireless technology, projectors, and laptop stations) to deliver more timely and engaging LEA training and communication. The State reports the Hub will also allow for real-time video conferencing to connect with LEAs unable to travel to MSDE for in-person convenings.
- In the "Develop and Implement an Educator Evaluation System" project (29/48), increase Year 3 grant budget by \$109,771 to align with actual expenditures and add \$2,008,774 unspent Year 3 Race to the Top funds from other projects to Year 5, as described below.
 - In order to provide additional support to LEAs in implementation of teacher and principal evaluation systems in School Year (SY) 2014-2015, the State will allocate \$1,748,802 for LEA sub-grants to support local implementation needs. LEAs must apply for the sub-grant funds and provide evidence of sustainability plans beyond Year 5, as appropriate. The Maryland State Department of Education (MSDE) reports the sub-grants may include: the analysis of SY 2013-2014 evaluation data; refinement of local evaluation models, LEA-specific professional development, and Student Learning Objectives (SLO) implementation.
 - MSDE will also allocate \$259,972 to the Contractual cost category to provide project management and subject matter expertise for SY 2014-2015 implementation. A Subject Matter Expert will oversee the collection and analysis of LEA evaluation data and compile a final report with recommendations on sustaining these efforts beyond Race to the Top.

- In the “Expand Educator Information System to Accommodate Additional Data” project (30/49), shift \$851,224 from Years 3 and 4 to Year 4 Contractual and \$85,000 to Year 4 Equipment, as detailed below, to continue the development, testing, and implementation of the State’s enhanced Educator Information System (EIS) originally planned for completion in Year 3. MSDE faced some initial project delays in Year 2 with the setup and installation of the EIS. The State reports its EIS will still obtain all intended data collection and reporting capabilities by the end of Year 4 (e.g., evaluation ratings for teachers and principals linked to student growth).
 - As a result of the timeline shifts detailed above, MSDE plans to procure updated hardware (e.g., desktop computer and scanner) originally slated for Year 3 in Year 4 to more closely align with the launch of the enhanced EIS. MSDE will shift \$85,000 from Year 3 Equipment to Year 4 to align with this timeline.
 - MSDE also will shift \$765,564 unspent Year 3 Contractual and Equipment funds to Year 4 Contractual to continue the development, integration, testing, and implementation of its EIS.
 - The State will also shift \$85,660 from Year 4 Personnel, Fringe, and Travel to Year 4 Contractual. These funds were originally allocated to hire a Project Manager, which the State plans fund through a contract in Year 4.

- In the “Maryland Approved Programs (MAP) cost for LEAs, Providers, and IHEs (UTeach Maryland)” project (36/75), shift \$1,273,053 Year 3 Other cost category to Year 3 Contractual to align with the State’s accounting structure. These funds were originally allocated in Year 3 to fund implementation of the UTeach program for both SY 2012-2013 and SY 2013-2014. Of the \$1,273,053, MSDE will shift \$984,594 to Year 4 Contractual for reimbursement for activities completed in Year 3 and implementation of the UTeach project in SY 2013-2014.

- In the “Teacher Induction Academies” project (39/25), shift \$500,000 from unspent Year 3 Race to the Top funds from other projects to Years 4 and 5 in order to extend the Teacher Induction Academies. As part of the State’s efforts to ensure a high quality induction experience for new teachers, MSDE held an annual Teacher Induction Academy with quarterly follow-up meetings and LEA site visits in Years 1-3 for LEA Program Coordinators and teacher mentors. Based on feedback from the field and the State’s project evaluation, MSDE identified a need for a 2014 Teacher Induction Academy and follow-up meetings to support participants who have yet to attend a Teacher Induction Academy. Funding in Year 5 will continue to support LEA site visits to identify lessons learned and inform future professional development.

