

Archived Information

Investing in Innovation Fund (i3) Program Guidance and Frequently Asked Questions



U.S. Department of Education

Updated June 18, 2010

Purpose of this Guidance

The purpose of this guidance is to provide information about the Investing in Innovation Fund (i3) program. The guidance provides the U.S. Department of Education’s interpretation of various statutory provisions and does not impose any requirements beyond those included in the American Recovery and Reinvestment Act of 2009 (ARRA); the i3 notice of final priorities, requirements, definitions, and selection criteria (NFP); the i3 notice inviting applications (NIA); and other applicable laws and regulations. In addition, it does not create or confer any rights for or on any person.

The Department will provide additional or updated program guidance as necessary on its i3 Web site: <http://www2.ed.gov/programs/innovation>. If you have further questions that are not answered here, please email i3@ed.gov.

If you are interested in commenting on this guidance, please e-mail us your comment at i3@ed.gov, or write to us at the following address: U.S. Department of Education, Office of Innovation and Improvement, 400 Maryland Avenue, SW., Washington, DC 20202-5900.

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A. OVERVIEW OF THE i3 PROGRAM.

A-1. What is the purpose of the i3 program?

The Investing in Innovation Fund (i3) program provides funding to support (1) local educational agencies (LEAs), and (2) nonprofit organizations in partnership with (a) one or more LEAs or (b) a consortium of schools. The purpose of this program is to provide competitive grants to applicants with a record of improving student achievement and attainment in order to expand the implementation of, and investment in, innovative practices that are demonstrated to have an impact on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates. A notice of final priorities, requirements, definitions, and selection criteria (NFP) for the i3 program and a notice inviting applications (NIA) were published in the Federal Register on March 12, 2010. For the NFP, see 75 FR 12003-12071, available at <http://www2.ed.gov/legislation/FedRegister/finrule/2010-1/031210a.html>. For the NIA, see 75 FR 12072-12086, available at <http://www2.ed.gov/legislation/FedRegister/announcements/2010-1/031210d.html>.

A-2. What are the types of grants for which applicants may compete for funding under the i3 program?

Three types of grants are available under the i3 program: Scale-up grants, Validation grants, and Development grants.

- Scale-up grants provide funding to “scale up” practices, strategies, or programs for which there is strong evidence (as defined in the NFP) that the proposed practice, strategy, or program will have a statistically significant effect on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates, and that the effect of implementing the proposed practice, strategy, or program will be substantial and important. An applicant for a Scale-up grant may also demonstrate success through an intermediate variable strongly correlated with these outcomes, such as teacher or principal effectiveness.

An applicant for a Scale-up grant must estimate the number of students to be reached by the proposed project and provide evidence of its capacity to reach the proposed number of students during the course of the grant. In addition, an applicant for a Scale-up grant must provide evidence of its capacity (e.g., in terms of qualified personnel, financial resources, or management capacity) to scale up to a State, regional, or national level, working directly or through partners either during or following the grant period.

- Validation grants provide funding to support practices, strategies, or programs that show promise, but for which there is currently only moderate evidence (as defined in the NFP) that the proposed practice, strategy, or program will have a statistically significant effect on improving student achievement or student growth, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates and that, with further study, the effect of implementing the proposed practice, strategy, or program may prove to be substantial and important. Thus, applications for

Validation grants do not need to have the same level of research evidence to support the proposed project as is required for Scale-up grants. An applicant for a Validation grant may also demonstrate success through an intermediate variable strongly correlated with these outcomes, such as teacher or principal effectiveness.

An applicant for a Validation grant must estimate the number of students to be reached by the proposed project and provide evidence of its capacity to reach the proposed number of students during the course of the grant. In addition, an applicant for a Validation grant must provide evidence of its capacity (e.g., in terms of qualified personnel, financial resources, or management capacity) to scale up to a State or regional level, working directly or through partners either during or following the grant period.

- Development grants provide funding to support high-potential and relatively untested practices, strategies, or programs whose efficacy should be systematically studied. An applicant must provide evidence that the proposed practice, strategy, or program, or one similar to it, has been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results that suggest that more formal and systematic study is warranted. An applicant must provide a rationale for the proposed practice, strategy, or program that is based on research findings or reasonable hypotheses, including related research or theories in education and other sectors. Thus, applications for Development grants do not need to provide the same level of evidence to support the proposed project as is required for Validation or Scale-up grants.

An applicant for a Development grant must estimate the number of students to be served by the project, and provide evidence of the applicant’s ability to implement and appropriately evaluate the proposed project and, if positive results are obtained, its capacity (e.g., in terms of qualified personnel, financial resources, or management capacity) to further develop and bring the project to a larger scale directly or through partners either during or following the grant period.

A-3. Does the NFP provide a definition of the terms “regional level” and “national level” as used in reference to Scale-up or Validation grants?

Yes. The term “regional level,” as used in reference to a Scale-up or Validation grant, describes:

A project that is able to serve a variety of communities and student populations within a State or multiple States, including rural and urban areas, as well as with the different groups of students described in section 1111(b)(3)(C)(xiii) of the ESEA (i.e., economically disadvantaged students, students from major racial and ethnic groups, migrant students, students with disabilities, students with limited English proficiency, and students of each gender). To be considered a regional-level project, a project must serve students in more than one LEA. The exception to this requirement would be a project implemented in a State in which the State educational agency is the sole educational agency for all schools and thus may be considered an LEA under section

9101(26) of the ESEA. Such a State would meet the definition of regional for the purposes of this NFP.

The term “national level,” as used in reference to a Scale-up grant, describes:

A project that is able to be effective in a wide variety of communities and student populations around the country, including rural and urban areas, as well as with the different groups of students described in section 1111(b)(3)(C)(xiii) of the ESEA (i.e., economically disadvantaged students, students from major racial and ethnic groups, migrant students, students with disabilities, students with limited English proficiency, and students of each gender).

A-4. Must an applicant identify the type of i3 grant for which it is applying?

Yes. An applicant must specify the type of i3 grant--Scale-up, Validation, or Development--for which it is applying.

A-5. May an applicant submit the same proposed project under more than one type of grant?

No. An applicant may not submit the same proposed project under more than one type of grant.

A-6. If an application is judged by reviewers not to meet the “standards of evidence” required for Scale-up or Validation grants (i.e., strong evidence or moderate evidence), will it be considered for a different type of i3 grant?

No. An application will only be considered for funding under the type of grant for which the applicant indicates it is applying.

A-7. Are there priorities that an applicant must meet in order to receive an i3 grant?

Four absolute priorities apply to the i3 competition. These priorities are directly aligned with the four education reform areas under the ARRA. In order to receive a grant, an applicant must address at least one of these priorities, *see* B-4. (Applicants, if they wish, may address more than one priority, but are not required to do so and will not receive additional credit for doing so.) The priorities are:

- Innovations that Support Effective Teachers and Principals;
- Innovations that Improve the Use of Data;
- Innovations that Complement the Implementation of High Standards and High-Quality Assessments; and
- Innovations that Turn Around Persistently Low-Performing Schools.

A-8. Are there priorities for which an applicant may receive additional points if it successfully addresses the priorities?

Four competitive preference priorities apply to the i3 competition. These priorities are aligned with key Department reform goals. The priorities are:

- Innovations for Improving Early Learning Outcomes;
- Innovations that Support College Access and Success;
- Innovations to Address the Unique Learning Needs of Students with Disabilities and Limited English Proficient Students; and
- Innovations that Serve Schools in Rural LEAs.

Applicants for all types of grants may, but are not required to, address one or more of the four competitive preference priorities. Points will be awarded as “all or nothing” (i.e., one point or zero points) for each of the first three competitive preference priorities depending on how well the application addresses the priority, as judged by peer reviewers. Up to two points will be awarded to an application that addresses the fourth competitive preference priority (Innovations that Serve Schools in Rural LEAs) depending on how well the application addresses that priority, as judged by peer reviewers.

