



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF THE DEPUTY SECRETARY

May 2, 2014

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, including revisions to the project period to implement a portion of its plan. Between January 8 and April 11, 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 extensions to the time period for implementation of several projects, as described below.

- In the "Induction Support" project, shift a total of \$1,937,591 from Years 2 and 3 to Year 4 to provide induction support services to approximately 1,100 teachers in school year (SY) 2013-2014.
  - According to the State, Years 2 and 3 funds are available due to timing of invoicing for work completed in Years 2 and 3 and a slower-than-

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anticipated start-up of the program. While approximately 35 and 525 new teachers received induction support in SYs 2011-2012 and 2012-2013, respectively, the State plans to expand the planned size of the cohort of new teachers receiving support in Year 4.

- In the “Regional Leadership Academies (RLAs)” project, shift \$3,616,131 from Year 4 to Years 2 and 5 to reflect updated actual and projected costs and extend support for RLA graduates into SY 2014-2015.
  - According to North Carolina, the original RLAs budget was based on projections of operating costs in each year and the assumption that all RLAs would have the same model and budget. The budget has since been refined based on actual implementation of the program, including a larger than anticipated Year 2 budget and lower than budgeted costs in Year 4.
  - In order to align the project budget with actual costs, the State will shift \$2,643,320 from Year 4 to Year 2. These funds allowed the State’s three RLA sites to recruit their initial cohorts of participants and to provide them with training and support towards principal licensure, including a year-long internship experience.
  - Additionally, to provide induction support (e.g., job placement services, coaching, and leadership training) to the third cohort of RLA graduates who will complete their programs in summer 2014, the State is approved for a no-cost extension for \$972,811 to June 30, 2015.
  
- In the “Teach For America” project, shift \$861,279 from Years 2 and 3 to Year 4, based on the timing of expenditures. According to the State, all planned work was completed in Years 2 and 3, but not invoiced until subsequent years.
  
- In the “Teacher and Principal Evaluation” project:
  - Reduce the budget in Years 3 and 4 due to contractual costs coming in lower than expected. According to the State, it no longer needs to pay for licenses for its former North Carolina Educator Evaluation System (NCEES) tool since the online NCEES platform was migrated to Home Base (the State’s Instructional Improvement System) at the beginning of SY 2013-2014.
  - Utilize \$200,000 in Year 4 contractual funds to support the development of an online teacher observation calibration tool to train evaluators and promote consistent use of the standards rubrics in educator evaluation.
  - Shift \$385,334 in available Years 3 and 4 funds to support other Race to the Top projects.<sup>i</sup>

As described in a February 26, 2014, 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 the LEAs’ Year 5 Scopes of Work.

It is our understanding that this amendment and no-cost extension 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 North Carolina's Race to the Top Program Officer, Ashlee Davis at 292-401-9501 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

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<sup>i</sup> It is the Department's understanding that the State will submit additional amendment(s) to propose use(s) for these funds.