- In the “Educator Effectiveness Academies” project (41/24), shift \$314,386 from Years 3 and 4 Supplemental Funding for Participating LEAs and \$69,861 Year 4 Personnel to Year 4 Contractual. The State originally planned to provide LEAs funds to

reimburse Master Teachers participating in the 2013 Educator Effectiveness Academies. However, the State contracted directly with hotels in each region for Master Teachers and will utilize Year 4 Contractual funds to cover this cost.

Additionally, shift \$2,497,298 from Year 3 unspent Year 3 Race to the Top funds from other projects to amend the State's strategy for Year 4 of the Educator Effectiveness Academies project and extend the timeline to Year 5. MSDE's Scope of Work and budget included funds in Years 1-3 for annual, in-person Educator Effectiveness Academies and follow-up webinars for the State to provide professional development to educators on the State's reform initiatives. In Year 4, MSDE planned to use a virtual delivery method to provide professional development opportunities to educators. Based on feedback from LEAs, the State will provide a face-to-face professional development convening for educators in summer 2014 through College and Career Ready Conferences with follow-up sessions in Year 5. MSDE reports the Conferences will provide differentiated support to LEAs in areas identified through feedback from the field, such as the transition to the Common Core State Standards and high-quality assessments. The State will still provide the virtual professional development opportunities in Year 4 as outlined in its original plans.

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 sub-grants (e.g., allocations to participating LEAs), as well as the process to the State will use to review LEA sub-grant requests to obligate and liquidate funds after the current project period. Through conversations with MSDE and documentation submitted as part of this amendment request, we understand that the State 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 the State's process as described in Appendix 1. Prior to June 30, 2014, the Department expects the State to submit a record of each participating LEA project approved by the State 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 with no-cost extensions 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. 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, Julie Glasier, at (202) 205-0940 or Julie.Glasier@ed.gov.

Sincerely,

//s//

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

cc: Dr. Lillian Lowery, State Superintendent of Schools
Penelope Thornton-Talley, Esq.
Mary Gable

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

Maryland's RTTT No-Cost Extension Process for LEA Subgrants

Individual LEAs may request a no-cost extension for specific activities where additional time is needed to complete the project. Extension requests may result in revisions to activities, timelines, and/or budgets. However, the LEA's overall Scope of Work may not change, and requests must not limit the LEA's ability to comply with the terms and conditions of Maryland's Race to the Top Participating Local Education Agency Memorandum of Understanding, its Scope of Work Plans, and programmatic and fiscal project plans in the Assurance Areas.

LEAs must:

- Align requests with the requirements in Maryland's Scope of Work. For example, an LEA requesting an extension to implement components of the teacher evaluation system outside of the state's timeframe would not meet this criterion;
- Align requests with the LEA's goals and activities outlined in its Scope of Work;
- 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 liquidated by June 30, 2015; and
- Identify a well-defined sustainability plan for how the impact of the work will be sustained (and, if appropriate, completed) after the timeframe of the no-cost extension.

LEAs may request a no-cost extension for activities in any of the reform areas. MSDE will consider, for example, requests to provide additional training for teachers and leaders to successfully implement the Teacher-Principal Evaluation system, Common Core State Standards, and the Maryland Longitudinal Data System.

LEAs should submit its no-cost extension application by May 30, 2014. This deadline allows MSDE sufficient time to review, request clarification, if needed, and approve applications. The no-cost extension must be signed by the Superintendent and the State Board chair.

MSDE 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 MSDE RTTT LEA Liaisons and MSDE Finance Office. They will communicate the need for additional information, clarifications, etc., to the LEA's RTTT Grant Managers before bringing requests to the RTTT Leadership Team. The RTTT Leadership Team will discuss in detail each request and determine a decision. The documented decision will be submitted in writing to the LEA. If approved, the LEA must update their scope of work and the revised budget.

The RTTT Leadership Team will determine if an LEA is eligible to submit a no-cost extension based on the following:

- Fidelity of implementation of the LEA's Scope of Work,
- Assessment of the completion and progress of the LEA's projects, both programmatically and fiscally,
- Lack of unresolved fiscal audit findings, and
- Recommendation of the MSDE RTTT LEA Liaison.