



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

June 30, 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 26, 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 an extension to the time period for implementation of one project, as described below and in the attached table.

- In the "Program Evaluation" project (2/1), revise the number of projects that will be

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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.

included in the State's summative evaluations during Year 4. MSDE originally planned to partner with a third-party researcher to evaluate the effectiveness and impact of Maryland's 54 Race to the Top projects. However, due to ongoing timeline challenges, the State revised the Year 4 scope of work for its third-party researcher to ensure MSDE receives timely deliverables and meaningful feedback before the end of the grant period. The State now expects to receive eight summative evaluations that assess outcomes for 22 Race to the Top projects. In turn, the State will decrease the overall budget for this project by \$2,822,625 to align with actual expenditures and MSDE's updated work plan for this project.¹

- In the "Develop Online Professional Development on Educator Instructional Improvement Content" project (43/21), shift \$2,164,898 of unexpended Years 1 through 3 project funds to Year 4 (\$1,987,840) and Year 5 (\$177,058) contractual to complete the development and release of the State's educator online professional development modules. MSDE originally planned to procure and release twelve online educator professional development courses by Year 3 for educators to access for professional development in Year 4. However, due to procurement-related delays, the State only secured five courses in Year 3, which MSDE now plans to make available for all LEAs in fall 2014. MSDE plans to procure an additional nine professional development courses in Year 4, which the State will release by June 30, 2015.² In order to ensure that educators have adequate professional development supports in place during Year 4, the State will also provide in-person professional development conferences that will include all LEAs through a different project.

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 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

¹ 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.

² MSDE clarified the State plans to release an additional two educator professional development courses, bringing the total created through this project to fourteen.

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 or 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

| Grant project area affected | Specific project | Description of change |
|-----------------------------|---|---|
| (C)(2) | Expansion to LDS Data Exchange (12/60) | <ul style="list-style-type: none"> Based on cost savings and actual expenditures, redirect \$501,813 from Years 2 and 3 equipment, contractual, and indirect costs is redirected to support other areas of the State's plan. MSDE reports funds are available because the State leveraged an existing contract for business intelligence support and did not need funds originally allocated to support this work. |
| (D)(3) | Compensation to Teachers and Principals in Lowest 5% of schools (33/50) | <ul style="list-style-type: none"> Shift \$1,196,781 Year 3 supplemental funding for participating LEAs to Year 4 to align with actual expenditures. MSDE reports LEAs awarded compensation incentives at the start of Year 4 to retain teachers in the lowest 5 percent of schools deemed eligible in Year 3. MSDE will also continue the eligibility requirements used for educator stipends in Years 2 and 3 for Year 4. 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 Year 4 to determine educator incentives instead of ratings from educator evaluation systems as originally planned. |
| (E)(2) | Physical Activity (49/63) | <ul style="list-style-type: none"> Shift \$77,883 of unexpended Year 3 funds to Year 4 contractual, other, and supplemental funding for participating LEAs to support the development and implementation of school-based wellness plans. The State originally planned to work with 30 low-performing schools and feeder schools to develop and implement wellness plans across Years 1 through 4. Due to challenges with school staff turnover and additional time needed for school fitness assessments, the State clarified wellness plan development did not begin until Year 3. MSDE now anticipates that 20 low-performing schools will develop and begin implementation of a school wellness plan during Year 4. The State clarified that the remaining 10 low-performing schools either declined to participate or have closed. |

| Grant project area affected | Specific project | Description of change |
|-----------------------------|-------------------------------------|--|
| (P)(4) | Statewide Transcript System (54/79) | <ul style="list-style-type: none">• Shift \$55,006 of unexpended Year 1-3 funds to Supplemental Funding for Participating and Involved LEAs in Years 3 and 4 to award subgrants to three LEAs that needed additional system upgrades to utilize the centralized transcript system. The State originally planned to complete this project in Year 2 but needed to extend the project timeline to support LEAs in the transition to the new transcript system. |