



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

January 24, 2011

The Honorable Bev Perdue  
Office of the Governor  
20301 Mail Service Center  
Raleigh, NC 27699-0301

Dear Governor Perdue:

I am writing in response to North Carolina's request to amend its approved Race to the Top grant project. Between November 22, 2010 and January 10, 2011, the State submitted documentation related to this request 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. On January 6, 2011, the Department sent a letter and "Grant Amendment Submission Process" document to Governors of grantee States indicating the process by which amendments would be reviewed and approved or denied. To determine whether approval could be granted, the Department has applied the conditions noted in the document, and compared it with the Race to the Top program *Principles*, which are also included in that document.

I am pleased to approve the amendment to the Instructional Improvement System (IIS) project:

- Planning to design and build the system will take longer and cost more than anticipated. As a result, the following changes will be made to the State's plan:
  - Reduction to the costs associated with local educational agency (LEA) licensing/subscription fees by \$2,632,715. This change reflects one year rather than two years of fees since the full implementation of the IIS will now begin in the 2013-14 school year. The cost estimates have also been updated to a more realistic model based on cost per student (\$2.50 per student for 1,464,914 students) rather than per school (\$1,250 per school based on 2,518 schools).
  - Addition of a \$2,901,681 budget to support planning and implementation. The majority of these funds, \$2,500,000, will be used for a planning contract. The

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remaining \$401,681 will support program personnel and related fringe, travel, equipment, and supply costs.

The State believes this increased investment in planning and development will ensure that the system addresses LEAs needs in an effective and cost-efficient manner and increase the long-term viability of the IIS. The State indicated that it is confident that the adjusted schedule for purchasing and implementing the IIS will produce a clear net benefit to the project and North Carolina's overall Race to the Top implementation. Additionally, the collaborative roll-out of the IIS with other initiatives will prepare teachers to take advantage of and embrace the IIS tools in the classroom.

- Adjustment to the descriptions and organization of IIS system components that will support the use of data in the classroom. This change is due to more in-depth planning since the September 2010 budget submission including clarifying how it will interact with the technological system designs proposed in other parts of the State's plan. This reduces the budget for contracts associated with IIS system design by \$38,787.
- Reorganization of the \$1,000,000 initially budgeted in "other" for the communications/marketing plan to reflect greater clarity around the activities associated with this budget. The State realized this work needed to begin sooner and be carried out for a longer period of time. The funds will now be distributed across budget lines as follows: travel \$2,400, supplies \$54,800, contractual \$302,000, other \$640,800.
- Reduction of \$230,179 in indirect costs due to the aforementioned budget adjustments.

Please note that this letter will be posted on the Department's website as a record of the amendment.

It is our understanding that the amendments will not result in a change in your State's performance measures and outcomes, nor will they substantially change the scope of work.

I am confident that North Carolina will continue its bold, comprehensive reform efforts. If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact North Carolina's Race to the Top Program Officer, Jessie Levin, at 202-453-6651 or [Jessie.Levin@ed.gov](mailto:Jessie.Levin@ed.gov).

Sincerely,

//s//

Joseph C. Conaty, Ph.D.  
Interim Director, Race to the Top Program

cc: Dr. June Atkinson, State Superintendent, Public Instruction  
Dr. William Harrison, Chairman, North Carolina State Board of Education  
Adam Levinson, Director, Policy and Strategic Planning