



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

September 10, 2013

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

Dear Governor McCrory:

I am writing in response to North Carolina's request to amend its approved Race to the Top grant project. Between August 7 and August 20, 2013, the State submitted amendment requests to and held conversations with 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 October 4, 2011, the Department sent a letter and revised "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 approve the amendments outlined below:

- In the "NC Cloud" budget, the State will shift \$24,888,300 from Year 3 equipment and contractual to Year 4 and \$148,031 from Year 4 personnel, fringe, and travel to Year 4 contractual. Year 3 expenditures were lower than budgeted due to delays in the State's Information Technology Services procurement and approval processes. The four-year project-level budget total of \$34,639,376 remains unchanged. Specifically, the State will make the following budget adjustments:
  - The State will shift \$24,737,074 initially budgeted in Year 3 contractual and equipment to Year 4 in the same categories. The funds will support the

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execution of contracts and purchase of equipment for Identity and Access Management and Data Integration, Learning Management Systems and Cloud Enterprise and Business Services such as Mobile Device Management (MDM) and Voice over Internet Phone (VoIP) in SY 2013-2014.

- Additionally, the State's Year 3 personnel, fringe, and travel expenditures were lower than expected due to an unfilled Project Coordinator position. The State anticipates that personnel, fringe, and travel costs in Year 4 will also be lower than budgeted for the same reason. Therefore, the State requests to shift \$151,226 of unexpended Year 3 funds and \$148,031 of Year 4 funds to Year 4 contractual to support NC Cloud projects such as VoIP, MDM, financial systems migrations, and Learning Management Systems.

Given delays to date and the slow pace of drawdown of funds in this project area, the Department has concerns about the State's ability to complete all of the NC Cloud activities included in its approved Scope of Work within the grant period. Therefore, this amendment approval is conditioned on the State providing evidence that it will meet all NC Cloud commitments included in its approved Scope or Work within the grant period or submitting a no-cost extension request to the Department for these activities by January 2014.

- North Carolina will adjust its student subgroup measures for Advanced Placement (AP) performance to align with already-established overall AP performance measures. The State was previously approved in January 2011 to adjust its AP measures for the "all students" population in North Carolina, and will now do so for its subgroup measures. Rather than utilizing the metric, "graduates scoring 3 or above on one or more AP exams," North Carolina will capture the AP performance of student subgroups through two interrelated metrics: 1) "percentage of AP exams taken on which students scored 3 or above" and 2) "percentage of students taking AP exams." (See Appendix A.)
- As a result of data quality challenges associated with sharing data across education sectors in the State, North Carolina had been previously unable to establish a reliable target for college course completion. Now the State is able to set a baseline and target for this required measure, in alignment with the definition the Department provided in the application.<sup>i</sup> (See Appendix B.)

It is our understanding that these amendments will not substantially change the scope and objectives of the work. Please note that 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 North Carolina's Race to the Top Program Officer, Ashlee Davis, at 202-401-9501 or [Ashlee.Davis@ed.gov](mailto:Ashlee.Davis@ed.gov).

Sincerely,

//s//

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

cc: Dr. June Atkinson, Commissioner  
Eric Guckian, Senior Advisor on Education, Office of the Governor  
Adam Levinson, Race to the Top Lead

## Appendix A

The charts below show revised performance measures and targets in *bold italic*.

	SY 2010-2011	SY 2011-2012 (baseline)	SY 2012-2013	SY 2013-2014
Percent of AP exams taken on which students scored 3 or above <sup>ii</sup>	60%	62%	64%	66%
Percent of students taking AP exams <sup>iii</sup>	11%	13%	15%	17%
Graduates scoring 3 or above on one or more AP exams (White)	N/A	N/A	N/A	N/A
<i>Percent of AP exams taken on which students scored 3 or above (White)<sup>iv</sup></i>	-	<b>62.3%</b>	-	<b>63.3%</b>
<i>Percent of students taking AP exams (White)<sup>v</sup></i>		<b>14.0%</b>	-	<b>15.9%</b>
Graduates scoring 3 or above on one or more AP exams (Black)	7%	8%	10%	12%
<i>Percent of AP exams taken on which students scored 3 or above (Black)</i>	-	<b>31.9%</b>	-	<b>32.9%</b>
<i>Percent of students taking AP exams (Black)</i>		<b>4.3%</b>	-	<b>5.1%</b>
Graduates scoring 3 or above on one or more AP exams (Hispanic)	5%	6%	8%	10%
<i>Percent of AP exams taken on which students scored 3 or above (Hispanic)</i>	-	<b>48.3%</b>	-	<b>49.3%</b>
<i>Percent of students taking AP exams (Hispanic)</i>		<b>6.1%</b>	-	<b>7.1%</b>
Graduates scoring 3 or above on one or more AP exams (Asian/Pacific Islander)	N/A	N/A	N/A	N/A
<i>Percent of AP exams taken on which students scored 3 or above (Asian/Pacific Islander)</i>	-	<b>70.9%</b>	-	<b>72.9%</b>
<i>Percent of students taking AP exams (Asian/Pacific Islander)</i>		<b>31.4%</b>	-	<b>33.4%</b>
Graduates scoring 3 or above on one or more AP exams (American Indian)	2%	3%	5.5%	7.5%
<i>Percent of AP exams taken on which students scored 3 or above (American Indian)</i>	-	<b>38.9%</b>	-	<b>39.9%</b>
<i>Percent of students taking AP exams (American Indian)</i>		<b>5.6%</b>	-	<b>7.6%</b>

**Appendix B**

	<b>SY 2010-2011</b>	<b>SY 2011-2012 (baseline)</b>	<b>SY 2012-2013</b>	<b>SY 2013-2014</b>
<b><i>College course completion</i></b>	-	-	-	-
	-	<b>59%</b>	-	<b>63%</b>

<sup>i</sup> In the Race to the Top application, the Department defined college course completion as the number of students who complete at least a year's worth of college credit that is applicable to a degree within two years of enrollment in an institution of higher education.

<sup>ii</sup> This measure is calculated by dividing the total number of AP exams taken in the State by the number of AP exams taken on which students scored 3 or above.

<sup>iii</sup> This measure is calculated by dividing the total number of high school students in the State (Average Daily Membership for grades 9 – 12) by the number of students taking AP exams.

<sup>iv</sup> This measure is calculated by dividing the total number of AP exams taken by a given subgroup (e.g., white students) by the number of AP exams taken by that subgroup of students on which students scored 3 or above.

<sup>v</sup> This measure is calculated by dividing the total number of a given subgroup (e.g., white) high school students in the State (based on Average Daily Membership for grades 9 – 12 for that subgroup of students) by the number of students in that subgroup taking AP exams.