A-9. *From Addendum 1, published March 30, 2010.*

May an applicant submit multiple applications to an i3 grant competition, multiple applications to different i3 competitions, or multiple applications under the same absolute priority?

Although there are limits on the number of grants, and the amount of grant funds, that any one grantee may receive under the i3 program, applicants are not limited in the number of applications they may submit, so long as these proposals are substantially different. An applicant may submit more than one application to the same grant competition. For example, an applicant may submit two applications to the Scale-up competition, so long as the proposals are substantially different. An applicant may also submit more than one application to the same grant competition under the same absolute priority. For example, an applicant may submit two applications under Absolute Priority 1 for the Development competition, so long as these proposals are substantially different. In addition, applicants may submit applications to different competitions. For example, an applicant may submit an application to the Scale-up competition and an application to the Validation competition, so long as these proposals are substantially different.

A-10. *From Addendum 1, published March 30, 2010.*

When will i3 awards be made?

The Investing in Innovation (i3) awards must be obligated by September 30, 2010. Awards will be announced in September before this date.

A-11. *From Addendum 1, published March 30, 2010.*

What are the sizes of the grant awards?

The estimated range of grant awards is:

- up to \$50 million for Scale-up grants,

- up to \$30 million for Validation grants, and
- up to \$5 million for Development grants.

The estimated average size of awards is:

- \$40 million for Scale-up grants,
- \$17.5 million for Validation grants, and
- \$3 million for Development grants.

The Department is not bound by these estimates; however applicants may not exceed the total maximum award outlined in H-6. Applicants should request the amount necessary for their proposed project.

A-12. *From Addendum 1, published March 30, 2010.*

When is the start date for projects receiving i3 funds?

The project period for all i3 grants officially begins on the date an i3 grant is awarded. Although the project period begins on the award date, applicants have discretion in determining the date to begin implementation of their projects.

A-13. *From Addendum 2, published April 8, 2010.*

May an application receive competitive preference points for more than one competitive preference priority?

Yes. An application may address and receive points for more than one competitive preference priority. Peer reviewers will determine the extent to which an applicant addresses each competitive preference priority and award points accordingly.

A-14. *From Addendum 3, published April 21, 2010.*

What is the total number of points an application may receive, including competitive preference points?

An application may receive a total of 105 points. As noted in H-2, an application may receive up to 100 points for addressing the selection criteria for the type of grant for which the eligible applicant is applying. As discussed in A-8, an application may also receive up to 5 competitive preference points for addressing the competitive preference priorities. Peer reviewers will assign points to an application based on how well they believe an application addresses the selection criteria and, if applicable, the competitive preference priorities.

A-15. *From Addendum 3, published April 21, 2010.*

Are the estimated i3 grant awards for the entire project period or for each year of the project?

The estimated sizes of grant awards provided in A-11 are estimates of the total grant award by grant type and cover the entire project period.

A-16. *From Addendum 3, published April 21, 2010.*

Which Catalog of Federal Domestic Assistance (CFDA) number (ED Standard Form 424, question 11) applies to an i3 application?

The type of grant for which an applicant is applying determines the CFDA number that an applicant will list on its i3 application. The CFDA numbers are:

- 84.396A for Scale-up grants;
- 84.396B for Validation grants; and
- 84.396C for Development grants.

A-17. *From Addendum 3, published April 21, 2010.*

Which Funding Opportunity Number (ED Standard Form 424, question 12) applies to an i3 application?

The type of grant for which an applicant is applying determines the Funding Opportunity Number that an applicant will list on its i3 application. The Funding Opportunity Numbers are:

- ED-GRANTS-031210-001 for Scale-up grants;
- ED-GRANTS-031210-002 for Validation grants; and
- ED-GRANTS-031210-003 for Development grants.

A-18. *From Addendum 3, published April 21, 2010.*

Which Competition Identification Number (ED Standard Form 424, question 13) applies to an i3 application?

Applicants for i3 grants do not need a Competition Identification Number and should leave question 13 (the Competition Identification Number) of the ED Standard Form 424 blank. The Competition Identification Number applies only to applications that are submitted through grants.gov; i3 grant must be submitted electronically using e-Application (see L-6) and not grants.gov.

A-19. *From Addendum 4, published April 30, 2010.*

Is there a minimum amount of funds that an eligible applicant must request in its application for an i3 grant?

No. The Department has not prescribed a minimum amount of funds that an eligible applicant must request in its application. An eligible applicant should request the amount of funds necessary for implementing its proposed project. See A-11 for information on estimated i3 grant award amounts.

B. ELIGIBILITY TO RECEIVE AN AWARD.

B-1 . What types of entities are eligible to apply for an i3 award?

Under section 14007(a)(1) of the ARRA, the following entities are eligible to apply for an i3 award:

- A local educational (LEA) (under section 14007(a)(1)(A)); or
- A partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools (under section 14007(a)(1)(B)).

The definition of “local educational agency” in Section 9101 of the Elementary and Secondary Education Act of 1965, as amended (ESEA), applies to the i3 program; see <http://www2.ed.gov/policy/elsec/leg/esea02/pg107.html#23sec9101>.

A nonprofit organization is defined in the NFP as:

An entity that meets the definition of “nonprofit” under 34 CFR 77.1(c), or an institution of higher education as defined by section 101(a) of the Higher Education Act of 1965, as amended (HEA).

A consortium of schools is defined in the NFP as:

Two or more public elementary or secondary schools acting collaboratively for the purpose of applying for and implementing an i3 grant jointly with an eligible nonprofit organization.

B-2. What requirements must an LEA meet in order to be eligible to receive an i3 grant?

In order to be eligible to receive an i3 grant, an LEA must:

- Address one of the absolute priorities;
- Demonstrate that it will implement practices, strategies, or programs for high-need students. The term “high-need student” is defined in the NFP as:

A student at risk of educational failure, or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who are over-age and under-credited, who have left school before receiving a regular high school diploma, who are at risk of not graduating with a regular high school diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are limited English proficient;

- Demonstrate that it has:

- 1) (a) Significantly closed the achievement gaps between groups of students described in section 1111(b)(2), (i.e., economically disadvantaged students, students from major racial and ethnic groups, students with limited English proficiency, students with disabilities) of the ESEA, or (b) demonstrated success in significantly increasing student academic achievement for all groups of students described in that section;
 - 2) Made significant improvement in other areas, such as graduation rates or increased recruitment and placement of high-quality teachers and principals, as demonstrated with meaningful data;
 - 3) Established one or more partnerships with the private sector, which may include philanthropic organizations; and
 - 4) Received a commitment for the required private-sector match, which is 20 percent of the grant award. See Section E for information on the matching requirement;
- If applying for a Scale-up grant, demonstrate that its application is supported by strong evidence. Strong evidence is defined in the NFP¹ as:

Evidence from previous studies whose designs can support causal conclusions (i.e., studies with high internal validity), and studies that in total include enough of the range of participants and settings to support scaling up to the State, regional, or national level (i.e., studies with high external validity);

- If applying for a Validation grant, demonstrate that its application is supported by moderate evidence. Moderate evidence is defined in the NFP² as:

Evidence from previous studies whose designs can support causal conclusions (i.e., studies with high internal validity) but have limited generalizability (i.e., moderate external validity), or studies with high external validity but moderate internal validity; and

- If applying for a Development grant, demonstrate that its application is supported by a reasonable hypothesis.

B-3. What requirements must a partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools meet in order to be eligible to receive an i3 grant?

In order to be eligible to receive an i3 grant, a partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools must:

- Address one of the absolute priorities;
- Demonstrate that it will implement practices, strategies, or programs for high-need students. The term “high-need student” is defined in the NFP as:

¹ The definition also includes examples of strong evidence.

