



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

MAR 13 2015

The Honorable Pat McCrory
Office of the Governor
20301 Mail Service Center
Raleigh, NC 27600

Dear Governor McCrory:

I am writing in response to North Carolina's request to amend its approved Race to the Top grant project, which includes revisions to the project period to implement a portion of its plan. On February 13, 2015, the State submitted documentation to the U.S. Department of Education (ED) to support an amendment request to its approved Race to the Top plan. ED 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, ED issued *Amendment Requests with No-cost Extension Guidance and Principles*, indicating the process by which ED reviews amendments containing requests to provide additional time for a grantee to accomplish the reform goals and deliverables to which it committed in its Race to the Top application and approved Scope of Work. To determine whether to approve this request, ED applied the conditions noted in the document, and compared your request with the Race to the Top program *Principles*, which are also included in that document.

I approve the following amendments as described below.

- Shift a total of \$10,400,600 in available Year 4 funds from multiple Race to the Top projects to Year 5 in the "NC Education Cloud" budget to support the State's wireless infrastructure grant program through August 15, 2015. Year 4 funds are available due to expenditures – primarily in the "contractual," "Other," and personnel-related budget categories – across multiple Race to the Top projects being lower than budgeted.¹

ED approved North Carolina in September 2014, to use \$4,629,062 in Race to the Top funds, in conjunction with E-Rate funding, to support the deployment of wireless infrastructure in schools and classrooms across the State. With this additional funding, the State anticipates being able to establish or expand wireless infrastructure in more than 600 schools and 17,000 classrooms. As previously planned, the State will prioritize deploying wireless infrastructure based on school readiness and need and will focus on supporting schools with no wireless infrastructure in place. North Carolina believes that this program will provide schools with the infrastructure needed to

¹ The total of \$10,400,600 is derived from actual expenditures in the following projects: \$725,770 from "Race to the Top Management," \$2,870,665 from "Teacher and Principal Effectiveness," \$143,599 from "Teacher and Principal Evaluation," \$676,248 from "North Carolina Teacher Corps," \$147,352 from "Induction Support," \$1,053,896 from "Virtual and Blended Courses," \$864,080 from "Professional Development," \$3,063,741 from "Turning Around the Lowest-Achieving Schools," \$906,858 from "STEM," and \$51,609 from "NC Education Cloud."

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support technology-enabled instruction, including by using the State’s instructional improvement system, Home Base.

- Use \$600,000 in available Year 4 funding from the “Teacher and Principal Effectiveness” project to support implementation of the Analysis of Student Work (ASW) process through July 31, 2015. Year 4 funds are available as a result of actual costs of travel, personnel, and teacher performance incentive awards based on school year (SY) 2013-2014 results being lower than budgeted.

The ASW process allows for student growth ratings, used in the North Carolina Educator Evaluation System, to be developed for teachers in traditionally non-tested grades and subjects (*e.g.*, arts education, healthful education, world languages). The process involves the collection and analysis of student work to document student growth. Following SY 2014–2015, the first year of implementation of the ASW process in schools across the State, North Carolina will contract with content area experts to conduct reviews of student work.

- In the “Race to the Top Evaluation” project, shift \$753,639 from Year 4 to Year 5, based on the timing of expenditures. According to the State, all planned work for Year 4 was completed, but not invoiced until Year 5 which requires increasing the budgeted total for Year 5. ED approved North Carolina in February 2014, for a no-cost extension to August 31, 2015, in this project area to extend the time period for data collection and completing summative reports on Race to the Top implementation.

As described in a February 26, 2014 amendment approval letter, ED indicated that it generally approves North Carolina’s process to review local educational agency (LEA) subgrant requests to obligate and liquidate funds after September 23, 2014. On June 30, 2014, North Carolina submitted a record of each participating LEA project approved by the State for a no-cost extension and the total funding approved for LEAs’ Year 5 Scopes of Work.

As described in a September 18, 2014, amendment approval letter, ED approved an amendment to the “NC Education Cloud” project with conditions. Beginning in October 2014, North Carolina was expected to provide monthly updates to ED, including the following information:

- 1) Status of LEA adoption of and migration to available Cloud-based systems and services;
- 2) The status of Requests for Proposals and contracts that have not yet been released or executed; and
- 3) Progress in obligating and expending funds in this project area.

As expected, North Carolina has provided this information to ED on a monthly basis and will continue to do so until the end of the grant period. Additionally, the September 18, 2014, amendment approval letter requested an analysis of feedback from LEAs that have adopted and migrated to Cloud-based systems and services (*e.g.*, whether services are meeting local needs, and they plan to continue to use the systems). ED understands that North Carolina is working to collect and compile information to inform such an analysis, and will provide this information to ED before the end of the grant period.

It is ED’s understanding that this amendment will not result in a change in your State’s performance measures and outcomes, nor will it substantially change the scope and objectives of the work. Please note that we expect 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 ED's website as a record of the amendment.

If you need any assistance or have any questions regarding Race to the Top, please do not hesitate to contact Jessie Harteis at (202) 453-6651 or OSS.NorthCarolina@ed.gov. Thank you for your continued commitment to enhancing education for all of North Carolina's students.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah S. Delisle". The signature is fluid and cursive, with the first name being the most prominent.

Deborah S. Delisle
Assistant Secretary

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