



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

June 12, 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 June 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 and in the attached table.

- In the "Formative Assessments" project (3/2), shift \$1,807,609 of unexpended funds from Years 1 through 3 to Year 5 contractual (\$994,584), personnel (\$384,130), and supplemental funding for LEAs (\$428,895) to extend the Maryland State Department

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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.*

of Education's (MSDE) timeline through June 30, 2015 to develop formative assessment items and performance tasks aligned to the Common Core State Standards (CCSS) to support Maryland's transition to college- and career-ready standards and more rigorous summative assessments, the State originally planned to procure a suite of formative assessment items and performance tasks across Years 2 through 4 that would be made available for all local educational agencies (LEAs) through an online repository. The State was also slated to fund and train educators to review the formative assessment content to ensure quality and alignment to the CCSS and State summative assessments and provide feedback. However, due to significant challenges in Years 2 and 3 with solidifying a sustainable project plan for an online repository to house the formative assessment materials, the State is approved to procure and develop the formative assessment items and tasks and engage educators to review the content to ensure alignment and quality in Years 4 and 5. The State will make all resources available through Maryland's Blackboard website, the State's joint learning management and curriculum management systems, LEAs can access and upload into local assessment systems, as described below.

In addition, shift \$544,683 of unexpended Years 1 through 3 project funds to Year 5 contractual to extend the State's timeline through June 30, 2015 to support LEAs with the implementation of the State's formative assessment educator professional development modules. MSDE staff also will work with LEAs to develop sustainability plans for integrating formative assessment practices into existing professional development.

- In the "Implement an Assessment System" project (17/32), shift \$974,484 of unexpended Years 1 through 3 project funds to Year 5 travel and supplemental funding for involved and participating LEAs to support the State's updated project strategy and timeline through June 30, 2015. Maryland originally planned to procure a centralized Test Item Bank System (TIBS) through project 17/32 to house the formative assessment items and performance tasks developed by the State through project 3/2 (as described above) for LEA and educator use. MSDE is approved to use funds to provide LEA subgrants to procure, enhance, or expand local assessment systems instead of procuring a centralized TIBS in Year 5. MSDE reports this strategy will avoid duplication of local systems and allow LEAs flexibility to expand or enhance systems already in use. As part of the subgrant process, LEAs must also submit a sustainability plan that details how they will maintain their local assessment systems beyond the Race to the Top grant period. In addition, MSDE will work with its vendor to ensure State-developed formative assessment items and performance tasks are interoperable with all local assessment systems.

In addition, shift \$4,079,272 of unexpended funds from projects 18/33, 19/34, and 20/35 to project 17/32 Year 5 supplemental funding for involved and participating LEAs to support the State's updated project plan, as described below.<sup>1</sup>

- In the "Implement a Computer Adaptive Test Deliver System" project (18/33), shift \$2,447,212 of unexpended Years 3 and 4 funds to project 17/32 to support LEA subgrants for local assessment systems in Year 5. The State originally planned to procure a centralized computer-based adaptive testing application and delivery system for formative assessment items and performance tasks secured by the State. LEAs may have the option to request computer-adaptive testing capabilities as part of the local assessment systems as part of the subgrant process.
- In the "Complete an Item Load and Setup for the Item Bank and Computer Adaptive Test (CAT) Delivery System" project (19/34), shift \$780,000 of unexpended Year 3 funds to project 17/32 to support LEA subgrants for local assessment systems in Year 5. This project was originally designed to support the upload and integration of formative assessment items and performance tasks into the State's centralized TIBS. MSDE will redirect these funds to support subgrants for local LEA assessment systems. MSDE personnel will still support LEAs with the integration of formative assessment items and performance tasks into local LEA assessment systems through the "Formative Assessments" project (3/2).
- In the "Adaptive Testing Units for High Schools" project (20/35), shift \$852,060 of unexpended Year 3 funds to project 17/32 to support LEA subgrants for local assessment systems in Year 5. Funds from this project were originally slated to purchase approximately 7,500 portable devices for computer-adaptive testing in high schools. MSDE will redirect these funds to support subgrants for local LEA assessment systems. The State plans to develop model Bring Your Own Device (BYOD) policies for LEAs to assist schools with integrating technology with the new formative assessment systems through the "Implement an Assessment System" project (17/32).