² The definition also includes examples of moderate evidence.

a student at risk of educational failure, or otherwise in need of special assistance and support, such as students who are living in poverty, who attend high-minority schools, who are far below grade level, who are over-age and under-credited, who have left school before receiving a regular high school diploma, who are at risk of not graduating with a regular high school diploma on time, who are homeless, who are in foster care, who have been incarcerated, who have disabilities, or who are limited English proficient;

- Demonstrate that the nonprofit organization that is part of the partnership has a record of significantly improving student achievement, attainment, or retention through its work with an LEA or schools;
- Demonstrate that it has a commitment for the required private-sector match, which is 20 percent of the grant award. See Section E for information on the matching requirement;
- If applying for a Scale-up grant, demonstrate that its application is supported by strong evidence. Strong evidence is defined in the NFP³ as:

Evidence from previous studies whose designs can support causal conclusions (i.e., studies with high internal validity), and studies that in total include enough of the range of participants and settings to support scaling up to the State, regional, or national level (i.e., studies with high external validity);

- If applying for a Validation grant, demonstrate that its application is supported by moderate evidence. Moderate evidence is defined in the NFP⁴ as:

Evidence from previous studies whose designs can support causal conclusions (i.e., studies with high internal validity) but have limited generalizability (i.e., moderate external validity), or studies with high external validity but moderate internal validity;

- If applying for a Development grant, demonstrate that its application is supported by a reasonable hypothesis; and
- Provide in the application the names of the LEAs with which the nonprofit organization will partner, or the names of the schools in the consortium with which it will partner. If an eligible applicant that includes a nonprofit organization intends to partner with additional LEAs or schools that are not named in the application, it must describe in the application the demographic and other characteristics of these LEAs and schools and the process it will use to

³ The definition also includes examples of strong evidence.

⁴ The definition also includes examples of moderate evidence.

select them as either official or other partners. An applicant must identify its specific partners before a grant award will be made.

B-4. *From Addendum 1, published March 30, 2010.*

Must an applicant identify one absolute priority under which it is submitting its application?

Yes. An applicant must identify one absolute priority under which it is submitting its application. However, an eligible applicant is not prohibited from submitting an application that addresses multiple absolute priorities if that is necessary to describe the effort for which the applicant is seeking funds. As stated in A-7, such applications will not receive additional credit for doing so.

B-5. *From Addendum 1, published March 30, 2010.*

May an eligible applicant applying as a partnership under section 14007(a)(1)(B) of the ARRA include multiple nonprofit organizations as official partners?

An eligible applicant applying as a partnership under section 14007(a)(1)(B) (i.e., a partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools) may include multiple nonprofit organizations as official partners. In order to qualify as an official partner, each nonprofit organization must meet the definition of “nonprofit organization” in the NFP (as described in B-1) and the eligibility requirements described in B-3.

B-6. *From Addendum 1, published March 30, 2010.*

May a nonprofit organization that does not meet the eligibility requirements to be an official partner in a partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools be designated as an “other partner” in an i3 proposal?

A nonprofit organization that does not meet the eligibility requirements needed to be an official partner may be an “other partner” with an eligible applicant. Other partners, however, may not receive subgrants from the i3 grantee. For more information about official and other partners, see C-2.

B-7. *From Addendum 1, published March 30, 2010.*

Must i3 projects serve only high-need students?

Eligible applicants are required to implement practices, strategies, or programs for high-need students. However, nothing in the authorizing statute or the priorities, requirements, definitions, or selection criteria for this program prohibits eligible applicants from using program funds to help other students as well. The Department expects that proposed projects would benefit all students, but with disproportionate benefit to high-need students.

We note that eligible applicants have discretion to determine which students meet the definition of “high-need student.” While the definition provides examples of these types of students, those examples

are not intended to be an exclusive list. Eligible applicants may include other types of students they consider to be high-need students to be served by their proposed projects.

B-8. *From Addendum 2, published April 8, 2010.*

Must an LEA applying under section 14007(a)(1)(A) of the ARRA provide specific kinds of information in order to demonstrate that it has: (a) significantly closed the achievement gaps between groups of students described in section 1111(b)(2) of the ESEA (i.e., economically disadvantaged students, students from major racial and ethnic groups, students with limited English proficiency, students with disabilities), or (b) demonstrated success in significantly increasing student academic achievement for all groups of students described in that section?

The Department has not prescribed specific measures that must be used to meet this statutory eligibility requirement for LEA applicants applying under section 14007(a)(1)(A). In addition, the Department has not defined the term “significantly” for purposes of this requirement. Given the diversity of potential LEA applicants under section 14007(a)(1)(A), the Department believes that the applicant is best suited to present information on how it has significantly closed achievement gaps or increased student academic achievement and to determine the metrics it uses to measure those accomplishments.

B-9. *From Addendum 2, published April 8, 2010.*

Must an LEA applying under section 14007(a)(1)(A) of the ARRA provide specific kinds of information in order to demonstrate that it has made significant improvement in areas other than academic achievement, such as graduation rates or increased recruitment and placement of high-quality teachers and principals?

The Department has not prescribed specific measures that must be used to meet this statutory eligibility requirement for LEA applicants applying under section 14007(a)(1)(A). In addition, the Department has not defined the term “significant improvement” for purposes of this requirement.

The Department wishes to encourage a diverse set of eligible applicants, and believes that eligible applicants are best suited to demonstrate that their improvements in areas other than academic achievement are significant. Eligible applicants are encouraged to present information for how they have made significant improvements in these other areas and are not limited in the metrics they use to measure those improvements.

B-10. *From Addendum 2, published April 8, 2010.*

Must an eligible applicant that includes a nonprofit organization provide specific kinds of information in order to demonstrate that the nonprofit organization has a record of significantly improving student achievement, attainment, or retention through its work with an LEA or schools?

The Department has not prescribed specific measures that must be used to meet this statutory eligibility requirement for applicants applying under section 14007(a)(1)(B) of the ARRA. In addition, the Department has not defined the term “significantly” for purposes of this requirement. Given the diversity of potential applicants under section 14007(a)(1)(B), the Department believes that the eligible

applicant is best suited to present information on how the nonprofit organization has significantly improved student achievement, attainment, or retention through its work with an LEA or schools and to determine the metrics it uses to measure those accomplishments.

B-11. *From Addendum 2, published April 8, 2010.*

Must an eligible applicant that includes a nonprofit organization demonstrate that the nonprofit organization has a record of significantly improving student achievement, attainment, or retention through its work with more than one LEA? Through its work with more than one school?

An eligible applicant may meet this requirement through the nonprofit organization's work with a single LEA. The NFP explains in the [Analysis of Comments and Changes](#) that:

[T]here is no requirement that an eligible applicant that includes a nonprofit organization demonstrate that the nonprofit organization serving as an official partner has a record of significantly improving student achievement, attainment, or retention through its work with more than one LEA.

However, an eligible applicant may not meet this requirement through the nonprofit organization's work with a single school. The NFP explains in the [Analysis of Comments and Changes](#) that:

[A]n eligible applicant that includes a nonprofit organization may provide the nonprofit organization's record of work with schools. However, because we believe that the nature of this program and the scope of its goals require that nonprofit organizations serving as an official partner have broad experience, such a nonprofit organization may not provide its record of work with only a single school in order to meet this requirement.

Instead, a nonprofit organization may meet this requirement only through its work with more than one school.

B-12. *From Addendum 2, published April 8, 2010.*

Must i3 projects support only students in public elementary and secondary schools?

So long as its project supports the achievement and attainment of students in public elementary and secondary schools, an eligible applicant would not be prohibited from also supporting children or students who are not enrolled in these schools (including young children from birth through pre-kindergarten, students enrolled in private elementary and secondary schools, and students enrolled in IHEs) provided the eligible applicant meets all of the eligibility requirements and the proposed project addresses one of the four absolute priorities.

B-13. *From Addendum 2, published April 8, 2010.*

Will an applicant receive more points for submitting its application under a particular absolute priority over another absolute priority?

An applicant must identify one absolute priority under which it is submitting its application (*see* B-4). An applicant will not receive more points, additional “credit,” or other advantage based on the absolute priority it identifies in its application. Peer reviewers will use the selection criteria to determine whether an applicant addresses the absolute priority it identifies.

B-14. *From Addendum 3, published April 21, 2010.*

How does an entity, excluding an institution of higher education, provide verification that it meets the definition of a nonprofit organization as defined under 34 CFR 77.1(c)?

