



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

September 12, 2011

The Honorable Beverly 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 May 31, 2011, and August 21, 2011, the State submitted amendment requests and supporting documentation 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 changes do 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 following amendments:

- In the "Professional Development" project, redirect \$5,973,000 to other Race to the Top projects as specified in this letter.ⁱ North Carolina's application included this amount as part of the "Professional Development" project budget for a contract to evaluate the impact of professional development modules, training, and coaching on teacher behavior and student achievement. North Carolina's plan also included a budget for an overall "Evaluation" project to inform, at a formative and summative level, both the overall State Race to the Top effort and individual projects and initiatives. Over the last year, the State has worked to refine the plan for the "Evaluation" project.

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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.

Given that the refined scope of this project now includes analysis of professional development implementation and outcomes, North Carolina believes that its professional development evaluation needs are satisfied. Accordingly, the State believes that the funds for an evaluation contract included in the "Professional Development" project are better redirected to other projects in the State's plan.

- Of the \$5,973,000 explained above, redirect \$1,606,000 to the "Teacher and Principal Effectiveness" project to hire a vendor to develop assessment items. North Carolina's Educator Evaluation System includes convening Teacher Effectiveness Workgroups to develop assessment items for non-tested grades and subjects. Now, the State believes that contracting with a vendor to generate assessment items for review will allow for more effective use of Workgroup members' time and expertise.

Based on conversations with staff at the North Carolina Department of Public Instruction, it is the Department's understanding that the State is prepared to release a Request for Proposals immediately and that this contract will not delay the adoption of a statewide set of acceptable measures of student growth prior to school year 2012-13.

- Of the \$5,973,000 explained above, redirect \$2,000,000 to the "Instructional Improvement System" (IIS) project. These funds will support a Professional Development Learner Management System (PD LMS), which will enhance the State's technology infrastructure for managing various professional development initiatives.

The State believes the PD LMS will streamline educator access to high quality, relevant professional development resources. The centralized application will provide educators with one-stop online access to view their performance data from the NC Educator Evaluation System and directly connect to growth opportunities (e.g., professional development event registration, repository of modules, information tools) aligned to evaluation results. Additionally, the PD LMS will provide the State with a capability to track individual educator participation in professional development. This will facilitate the gathering and sharing of data needed to inform the evaluation of professional development activities included in the overall "Evaluation" project.

In total, the IIS project budget will be supplemented by \$2,138,162: \$2,000,000 made available from the unneeded evaluation contract funds in the "Professional Development" project, \$48,868 remaining from an "Evaluation" project amendment approved July 1, 2011, and \$89,294 shifted from a different component of the "Professional Development" contract budget project described below.

- In the "Professional Development" project, shift \$1,412,354 from contractual to personnel to support three professional development module developer positions for years 2-4 of the grant period. In its application, North Carolina proposed to contract with an existing partner organization to create modules to support educators' use of data and technology to inform instruction. Now, in part because the partner organization initially envisioned is no longer available, the State believes that shifting a portion of the contract funds allocated to this activity to hire individuals directly at the

State Education Agency is necessary. The State believes staffing in this way will be more expedient and will promote better integration of the modules into the State's overall professional development effort.

After redirecting \$1,412,354 from the module contract included in the "contractual" budget line to personnel, related benefits, and indirect cost categories, \$89,294 remains and is shifted to the PD LMS as explained above.

- In the "Teacher and Principal Effectiveness" project, North Carolina will also shift a total of \$620,840 from year one to year two for the "Development of Growth Indicator" contract and reimbursements for teachers working on the development of assessments for non-tested areas. The State's plan specified that the timeline for these activities was beginning in summer 2011 and continuing into 2012. Given that NC budget aligns with its fiscal years which end on June 30, this shift will allow North Carolina to make payment for these two activities in fiscal year 2011-12.

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

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.

Sincerely,

//s//

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

cc: Dr. June Atkinson
 Dr. William Harrison
 Adam Levinson

¹ The Department is currently reviewing an additional amendment for a proposed use of \$2,367,000 of this total.