



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

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

August 12, 2015

Dear Governor McCrory:

I am writing in response to the 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 August 25, 2015, and August 26, 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 approval could be granted, ED 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 following amendment, as follows a shift of a total of \$1,673,080 in unexpended Year 5 funds from multiple Race to the Top projects to expand work underway in Year 5 in the "NC Education Cloud" project until August 31, 2015. These funds are available due to lapsed salaries and expenditures being lower than budgeted for contracts and stipends.¹

The NC Education Cloud initiative is intended to provide an array of district- and school-level shared technology infrastructure functions in order to improve service reliability, increase efficiency, and decrease long-term information technology costs for local educational agencies. The initiative also supports development of and educator access to standards-aligned resources and streamlined educator access to local and State technology systems. North Carolina will use available funds to expand educator access to digital content and tools for Career and Technical Education (CTE), including curriculum content, software, professional development resources, and exams that are aligned with North Carolina's college- and career-ready standards.

¹ The total of \$1,673,080 is derived from actual expenditures in the following projects being lower than expected: \$478,085 from "Instructional Improvement System," \$449,783 from "Professional Development," \$184,965 from "Race to the Top Management," \$126,454 from "Race to the Top Evaluation," and \$433,793 from "NC Education Cloud."

As described in a February 26, 2014, amendment approval letter, ED indicated that it approves North Carolina's process to review 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.

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). North Carolina fulfilled this obligation to ED on August 20, 2015.

It is ED's understanding that this amendment 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 ED expects grantees with no-cost extensions to liquidate all funds by September 18, 2015, given that by law all Race to the Top funds revert to the U.S. Department of Treasury as of October 1, 2015. This letter will be posted on ED's website as a record of the amendments.

If you need any assistance or have any questions regarding Race to the Top, please contact Andrew Curry or Cynthia Wright of my staff at: OSS.NorthCarolina@ed.gov.

Thank you for your continued commitment to enhancing education for all of the North Carolina's students.

Sincerely,

/s/

Monique M. Chism, Ph.D.
Director
Office of State Support

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