Consistent with 34 CFR 75.51(b), an entity may show that it is a nonprofit organization (as defined under 34 CFR 77.1(c)) by providing any of the following:

- (b)(1) Proof that the Internal Revenue Service currently recognizes the applicant as an organization to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;
- (2) A statement from a State taxing body or the State attorney general certifying that:
 - (i) The organization is a nonprofit organization operating within the State; and
 - (ii) No part of its net earnings may lawfully benefit any private shareholder or individual;
- (3) A certified copy of the applicant's certificate of incorporation or similar document if it clearly establishes the nonprofit status of the applicant; or
- (4) Any item described in paragraphs (b)(1) through (3) of this section [immediately above] if that item applies to a State or national parent organization, together with a statement by the State or parent organization that the applicant is a local nonprofit affiliate.

An eligible applicant that includes a nonprofit organization must provide verification that any nonprofit organization that is an official partner meets the definition of “nonprofit” under 34 CFR 77.1(c) by one of these means. Documentation verifying the nonprofit status of an official partner should be included in Appendix B of the application.

B-15. *From Addendum 3, published April 21, 2010.*

May a group of LEAs apply under section 14007(a)(1)(A) of the ARRA?

Under this program, a single LEA may apply for a grant pursuant to section 14007(a)(1)(A) of the ARRA. As a single applicant, an LEA could propose a project that involves working with other partners and these other partners could include other LEAs.

In addition, the NFP explains that:

A single LEA could submit a group application on behalf of itself and other eligible LEAs under section 14007(a)(1)(A) of the ARRA. In that case, each of the other eligible LEAs included in the group application must meet the eligibility requirements of this program.

See B-2 for the eligibility requirements under section 14007(a)(1)(A) of the ARRA.

B-16. *From Addendum 3, published April 21, 2010.*

May more than one LEA be included in a partnership with a nonprofit organization under section 14007(a)(1)(B) of the ARRA?

Yes. Under section 14007(a)(1)(B) of the ARRA, a partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools may apply for an i3 award. This partnership must include the official partners, which could include one or more LEAs, and may also include LEAs as other partners. See B-3 for eligibility requirements under section 14007(a)(1)(B) of the ARRA.

B-17. *From Addendum 3, published April 21, 2010.*

How may an eligible applicant applying as a partnership under section 14007(a)(1)(B) of the ARRA provide evidence of its partnership?

An eligible applicant that is a partnership between a non-profit organization and (a) one or more LEAs or (b) a consortium of schools (under section 14007(a)(1)(B)) should provide evidence of its partnership in Appendix A following its Eligibility Requirement Checklist. To do this, the applicant must merge the checklist and this agreement into a single Microsoft Word Document (.doc), Adobe Portable Document Format (.pdf), or Rich Text Format (.rtf) before uploading Appendix A to e-Applications. For additional instructions on how to upload the appendices, see step 6 of the *e-Application Submission Procedures and Tips for Applicants* on pages 70-72 of the application.

The documentation used to provide evidence of a partnership under section 14007(a)(1)(B) may include the agreement that applicants are required to enter into under 34 CFR 75.128 that (1) details the activities that each official partner will perform and (2) binds each official partner to every statement and assurance made in the application. The applicant may use a memorandum of understanding or other binding agreements to establish this agreement.

B-18. *From Addendum 3, published April 21, 2010.*

Is there a limit on the number of partners with whom an applicant may propose to work during its proposed project?

No. The Department has not established a maximum number of official or other partners with whom an eligible applicant may propose to work during its proposed project.

B-19. *From Addendum 3, published April 21, 2010.*

To meet the eligibility requirement that the nonprofit organization have a record of significantly improving student achievement, attainment, or retention through its work with an LEA or schools, may an eligible applicant applying under section 14007(a)(1)(B) of the ARRA use the experience gained by the nonprofit organization’s employees while they were working for another organization?

No. The record of significantly improving student achievement, attainment, or retention through its work with an LEA or schools must be that of the nonprofit organization. This requirement cannot be satisfied using the experience (or record) gained by the nonprofit organization’s employees while working for another organization.

The NFP notes:

The authorizing statute (as amended) specifies that an eligible applicant that includes a nonprofit organization is considered to have met the requirements in paragraphs (1) and (2) of the eligibility requirements for this program if the nonprofit organization has a record of improving student achievement, attainment, or retention.

Thus, a nonprofit organization cannot meet this eligibility requirement by citing the previous work experience an employee (or employees) had with a different organization that resulted in improved student achievement, attainment, or retention.

The experience and qualifications of a nonprofit organization’s employees will be considered by reviewers when scoring applications on Selection Criterion G (Quality of the Management Plan and Personnel).

B-20. *From Addendum 3, published April 21, 2010.*

Do children from military families meet the definition of “high-need student?”

As noted in B-7, eligible applicants have discretion to determine which students meet the definition of “high-need student.” The NFP defines a “high-need student” as a student at risk of educational failure or otherwise in need of special assistance and support. While the definition provides examples of high-need students, those examples are not intended to be an exclusive list. Eligible applicants may include other types of students they consider to be high-need students, which may include children from military families.

B-21. *From Addendum 4, published April 30, 2010.*

To be eligible to receive an i3 grant, must an eligible applicant currently implement the project that it is proposing in its application?

No. An eligible applicant is not required to be currently implementing the proposed project in order to be eligible to receive an i3 grant. See B-2 and B-3 for the requirements that an eligible applicant must meet in order to be eligible to receive an i3 grant.

C. OTHER QUESTIONS RELATED TO ELIGIBILITY AND PARTICIPATION IN THE I3 PROGRAM.

C-1. Who is “the applicant” for an i3 grant?

For applications that are submitted on behalf of partnerships, consortia, or groups, the Department makes an award to a single entity only. In accordance with 34 CFR 75.127 to 75.129 (the Department’s regulations governing group applications), the entity designated to apply to the Department on behalf of the partnership, consortia or group is referred to as the “applicant.” Under the i3 program, an applicant may, therefore, be:

- An LEA applying on its own under section 14007(a)(1)(A) of the ARRA; or
- A nonprofit organization, an LEA, or a school in a consortium of schools applying on behalf of a partnership provided that the partnership is between a nonprofit organization and (1) one or more LEAs or (2) a consortium of schools (pursuant to section 14007(a)(1)(B)).

C-2. Are there different types of partners that may be involved in i3 projects?

Yes. The NFP defines two types of partners: “official partners” and “other partners.”

An “official partner” is any of the entities required to be part of a partnership applying under section 14007(a)(1)(B) of the ARRA (i.e., a nonprofit organization, an LEA, or a consortium of schools). Official partners may receive subgrants from the applicant with which they are partnering and must be identified before a grant is awarded.

Applicants may also propose projects that involve working with other entities. These partners are considered “other partners” and may be any entity involved in a proposed project other than the applicant and any official partner. Other partners may not receive subgrants from the applicant with which they are partnering.

C-3. Are institutions of higher education eligible to apply for an i3 grant?

An institution of higher education (IHE) as defined under Section 101(a) of the HEA (i.e., a public or private two- or four-year IHE) meets the definition of a nonprofit organization in the NFP and, thus, is eligible under section 14007(a)(1)(B) of the ARRA to apply for an i3 grant as an official partner in partnership with (a) one or more LEAs or (b) a consortium of schools. A partnership between such an IHE and (a) one or more LEAs or (b) a consortium of schools is eligible to receive an i3 grant if the partnership meets the eligibility requirements described in B-3.

In addition, IHEs may be involved in projects as other partners (see C-2).

C-4. Are private schools eligible to apply for an i3 grant?

A private school that meets the definition of a nonprofit organization (*see* B-1) is eligible under section 14007(a)(1)(B) of the ARRA to apply for an i3 grant as an official partner in partnership with (a) one or more LEAs or (b) a consortium of schools. A partnership between such a private school and (a) one or more LEAs or (b) a consortium of schools is eligible to receive an i3 grant if the partnership meets the eligibility requirements described in B-3. A private school is not eligible to be part of the consortium of schools in a partnership applying under section 14007(a)(1)(B), as the consortium may only include public schools.

