



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

March 5, 2014

The Honorable Andrew M. Cuomo
Governor of New York State
New York State Capitol Building
Albany, NY 12224

Dear Governor Cuomo:

I am writing in response to New York's request to amend its approved Race to the Top grant project, including revisions to the project period to implement a portion of its plan. Between February 6 and February 20, 2014, 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 the revisions do not change the overall scope and 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 several projects, as described below.

- In the "E2: Systemic Supports for District and School Turnaround" project, shift funds from Years 2 and 3 to Years 4 and 5 and other areas of the State's plan based on awarded totals and extend implementation of three sub-projects related to the State's commitment to supporting low-achieving schools to June 30, 2015: Systemic Support for District and School Turnaround (SSDST) Grants, Commissioner's Schools Program, and Diagnostic Tool for School and District Effectiveness (DTSDE).

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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.

- *SSDST*: Consistent with its amended plan, the State provided an opportunity for local educational agencies (LEAs) to identify external partners to deliver technical assistance and build local capacity to support low-achieving schools. A total of 16 LEAs received awards totaling \$12,876,130 to work with their selected external partners. Following APPR plan approval, LEA grantees began collaborating with partners in SY 2012-2013 in accordance with their memoranda of agreement (MOUs).ⁱ In order to provide additional time for external partners to deliver support to LEAs, gather evidence of progress turning around low-achieving schools, and facilitate sustainability planning, the State is approved to enable LEA grantees to shift funds that were not expended in Years 2 and 3 to up to June 30, 2015, to extend technical assistance supports to SYs 2013-2014 and 2014-2015.

Based on the total awarded in two rounds of SSDST, the State will shift a total of approximately \$10.5 million from the \$23,295,600 SSDST budget to support other the “School Innovation Fund (SIF)” and DTSDE projects, as described below.ⁱⁱ According to the State, the objectives of the SSDST grant program are met by the 16 grantees as well as other initiatives supporting the State’s theory of action for turning around the lowest-achieving schools funded by Race to the Top and other sources.

- *Commissioner’s Schools*: New York’s approach to turning around low-achieving schools and LEAs includes identifying LEAs with schools with promising practices and supporting them and additional LEAs to replicate and refine those practices. The State granted a total of \$3,558,254 to 19 LEAs to support Commissioner’s Schools Dissemination and Replication grantees. According to the State, Request for Proposal (RFP) development and the grant funding process both resulted in the delay of grants formally beginning work until July 2013. In order to ensure grantees have adequate time to carry out partnership and mentoring activities, the State is approved to enable LEA grantees to shift funds that were not expended in Year 3 to up to June 30, 2015.

Based on the total awarded to Dissemination and Replication grantees, the State will shift \$941,746 funds to the DTSDE as described below. According to the State, the objectives of the Commissioner’s Schools grant program are met by the 19 grantees as well as other initiatives funded by Race to the Top and other sources, including DTSDE.

- *DTSDE*: In accordance with its amended Race to the Top plan and approved Elementary and Secondary Education Act (ESEA) flexibility plan, in SY 2012-2013 New York began implementing DTSDE as part of its accountability strategy and to deliver customized support to build local capacity to improve outcomes in low-achieving schools. While the State planned to begin working and partnering

with a vendor in December 2012 around conducting DTSDE visits and delivering coordinated professional development, the contract development and awarding process took longer than anticipated. According to the State, additional time was necessary to refine the initial RFP to meet the needs of the New York State Education Department (NYSED) and LEAs. Based on feedback and experience from initial implementation, the State also identified a need for expanded professional development. The State will utilize \$2.55 million shifted from SSDST and \$941,746 from Commissioner's Schools, as described above, and unexpended funds within the project budget to extend the face-to-face, observation-based, and online training opportunities for State and LEA staff. The State is approved for a no-cost extension for up to \$7.3 million to June 30, 2015, to expand and extend contractual support for leading DTSDE visits and providing training and support to State and LEA staff. The State believes this additional time and funding will improve the quality and efficiency of reviews and build capacity to meet its goals for improving student outcomes in low-achieving schools.