As described in an April 9, 2014 amendment approval letter, the Department indicated that it generally approves the State's process to review local education authority (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

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<sup>1</sup> In the State's amendment request, MSDE renamed project 17/32 to "Implement an Assessment System" from its previous title: "Implement a Test Item Bank System" to align with the State's strategy.

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 Officers, Melissa Siry, at (202) 260-0926 or [Melissa.Siry@ed.gov](mailto:Melissa.Siry@ed.gov) or Julie Glasier, at (202) 205-0940 or [Julie.Glasier@ed.gov](mailto: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

Grant project area affected	Specific project	Description of change
(C)(2)	Enhancement to LDS to Develop P20 and Workforce Data Warehouse and Center (13/61)	<ul style="list-style-type: none"> <li>Shift \$561,582 of unexpended Year 3 equipment and contractual to Year 4 contractual and indirect costs to continue the testing and implementation of data structures and dashboards for the Maryland Longitudinal Data System (MLDS). The State originally planned to complete this work across Years 1 through 3, but needs additional time to ensure data applications and reporting capabilities are fully functional.</li> <li>To reflect actual expenditures during Years 1 through 3, redirect \$1,369,833 from the overall project budget to support other areas of the State’s plan. MSDE reports these adjustments are a result of an expenditure review conducted by the State to ensure alignment of costs to project budgets.<sup>2</sup></li> </ul>
(C)(3)	STEM Instructional and Career Support (16/20)	<ul style="list-style-type: none"> <li>Shift \$395,039 of unexpended Year 3 funds from other projects to Year 5 to expand STEM instructional support and professional development opportunities through June 30, 2015. The extended timeline will allow the State to expand STEM resources available for elementary and middle school teachers. MSDE also will leverage the STEM resources and network of educators developed through this project to share best practices and advance the State’s partnerships with LEAs, institutes of higher education, pre-service teachers, and STEM industry professionals.</li> </ul>
(C)(3)	Develop and Implement a Course Registration System (24/56)	<ul style="list-style-type: none"> <li>In order to align with actual expenditures and the project plan to date, redirect \$1,076,822 of unexpended Year 3 equipment, contractual, and indirect costs to support other areas of the State’s plans. As approved in a January 2013 amendment, the State procured a course registration system by expanding the capabilities of its existing LMS instead of a procuring a separate solution. As a result, the State no longer needs to procure the same amount of equipment to complete its original goals. The State also reports contractual costs to provide LEAs professional development were less than originally projected.</li> </ul>
(D)(3)	Compensation for Teachers in	<ul style="list-style-type: none"> <li>Shift \$465,000 of unexpended Year 3 funds to Year 5 to align with the timing of expenditures and extend the project to fund incentives for an additional 40 teachers in</li> </ul>

<sup>2</sup> During MSDE’s Year 3 budget carryover review, the State identified funds not spent during Years 1 through 3. The State allocated these unspent funds to Year 4 as appropriate and then made determinations about the best use of these funds, which in some cases were shifts to other project budgets as described in the table.

	Shortage Areas (34/51)	<p>shortage areas. MSDE reports funds are available because not all LEAs with eligible Tier III schools chose to participate in the program and in some cases had fewer eligible educators than originally anticipated. The State planned to award incentives to 384 educators by the end of Year 4, but now expects to exceed this goal by the end of Year 5 with an anticipated 416 educators receiving incentives.</p> <ul style="list-style-type: none"><li>• MSDE will also continue the eligibility requirements used for educator stipends in Years 2 and 3 for Years 4 and 5. In Years 2 and 3, the State required that eligible teachers must have a proven track record that demonstrated the ability to significantly improve student academic performance, which was further defined by participating LEAs. In order to provide LEAs with greater continuity, MSDE will utilize the same eligibility requirements in Years 4 and 5 to determine educator incentives instead of ratings from educator evaluation systems as originally planned.</li></ul>
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