In addition, private schools may, consistent with section 14011 of the ARRA and applicable regulatory requirements, be involved in a project as other partners (*see* C-2), and students in those schools could be served by projects that receive funding under this program.

C-5. Are charter schools eligible to apply for an i3 grant?

Depending on its legal status under State law, a charter school may be eligible to apply for an i3 grant in the following ways:

- As an LEA on its own (if it is considered an LEA under State law) under section 14007(a)(1)(A) of the ARRA;
- As a nonprofit organization, as an official partner in partnership with (a) one or more LEAs or (b) a consortium of schools (if it meets the definition of a nonprofit organization; *see* B-1) under section 14007(a)(1)(B); or
- In partnership with a nonprofit organization as an LEA (if it is considered an LEA under State law) or as part of a consortium of schools (if it is not considered an LEA under State law) under section 14007(a)(1)(B).

Because charter school laws vary from State to State, we encourage any charter school interested in applying for an i3 grant to verify its status and authority to receive funds before applying. (*See* Appendix B of the Application Package.)

As with any eligible applicant, an eligible applicant that is or includes a charter school must, before it may receive a grant under the i3 program, establish its compliance with the eligibility requirements described in B-2 or B-3, as applicable.

In addition, charter schools may be involved in projects as other partners (*see* C-2), and students in those schools could be served by projects that receive funding under this program.

C-6. Are Bureau of Indian Education schools eligible to apply for an i3 grant?

As public schools, Bureau of Indian Education (BIE) schools are eligible to be part of the consortium of schools in a partnership applying for an i3 grant under section 14007(a)(1)(B) of the ARRA. A BIE school may also be eligible to apply as an LEA on its own, or as an official partner in partnership with a nonprofit organization as an LEA, because the definition of “local educational agency” in section 9101(26) of the ESEA includes a provision under which a BIE school may be considered an LEA. If a BIE school is an LEA, the BIE school would be able to apply as an eligible LEA on its own, or as an official

partner in partnership with a nonprofit organization as an LEA, consistent with the requirements for eligible applicants under section 14007(a)(1).

As with any eligible applicant, an eligible applicant that is or includes a BIE school must, before it may receive a grant under the i3 program, establish its compliance with the eligibility requirements described in B-2 or B-3, as applicable.

In addition, BIE schools may be involved in projects as other partners (*see C-2*), and students in those schools could be served by projects that receive funding under this program.

C-7. Are State educational agencies eligible to apply for an i3 grant?

In general, State educational agencies (SEAs) are not eligible as applicants or as official partners in a partnership under section 14007(a)(1)(B) of the ARRA. However, the definition of “local educational agency” in section 9101(26) of the ESEA includes a provision under which the SEA in a State in which the SEA is the sole educational agency for all public schools may be considered an LEA. Such an SEA is eligible to apply for an i3 grant on its own or in partnership with a nonprofit organization, in the same way as all other LEAs. An eligible applicant that is or includes such an SEA must, before it may receive a grant under the i3 program, establish its compliance with the eligibility requirements described in B-2 or B-3, as applicable.

In addition, SEAs may be involved in projects as other partners (*see C-2*).

C-8. Are for-profit entities eligible to apply for an i3 grant?

No. For-profit institutions are not eligible as applicants or as official partners in a partnership under section 14007(a)(1)(B) of the ARRA. However, for-profit entities may be involved in projects as other partners (*see C-2*).

C-9. Are educational service agencies eligible to apply for an i3 grant?

An educational service agency falls within the definition of “local educational agency” in section 9101(26) of the ESEA and, therefore, is eligible to apply for funding under the i3 program either on its own, under section 14007(a)(1)(A) of the ARRA, or as an official partner in partnership with a nonprofit organization under section 14007(a)(1)(B). An eligible applicant that is or includes an educational service agency must, before it may receive a grant under the i3 program, establish its compliance with the eligibility requirements described in B-2 or B-3, as applicable.

In addition, educational service agencies may be involved in a project as other partners (*see C-2*).

C-10. What entity may act as the fiscal agent for an i3 grant?

The Department will award an i3 grant to the applicant, which then becomes the grantee. Under all Department grant programs, the grantee is the fiscal agent. Consequently, the term “fiscal agent” as used in section 14007(d) of the ARRA refers to the grantee. A grantee may rely on a third party to perform fiscal management functions related to its i3 grant. The grantee, however, remains the fiscal

agent for the grant and, as such, is responsible for ensuring that grant funds are used for allowable and documented costs.

As specified in C-1, an applicant (and, if successful, a grantee) may be:

- An LEA applying on its own under section 14007(a)(1)(A) of the ARRA; or
- A nonprofit organization, an LEA, or a school in a consortium of schools applying on behalf of a partnership provided that the partnership is between a nonprofit organization and (1) one or more LEAs or (2) a consortium of schools (pursuant to section 14007(a)(1)(B)).

C-11. Must a consortium of schools be made up of schools from the same LEA?

No. A consortium of schools need not be limited to schools within a single LEA.

C-12. *From Addendum 1, published March 30, 2010.*

May an entity be an official or other partner in multiple i3 projects?

The limit on the number of grant awards applies only to grantees and does not limit the number of projects in which an official or other partner may participate.

C-13. *From Addendum 2, published April 8, 2010.*

May a school in a consortium of schools participate in a partnership without its LEA?

Nothing in the requirements for this program prohibits a school in a consortium of schools from participating in a partnership with a nonprofit organization without the school's LEA. However, eligible applicants (including, in the case of a partnership, the applicant and all official partners) must act consistent with State and local law and policy when applying for, receiving, and using funds under this program.

C-14. *From Addendum 2, published April 8, 2010.*

If a school in a consortium of schools applies for an i3 grant on behalf of a partnership, must the school have authority to receive Federal funds?

Yes. If a school in a consortium of schools applies for an i3 grant on behalf of a partnership, the school would have to comply with State and local law and policy, which may require notification of and approval by its LEA, and must certify its legal authority to receive Federal grant funds. All i3 applicants are required to certify, in ED Standard Form 424B included in the application package, that they have the legal authority to receive program funds.

C-15. *From Addendum 2, published April 8, 2010.*

Must an LEA make adequate yearly progress (AYP) in order to be eligible to receive an i3 grant?

No. Making AYP is not an eligibility requirement under this program.

C-16. *From Addendum 2, published April 8, 2010.*

Is a partnership that includes a “new” nonprofit organization eligible to receive an i3 grant?

To be eligible to receive an i3 grant under section 14007(a)(1)(B) of the ARRA, a partnership that includes a nonprofit organization must demonstrate that the nonprofit organization has a record of significantly improving student achievement, attainment, or retention through its work with an LEA or schools. Although a partnership is not prohibited from including a “new” nonprofit organization as an official partner, such a nonprofit organization would be unlikely to have such a record.

A nonprofit organization (including a new nonprofit organization) that does not meet the eligibility requirements needed to be an official partner may be an other partner with an eligible applicant. Other partners, however, may not receive subgrants from an i3 grantee. For more information about official and other partners, *see* C-2.

C-17. *From Addendum 2, published April 8, 2010.*

Is a municipal entity eligible to apply for an i3 grant?

If it meets the definition of a nonprofit organization (*see* B-1), a municipal entity such as a city or county government or public agency is eligible under section 14007(a)(1)(B) of the ARRA to apply for an i3 grant as an official partner in partnership with (a) one or more LEAs or (b) a consortium of schools. A partnership between a municipal entity that meets the definition of a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools is eligible to receive an i3 grant if the partnership meets the eligibility requirements described in B-3.

In addition, a municipal entity may be involved in a project as an other partner (*see* C-2).

C-18. *From Addendum 2, published April 8, 2010.*

May an other partner be the fiscal agent for an i3 grant?

The fiscal agent for an i3 grant is the grantee (*see* C-10) and, therefore, cannot be an other partner.