- In the "E3: Office of Innovative School Models/State School Turnaround Office (STO)" project, shift funds from Years 2 and 3 to Years 4 and 5 and to another area of the State's plan based on revised contractual estimates. In addition, the State and partner contractors will extend oversight and support for turning around low-achieving schools. The State will make the following budget adjustments:
 - Shift \$1,982,974 from Years 2 and 3 to Years 4 and 5, to enable the STO to extend State personnel and contractual support to June 30, 2015.ⁱⁱⁱ According to the State, this additional time will ensure the State can continue to: (1) provide oversight, technical assistance, and opportunities for collaboration among recipients of School Improvement Grant (SIG), SSDST, and SIF grantees, (2) oversee the differentiated accountability evaluation discussed below, and (3) contract with external partners to build capacity to sustain support for turning around low-achieving schools at the State and LEA levels. As of June 30, 2013, the State reported initiating one of the four school intervention models in 84 schools, 33 fewer than the State's Race to the Top target. According to the State, this approach will better enable it to meet its four-year target of initiating a model in 147 schools.^{iv}
- In the "E4: School Innovation Fund (SIF)" project, utilize the \$3 million shifted from "SSDST as described above to run a third round of the grant opportunity for eligible schools with an extended project period to June 30, 2015. The State's initial Race to the Top plan included two rounds of the competition which currently support six grantees in four LEAs. Based on lessons learned from earlier SIF and SIG competitions, the State has refined the grant application to include more detailed explanations of partner support, performance measures, and alignment of LEA- and school-level plans and resources. According to the State, extending the project period for SIF will provide an

additional opportunity for 86 identified priority schools that are not implementing a school reform model as of SY 2013-2014 to receive support to do so. It is the Department's understanding that the State plans to issue the RFP in early 2014 and issue awards by summer 2014 to provide a pre-implementation planning period. Furthermore, based on the State's request, it is the Department's understanding that the State plans to utilize Race to the Top funding to provide support for the round three SIF grantees through SY 2014-2015 and that other funding sources will be used to continue to support grantees in the second and third years of implementing a school reform model. According to the State, additional SIF funds will enhance school-level change consistent with the New York State's overall theory of action for school turnaround.

- In the "E5: Differentiated Accountability/ PLA Evaluation" project, shift funds from Years 2-4 to Year 5 to enable completion and delivery of an external vendor's cumulative evaluation report and trend analysis related to the State's implementation and impact of interventions on turning around low-achieving schools. According to the State, funds are available in Years 2-4 based on actual costs and timing of invoicing. In order to ensure that three years of student data impact analyses are included in the final report, the State will extend the project period for up to \$1,321,582 in this budget to June 30, 2015. According to the State, this extension will provide a more complete understanding of the quality of implementation of school improvement strategies, as well as the impact of those strategies on the students in low-performing schools, to provide recommendations and target support to LEAs and schools.
- In the "F: Charter School Authorizing" project, extend implementation to June 30, 2015, to enable the State to manage the RFP for charter schools opening in September 2015. This extension does not have any Race to the Top budget implications.
- In the "C2/C3: P20 Data System Expansion – Integration of Higher Education Institutions" shift \$4.51 million to "A1: Race to the Top Performance Management Office," as described below. According to the State, the Race to the Top funds budgeted for integration of non-education systems are no longer needed to fulfill the deliverables of this project. The State reports that recently enacted legislation will allow the sharing of workforce data without a cost to NYSED.^v It is the Department's understanding that the State will utilize other funding sources, if necessary, to fulfill the Race to the Top commitments for this project.
- In the "A1: Performance Management Office" project, utilize the \$4.51 million shifted from "C2/C3: P20 Data System Expansion – Integration of Higher Education" as described above to expand analyses of LEA spending to inform sustainability planning beyond Race to the Top. The State believes that this additional examination will enable the State to better support LEAs in making decisions that focus resources on instructional costs that are shown to improve student results. It is the Department's understanding that the State intends to engage with an external contractor to gather

data and conduct interviews with fiscal and human capital staff to analyze resource allocations in a sample of LEAs across the State, compare those analyses with statewide resource patterns, and document and disseminate findings. In order to complete these activities and maintain the State project staff necessary to manage the project, the State is approved for a no-cost extension for up to \$4.67 million to June 30, 2015.

As described in a May 29, 2013, 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 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. The State's Scope of Work will also be updated to reflect approved extensions.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact New York's Race to the Top Program Officer, Jessie Harteis, at 202-453-6651 or Jessie.Harteis@ed.gov.

Sincerely,

/s/

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

cc: Dr. John B. King, Jr., Commissioner of Education
Ken Slentz, Deputy Commissioner, Office of P-12 Education
Don Juron, Chief Financial Officer, New York State Education Department
John Delaney, Director of Operations, Office of P-12 Education
Karen Daugherty, Project Manager, Performance Management Office

ⁱ See update to Amendment 7, dated April 1, 2013: <http://www2.ed.gov/programs/racetothetop/amendments/index.html>

ⁱⁱ It is the Department's understanding that the State will submit additional amendment(s) to propose use(s) of \$4,869,470.

ⁱⁱⁱ It is the Department's understanding that the State will submit additional amendment(s) to propose use(s) of \$1,260,000.

^{iv} Per the State's approved ESEA flexibility plan, NYSED committed to implementing one of the four intervention models or a whole-school change model aligned with the Turnaround Principles in the 221 Priority Schools that were identified in 2012 by SY 2014-2015.

^v See http://assembly.state.ny.us/leg/?default_fld=&bn=A07911&term=2013&Actions=Y&Memo=Y effective December 22, 2013.