May 14, 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 May 12, 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 "Curriculum and Formative Assessment Development" project (4/3), shift $1,362,416 of unexpended Year 3 project funds to Years 4 and 5, as described below.
  - Shift $880,877 of unexpended Year 3 project funds to Year 4. The State originally planned to procure and complete six of eight online STEM courses in Year 3 and the remaining two in Year 4. Due to initial hiring delays and procurement challenges, the Maryland State Department of Education (MSDE) now expects to complete the first six courses throughout Year 4. The State will pilot the first six courses to ensure quality and plan to make them available to local educational agencies (LEAs) through Maryland's Learning Management System (LMS) as they are completed throughout school year (SY) 2014-2015.

- Shift $481,539 of unexpended Year 3 project funds to Year 5 for the State to develop, test, and pilot the remaining two online STEM courses—Financial Literacy and Foundations of Technology. In the State's original plans, MSDE was slated to release these courses in Year 4. However, due to procurement challenges, the State will now procure these remaining two courses in Year 4 and complete the development and piloting with select LEAs in February 2015. The State will make the Financial Literacy and Foundations of Technology courses available to LEAs through Maryland's LMS by SY 2015-2016.

In addition, MSDE will decrease the overall project 4/3 budget by $789,313 due to adjustments in Years 3 and 4 Personnel, Fringe, Equipment, Travel, Supplies, and Indirect Costs to reflect actual expenditures and more accurate cost estimates.[1]

- In the "Develop the Overall Technology Infrastructure to Support RTT Initiatives" project (8/11), shift $1,370,375 of unexpended Year 3 project funds to Year 4. According to the State, Year 3 funds are available due to delays in completing its security infrastructure. The State originally planned to complete the decentralized security model in September 2013 and roll out the kindergarten through grade twelve grade (K-12) Longitudinal Data System (LDS) data dashboards to LEAs by June 2014 through its "Accessing and Using State Data Dashboards" project (9/27). Due to challenges with its technology systems, the Department now expects MSDE to roll out the data dashboards by September 2014. As described below, the delay in this project also has implications for the "Accessing and Using State Dashboards" project (9/27) and "Multi-media Training" project (10/28).

The State will also shift $625,000 from Year 3 unexpended funds from other projects to Years 4 and 5 in project 8/11, as described below.
  - MSDE will allocate $125,000 to Year 4 Contractual to develop an external single sign-on portal for the State's data applications. MSDE reports the existing internal portal does not meet the State's original intent of providing MSDE personnel, LEAs, educators, and the general public with access to the State's data applications and systems. The external portal will serve as a single access point for the State's Race to the Top data systems, including the LMS, Curriculum Management System (CMS), Educator Information System (EIS), and the data dashboards.
  - The State will also utilize $500,000 in Years 4 and 5 to support the roll out of the decentralized security model with LEAs and support the integration of the State data dashboards, as noted above. The State reports additional funds

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[1] During MSDE's Year 3 budget carryover review, the State identified funds not spent during Years 1 through 3. MSDE allocated these unspent funds to Year 4 as appropriate and made determinations about the best use of these funds, which in some cases were shifts to other project budgets as described throughout this letter.

are necessary to fund additional contractual support through the extended timeline. In addition, the State will utilize funds in Year 5 to support additional security infrastructure needs as part of the other State's data system projects slated to roll out in Year 5 and install additional security features as needed for the LEA transition.

- In the "Accessing and Using State Data Dashboards" project (9/27), shift $200,000 of unexpended Year 3 funds from other projects to Year 4 for MSDE to complete the test, roll out, and implementation of all 36 data dashboards by September 2014. Due to significant delays with the implementation of the State's security infrastructure in the "Develop the Overall Technology Infrastructure" project (8/11), MSDE expects to complete the roll out of its data dashboards by September 2014 instead of June 2014 as originally scheduled.

- In the "Multimedia Training" project (10/28), shift $187,689 of unexpended Year 3 Contractual and Indirect Costs and $20,460 Year 4 Indirect Costs to Year 4 Contractual. The State reports funds are available due to a delay in its timeline to develop and integrate the multi-media training modules for the State's data dashboards. The State originally planned to complete the modules in September 2013, which are now slated for completion in September 2014. The multi-media training modules are designed to orient end users to the State's LDS and data dashboards. As a result, the completion of the multi-media modules is dependent upon the State finalizing the data dashboards in the "Accessing and Using State Data Dashboards" project (9/27) to ensure the alignment of content.

  In addition, MSDE will shift its timeline for deploying its LDS data coaches with LEAs to support the integration of data with instruction. Originally, the State planned to train LEA data coaches during Years 2 and 3 to assist LEAs with utilizing data from the State's data dashboards. However, MSDE now anticipates to train and deploy the LEA data coaches for LEA support during Year 4 in alignment with the State's updated timeline for the release of its dashboards, as described above.

- In the "Expand Instructional Toolkit" project (15/07), shift $2,099,699 of unexpended project Year 3 funds and $350,000 of unexpended funds from other projects to Years 4 and 5 to complete the development of courses and modules for the State's online instructional improvement system. MSDE's original plans included contracting with a consultant to identify high-quality instructional resources from classroom teachers throughout the State or other open-sources to be included in the State's instructional toolkit on a rolling basis across Years 1 through 4. However, after significant challenges with procurement and needing to reissue its vendor contract, MSDE now plans to work with educators and content specialists in Years 4 and 5 to identify, review, and post resources on an ongoing basis.

- In "The Breakthrough Center" project (44/41), shift $705,543 of unexpended Year 3 funds and $382,163 of unexpended Year 3 funds from other projects to Year 5 to continue Breakthrough Center activities. MSDE reports funds are available due to challenges and delays with hiring experienced personnel and contractual costs being less than anticipated. Funds for Year 5 will allow the Breakthrough Center to staff and continue services for the State's existing Priority and Focus schools and newly identified Priority schools during SY 2014-2015. The State will also extend the Aspiring Principals Institute into SY 2014-2015, which will include a series of leadership development seminars for a new cohort of aspiring leaders from Priority and School Improvement Grant (SIG) schools. Each participant will design and implement a year-long school improvement project with the support of the Breakthrough Center and Turnaround principals.

- In the "Charter Schools" project (53/44), shift $1,869,688 unexpended funds from Years 2 and 3 to Years 4 and 5, as described below.
  - MSDE will allocate $1,725,000 to Years 4 and 5 to expand and replicate a high-performing charter school Prince George's County in SY 2014-2015. In the State's original plans, MSDE committed to identifying four low-performing schools to partner with high-performing charter schools to restructure and re-open as charter schools by SY 2012-2013. In Year 2, the State opened one restart charter school as part of a partnership with a high-performing charter school. However, the State faced significant challenges with identifying additional schools to participate in this project. MSDE indicates its revised strategy will still allow the State to advance its goal of ensuring high-performing charter school options for students in Prince George's County. In addition, the State will continue to provide direct support to its low-performing schools through the Breakthrough Center and other programs.
  - The State will also allocate $144,688 to Years 4 and 5 to implement a Comprehensive Charter School Study. In partnership with an independent researcher, the report will analyze various charter school outcomes and make recommendations for MSDE to improve its charter school program.

As described in an April 9, 2014 amendment approval letter, the Department indicated that it generally approves the State's process to review LEA subgrant requests to obligate and liquidate funds after September 23, 2014. 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 the 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,

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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