A grantee may rely on a third party (including an other partner) to perform fiscal management functions related to its i3 grant. The grantee, however, remains the fiscal agent for the grant and, as such, is responsible for ensuring that grant funds are used for allowable and documented costs.

C-19. *From Addendum 3, published April 21, 2010.*

Must all partners be identified in the application? Must all partners be identified prior to the grant award?

The NFP states that:

In the case of an eligible applicant that includes a nonprofit organization, [the eligible applicant must] provide in the application the names of the LEAs with which the nonprofit organization will partner, or the names of the schools in the consortium with which it will partner. If an eligible applicant that includes a nonprofit organization intends to partner with additional LEAs or schools that are not named in the application, it must describe in the application the demographic and other characteristics of these LEAs and schools and the process it will use to select them as either official or other partners. An applicant must identify its specific partners before a grant award will be made.

Thus, an application does not have to identify all partners. However, partners must be identified before a grant award is made.

C-20. *From Addendum 4, published April 30, 2010.*

Will the Department provide a list of LEAs that are eligible to apply for an i3 grant under section 14007(a)(1)(A) of the ARRA?

No. The Department will not provide a list of the LEAs that are eligible to apply for an i3 grant under section 14007(a)(1)(A). As discussed in B-1, the definition of “local educational agency” in section 9101 of the ESEA applies to this program. Further, the NFP states that:

For purposes of this program, an LEA is an LEA located within one of the 50 States, the District of Columbia, or the Commonwealth of Puerto Rico.

See B-2 for the requirements an LEA applying under section 14007(a)(1)(A) must meet in order to be eligible to receive an i3 grant.

C-21. *From Addendum 4, published April 30, 2010.*

May an applicant partner with an entity located in another State?

Yes. Under this program, an applicant is not prohibited from partnering with an entity located in another State as either an official partner or other partner.

D. SUBGRANTS.

D-1. May i3 grantees make subgrants?

Subgranting is authorized for grants awarded to a partnership under section 14007(a)(1)(B) of the ARRA. For these grants, the grantee may make subgrants to other official partners in the partnership (i.e., a nonprofit organization, an LEA, or a consortium of schools). Official partners must be identified before a

grant is awarded. Subgrants may not be awarded to other partners (see C-2). An LEA receiving a grant on its own under section 14007(a)(1)(A) may not make subgrants.

D-2. *From Addendum 3, published April 21, 2010.*

In a partnership under section 14007(a)(1)(B) of the ARRA, may an official partner that receives a subgrant make a subgrant to another party?

No. Under section 14007(d), the grantee in a partnership under section 14007(a)(1)(B) may make subgrants to other official partners. There is no authority, however, for those official partners that receive subgrants to make a subgrant to any other official partners or other partners. However, an official partner that receives a subgrant may procure goods and services from a third party if that is necessary to carry out its subgrant. In so doing, the subgrantee must act consistent with the terms of its subgrant and follow the applicable procurement procedures set out in the Education Department General Administrative Regulations (EDGAR). LEAs and members of a consortium of schools must follow the procurement procedures set out in 34 CFR 80.36. Nonprofit organizations, which under the NFP include IHEs as defined under section 101(a) of the HEA, must follow the procurement procedures set out in 34 CFR 74.40-74.78.

D-3. *From Addendum 3, published April 21, 2010.*

May grantees under the i3 program award subgrants to for-profit organizations?

No. Under section 14007(d) of the ARRA, the Department has no authority to authorize a grantee under the i3 program to make subgrants to for-profit organizations (see N-3).

Under 34 CFR 75.708(a), which applies to the i3 program, a grantee may not make a subgrant unless specifically authorized by statute. The sole authority under the i3 program for making subgrants is set out in section 14007(d) which allows the grantee in a partnership established under section 14007(a)(1)(B) to award subgrants to other official partners in the partnership.

Under section 14007(a)(1)(B), a partnership must consist of a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools. Consequently, only an official partner in a partnership under section 14007(a)(1)(B) (i.e., a nonprofit organization, as defined in the NFP, an LEA, or a consortium of schools) may receive a subgrant from the grantee in the partnership (see C-2).

D-4. *From Addendum 3, published April 21, 2010.*

May an LEA that receives an i3 grant under section 14007(a)(1)(A) of the ARRA award a subgrant to an LEA that is an other partner?

As noted in D-3, subgrants are not allowed under the i3 program unless specifically authorized by statute. The sole authority for making subgrants under the i3 program is set out in section 14007(d), and applies only to a grant awarded under section 14007(a)(1)(B) to a partnership consisting of a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools. Consequently, LEAs applying under section 14007(a)(1)(A) that receive a grant may not make subgrants to an other partner.

Further, an LEA that receives a grant on behalf of a group of LEAs applying under section 14007 (a)(1)(A) may not make subgrants to an LEA that is an other partner (see B-15).

E. MATCHING REQUIREMENT.

E-1. Are i3 applicants required to secure matching funds?

Yes. The NFP states that an eligible applicant must obtain matching funds or in-kind donations from the private sector equal to at least 20 percent of its grant award.

E-2. What funds or in-kind contributions may count towards the 20 percent matching requirement?

Only contributions from non-government sources count towards the 20 percent matching requirement. Contributions may be cash or in-kind. Furthermore, eligible applicants may count existing private sector support towards the required match so long as these funds are reallocated in support of the project for which the eligible applicant seeks funding and the eligible applicant can provide appropriate evidence of this commitment.

Applicants may refer to the Department's regulations on matching funds, including in-kind contributions, which are set forth in 34 CFR 74.23 and 80.24, for clarification on requirements pertaining to in-kind donations.

Although matching funds or in-kind donations provided by LEAs or schools in support of a proposed project are allowed and encouraged, these funds or donations cannot be used to meet the 20 percent matching requirement.

E-3. When must an applicant secure the required match?

Applicants are required to submit evidence of the full 20 percent private-sector match following the peer review of applications. Eligible applicants that score at the top of the rank-order list for the respective types of grant will be contacted and given a limited period of time, approximately four to six weeks, to provide evidence of the private-sector match. An award will not be made unless the applicant provides adequate evidence that the full 20 percent private-sector match has been committed or the Secretary approves the eligible applicant's request to reduce the matching-level requirement (see E-6). The Department will provide more detailed instructions to applicants following the peer review of applications.

E-4. Must an applicant have matching funds or in-kind contributions in hand or simply committed?

Applicants must provide evidence that funds or in-kind contributions have been committed. These funds and in-kind contributions need not be in hand. As evidence that funds or in-kind contributions have been committed, applicants may provide funding agreements with the private sector or other signed documents indicating the source, amount, purpose, and date of receipt of funds or in-kind contributions.

E-5. Is the 20 percent match a percentage of the total amount of Federal grant funds awarded?

Yes. The required match is 20 percent of the total amount of the i3 grant award made by the Department. For example, if an eligible applicant receives a Development grant from the Department of \$1,000,000, it would need to obtain a commitment for a private sector match of \$200,000, which is 20 percent of the amount of the Federal grant award.

E-6. May an applicant request that the Secretary reduce the matching-level requirement?

Yes. The Secretary may consider decreasing the 20 percent matching requirement in the most exceptional circumstances, on a case-by-case basis. An eligible applicant that anticipates being unable to meet the 20 percent matching requirement must include in the application a request to the Secretary to reduce the matching level requirement, along with a statement of the basis for the request.

E-7. *From Addendum 2, published April 8, 2010.*

May a public IHE provide the private-sector match for an i3 applicant?

As stated in E-2, only contributions from non-government sources count toward the 20 percent matching requirement. Contributions from a public IHE may not count toward the private sector match if the source of the funds is governmental. However, if a public IHE can demonstrate that the source of the funds is private, such as funds from a private foundation associated with the public IHE, then the funds may count toward the private-sector match.

E-8. *From Addendum 2, published April 8, 2010.*

May a grantee use unrecovered indirect costs, i.e., indirect costs that a grantee could have claimed but did not claim under its i3 grant, to meet the matching requirement?

