



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE DEPUTY SECRETARY

October 7, 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 August 3, and September 26, 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 "Race to the Top Management" project, add four new positions for years 2-4 of the grant period. Three of these positions will reside within the North Carolina Department of Public Instruction (NC DPI) Race to the Top Project Management Office and one will reside within the North Carolina Office of the Governor. The majority of funds to support these additional positions and their associated benefits will come from within the "Race to the Top Management" project budget with additional funds from the "Instructional Improvement System" and "Professional Development" project budgets as described below. North Carolina believes these additional positions will address project management and oversight support needs identified during the first year of implementation.

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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.

- In the “Race to the Top Management” project, shift \$713,344 to fund additional positions in years 2-4. Hiring for some of the 14 positions initially included in the budget occurred later than anticipated, so unspent personnel and fringe funds will shift from year 1 to fund additional positions in years 2-4. Further, the State has funds available within the existing personnel and fringe budgets for years 2-4 since in some cases qualified individuals were hired under budget. The net change within the four-year “Race to the Top Management” budget is \$62,938.
- In the “Professional Development” project, shift \$47,655 to “Race to the Top Management” based on the actual contractual costs in year 1 for onsite and remote training and coaching.
- In the “Instructional Improvement System (IIS)” project, shift \$158,567 from personnel, fringe, and indirect cost categories across years 1-4 to contractual. The State has a salary reserve from hiring a qualified individual under budget and believes that these funds are best directed to supplement contract(s) for IIS item development in grant year 3. An additional \$15,284 will shift to “Race to the Top Management” to support the additional aforementioned positions.

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