No. The Department will not approve the use of unrecovered indirect costs to meet the matching requirement under the i3 program. 34 CFR 74.23(b).

E-9. *From Addendum 3, published April 21, 2010.*

May more than one entity contribute toward the 20 percent private-sector match?

Yes. Matching funds may come from either a single entity or multiple entities.

E-10. *From Addendum 3, published April 21, 2010.*

Must official partners contribute towards the 20 percent private-sector match?

No. Under this program, it is not a requirement that any or all official partners in a partnership under section 14007(a)(1)(B) of the ARRA provide contributions, cash or in-kind, toward the 20 percent private

sector match. However, an official partner such as a nonprofit organization may contribute toward the private sector match, provided the source of the contribution is from the private sector.

E-11. *From Addendum 3, published April 21, 2010.*

May a private citizen's contribution count towards the 20 percent private-sector match?

Yes. A private citizen is a private source and, as noted in E-2, only contributions from private (i.e., non-governmental) sources count towards the 20 percent matching requirement. A private citizen's contribution may be in cash or in-kind, including volunteer services (*see* E-12).

E-12. *From Addendum 3, published April 21, 2010.*

May volunteer services count towards the 20 percent private-sector match?

Yes. Volunteer services may count as an in-kind contribution under EDGAR.

For LEAs and consortia of schools, 34 CFR 80.24(c) provides the following:

(c)(1) Volunteer Services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) [immediately above] of this section applies.

For nonprofit organizations, including IHEs as defined in section 101(a) of the HEA, 34 CFR 74.23 (d) and (e) provide the following:

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services must be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates must be consistent

with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

E-13. *From Addendum 3, published April 21, 2010.*

May an entity provide private-sector matching funds to an i3 grantee throughout the project's grant period?

Yes. Although applicants must provide evidence that the matching funds or in-kind contributions have been committed prior to the grant award, applicants are not required to have the full 20 percent private-sector match in hand at the time of the award (*see E-4*). An i3 grantee may arrange for the private-sector match to be provided throughout the project period of the grant. However, to meet the matching requirement, an i3 grantee must obtain matching funds or in-kind donations from the private sector equal to at least 20 percent of its grant award and use these funds or in-kind donations for carrying out the objectives of its i3 project during the project period.

A grantee under the i3 program that fails to obtain the required private-sector match will be required to repay grant funds to the Department. The Department will monitor, throughout an i3 project period, the amount of private-sector funds i3 grantees are expending to ensure they are on track to meet the matching requirement.

E-14. *From Addendum 3, published April 21, 2010.*

What information must an eligible applicant include in its request to reduce the matching requirement? Must the request include a specific percentage or amount of reduction in the match?

As discussed in E-6, an eligible applicant that believes it will be unable to obtain the full 20 percent private-sector match may include in Appendix E of its application a request to the Secretary to decrease the amount of the private-sector match. The Secretary may consider decreasing the matching requirement in the most exceptional circumstances, on a case-by-case basis.

The NFP explains that:

As the Secretary's decision to decrease the private-sector match amount will depend on the individual facts presented in an eligible

applicant's request, we decline to describe what situations might or might not be considered "the most exceptional circumstances" warranting the grant of a waiver.

Because the Department is not prescribing what information an eligible applicant should provide when requesting a reduction of the matching requirement, an eligible applicant may request the requirement be reduced by a specific percentage or amount. However, because the statute requires a private sector match, the Secretary may only reduce, and not eliminate, the matching requirement.

E-15. *From Addendum 3, published April 21, 2010.*

If the Secretary does not approve an eligible applicant's request to reduce the matching requirement, will the eligible applicant still be considered for a grant award?

Yes. An eligible applicant whose request to reduce the matching requirement is not approved may still be considered for a grant award. Any such eligible applicant whose application scores in the funding range will be contacted and given a limited period of time to provide evidence that it has secured the full private-sector match (see E-3).

E-16. *From Addendum 4, published April 30, 2010.*

What is meant by "private sector?"

Under this program, "private sector" refers to non-governmental entities. The NFP states that the ARRA:

[D]oes not set any limits on the types of private-sector partnerships that an eligible applicant may establish, except that they must be non-governmental and that, through one or more of these partnerships, the eligible applicant must obtain matching funds from the private sector in order to help bring results to scale.

E-17. *From Addendum 4, published April 30, 2010.*

Is there a limit on the amount of in-kind donations an eligible applicant may count towards the 20 percent matching requirement?

No. An eligible applicant may meet the 20 percent matching requirement using funds or in-kind donations from the private sector and is not limited in the amount of in-kind donations it may count towards the 20 percent matching requirement.

E-18. *From Addendum 4, published April 30, 2010.*

May an i3 grantee procure goods or services from a private-sector entity that also provides funds or in-kind donations to meet the i3 grantee's 20 percent private-sector match?

A private-sector entity that provides funds or in-kind donations to an i3 grantee is not prohibited from also providing goods or services through a procurement relationship with the grantee. However, as discussed in section N, i3 grantees obtaining goods or services that are necessary to carry out their projects must follow the applicable procurement rules in EDGAR.

E-19. *From Addendum 4, published April 30, 2010.*

May an eligible applicant count toward the 20 percent matching requirement private-sector funds or in-kind donations expended prior to receipt of an i3 grant?

No. In order to count toward the 20 percent matching requirement, funds or in-kind donations from the private sector must be expended during the i3 project period. However, an eligible applicant may count existing private-sector support towards the required match so long as these funds are reallocated in support of the i3 project, the eligible applicant can provide appropriate evidence of this commitment, and this support is expended during the i3 project period (see E-2).

E-20. *From Addendum 4, published April 30, 2010.*

Which funds should an applicant list when completing Section B of ED Standard Form 524?

An applicant for an i3 grant must complete ED Standard Form 524, including Section B (Budget Summary Non-Federal Funds). In Section B, an applicant should show the funds or in-kind donations it proposes to use to meet the 20 percent matching requirement as well as any other non-Federal funds or in-kind donations that it proposes to use to support its i3 project. An applicant need not have secured matching funds or in-kind donations in order to show those funds or donations in Section B. If an applicant is submitting with its application a request for a reduction of the private-sector matching requirement, the applicant may show in Section B the amount of non-Federal funds or in-kind donations it intends to use to support its i3 project consistent with that request.

E-21. *From Addendum 5, published June 18, 2010.*

When will applicants be notified that they are highest rated?

The Department plans to announce the list of highest-rated applicants – for all three types of i3 grants – by the end of July 2010. Applicants determined to be highest rated will also be notified by email.

E-22. *From Addendum 5, published June 18, 2010.*

By when must highest-rated applicants secure their matches?

Applicants determined to be highest rated must provide evidence of their required match no later than September 1, 2010. All highest-rated applicants – regardless of the type of i3 grant they are seeking, the amount of funds they are requesting, or any other distinguishing factors – must adhere to this deadline.

E-23. *From Addendum 5, published June 18, 2010.*

When will highest-rated applicants who requested a reduced matching amount be notified of the Department's decision regarding their request?

Highest-rated applicants who requested a reduced matching amount will be informed of the Department's decision regarding their request at the time they are notified that they are highest rated. These applicants will be informed if the Department has approved their request for a reduced match and the percentage of the match that they are required to secure.

Please note that only applicants that are being asked to provide evidence of the required match, the highest-rated applicants, will be notified of the Department's decision on their request for a reduction in the amount of the required match.

E-24. *From Addendum 5, published June 18, 2010.*

What happens if a highest-rated applicant fails to secure its required match by the required deadline?

A highest-rated applicant that is unable to secure the required match by the required deadline will be considered ineligible for funding. The Department will not grant extensions to this deadline for highest-rated applicants.

E-25. *From Addendum 5, published June 18, 2010.*

What documentation may a highest-rated applicant submit to establish that it has secured the required match?

The NFP provides that, in order to be eligible for an i3 grant, an applicant must demonstrate that it has secured a private-sector match, in cash or in-kind contributions, that is at least 20 percent of its grant award, unless the Department has granted a request to lower that amount. The NFP does not specify what documentation an applicant must provide to establish that it has secured the required match. Examples of evidence that applicants may provide to demonstrate that funds or in-kind contributions have been committed include funding agreements with a private-sector entity or other signed documents (such as commitment letters) indicating the source, amount, purpose, and date of receipt of funds or in-kind contributions. Other signed documents (such as commitment letters) should not include contingencies that raise concerns about the funding commitment other than that the applicant must be awarded an i3 grant.

E-26. *From Addendum 5, published June 18, 2010.*

Must the entire required match be received by the time of a grant award?

As noted in E-13, although applicants must provide evidence that matching funds or in-kind contributions have been committed prior to the grant award, applicants are not required to have received the private-sector match by the time of a grant award from the Department (see E-4). An i3 grantee may arrange for the private-sector match to be provided throughout the project period of the grant. However, to meet the matching requirement, an i3 grantee must use matching funds or in-kind donations for carrying out the objectives of its i3 project during the project period.

A grantee under the i3 program that does not ultimately receive or spend the required private-sector match during its project period will be required to repay grant funds to the Department. The Department will monitor, throughout an i3 project period, the amount of private-sector funds i3 grantees are expending and the in-kind contributions they are receiving to ensure they are on track to meet the matching requirement.

E-27. *From Addendum 5, published June 18, 2010.*

May tuition discounts or scholarships count towards the private-sector match?

Tuition discounts or scholarships may count as in-kind contributions towards the private-sector match if the source of these funds is the private sector and the funds are provided consistent with the Department's regulations set forth in 34 CFR 74.23 and 80.24. In particular, any in-kind contribution, including a tuition discount or scholarship, may count toward meeting the matching requirement only if the contribution would qualify as an allowable cost that could be charged to the i3 grant [see 34 CFR 74.23(a)(3) and 80.24(b)(7)].

As stated in E-2, applicants should refer to the Department's regulations on matching funds, including in-kind contributions, which are set forth in 34 CFR 74.23 and 80.24, for clarification on requirements pertaining to in-kind donations. As also stated in E-2, only contributions from non-government, i.e., private, sources count towards the matching requirement.

E-28. *From Addendum 5, published June 18, 2010.*

May discounts on services or materials count towards the private-sector match?

Discounts on services or materials may count towards the private-sector match as in-kind contributions if the source of these contributions is the private sector and if the contributions are consistent with the

Department's regulations set forth in 34 CFR 74.23 and 80.24. In particular, any in-kind contribution, including discounts on services or materials, may count toward meeting the matching requirement only if the contribution would qualify as an allowable cost that could be charged to the i3 grant [see 34 CFR 74.23(a)(3) and 80.24(b)(7)].

As stated in E-2, applicants should refer to the Department's regulations on matching funds, including in-kind contributions, which are set forth in 34 CFR 74.23 and 80.24, for clarification on requirements pertaining to in-kind donations. As also stated in E-2, only contributions from non-government, i.e., private, sources count towards the matching requirement.

E-29. *From Addendum 5, published June 18, 2010.*

Where can i3 applicants find matching funds from the private-sector?

Applicants are encouraged to seek matching funds or in-kind donations from a diverse range of individuals, corporations, private businesses, local charitable and service organizations, and foundations (including foundations not included in the resources listed below). On May 7, 2010, the Department posted a document on its website titled "Securing the i3 Private-Sector Match: A Resource for Applicants" (<http://www2.ed.gov/programs/innovation/privatesectormatch.pdf>) that cites some resources an applicant may consider when securing its required match. Specifically, this document describes four resources:

- **Foundation Registry i3** (<https://www.foundationregistryi3.org/>) - The Foundation Registry i3 was created by a group of national foundations to simplify the process for eligible applicants seeking matching foundation funds for their i3 applications and to improve the ability of the participating foundations to examine potential investment opportunities. Eligible applicants may register their i3 application on the Foundation Registry i3, which will make their proposals accessible and viewable to all participating member foundations. Please note that while the Foundation Registry i3 enables registered applicants to seek matching funds from all of the participating foundations, each foundation maintains its own decision-making authority.
- **Foundation Center** (<http://foundationcenter.org/educationexcellence/>) - The Foundation Center's Foundations for Education Excellence Initiative and internet site are resources focused on education funding. The site provides interactive maps of foundations supporting education reform by state and lists the top education grant-makers by program/reform area. Daily news feeds include announcements of new foundation grants and programs in the field.
- **Open Innovation Portal** (<https://innovation.ed.gov/>) - The Department of Education's Open Innovation Portal is an open online community that allows individuals and applicants to register ideas, collaborate on solutions, and find partners and resources. The Open Innovation Portal

provides a venue for i3 applicants to meet new partners, including potential funders, and refine their ideas based on feedback from other members of the portal community.

- **Rural School & Community Trust** (<http://www.ruraledu.org/articles.php?id=2424>) - The Rural School and Community Trust (Rural Trust) provides customized technical assistance for rural school districts regarding all aspects of the i3 grant program. The Rural Trust assists rural i3 applicants in identifying potential matching funds and other promising rural innovations and building long-term capacity to complete competitive grant applications in the future.

F. EVIDENCE.

F-1. What are the standards of evidence that apply to i3 grants?

The following table, taken from the NFP, describes the different evidence standards that apply to each type of i3 grant:

	Scale-up grants	Validation grants	Development grants
Strength of Research	Strong evidence	Moderate evidence	Reasonable hypotheses
Internal Validity (Strength of Causal Conclusions) and External Validity (Generalizability)	High internal validity and high external validity	(1) High internal validity and moderate external validity; or (2) moderate internal validity and high external validity	Theory and reported practice suggest the potential for efficacy for at least some participants and settings

	Scale-up grants	Validation grants	Development grants
Prior Research Studies Supporting Effectiveness or Efficacy of the Proposed Practice, Strategy, or Program	(1) More than one well-designed and well-implemented experimental study or well-designed and well-implemented quasi-experimental study; or (2) one large, well-designed and well-implemented randomized controlled, multisite trial	(1) At least one well-designed and well-implemented experimental or quasi-experimental study, with small sample sizes or other conditions of implementation or analysis that limit generalizability; (2) at least one well-designed and well-implemented experimental or quasi-experimental study that does not demonstrate equivalence between the intervention and comparison groups at program entry but that has no other major flaws related to internal validity; or (3) correlational research with strong statistical controls for selection bias and for discerning the influence of internal factors	(1) Evidence that the proposed practice, strategy, or program, or one similar to it, has been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results that suggest that more formal and systematic study is warranted; and (2) a rationale for the proposed practice, strategy, or program that is based on research findings or reasonable hypotheses, including related research or theories in education and other sectors
Practice, Strategy, or Program in Prior Research	The same as that proposed for support under the Scale-up grant	The same as, or very similar to, that proposed for support under the Validation grant	The same as, or similar to, that proposed for support under the Development grant
Participants and Settings in Prior Research	Participants and settings included the kinds of participants and settings proposed to receive the treatment under the Scale-up grant	Participants or settings may have been more limited than those proposed to receive the treatment under the Validation grant	Participants or settings may have been more limited than those proposed to receive the treatment under the Development grant
Significance of Effect	Effect in prior research was statistically significant, and would be likely to be statistically significant in a sample of the size	Effect in prior research would be likely to be statistically significant in a sample of the size proposed for the Validation grant	Practice, strategy, or program warrants further study to investigate efficacy

	Scale-up grants	Validation grants	Development grants
	proposed for the Scale-up grant		
Magnitude of Effect	Based on prior research, substantial and important for the target population for the Scale-up project	Based on prior research, substantial and important, with the potential of the same for the target population for the Validation project	Based on prior implementation, promising for the target population for the Development project

F-2. In order to satisfy the standards of evidence for i3 grants, must an application demonstrate evidence of effectiveness for the same kinds of students the proposed project is designed to support?

In the case of an application for a Scale-up grant, yes. The evidence of effectiveness must come from an evaluation (or evaluations) of the program, practice, or strategy implemented for the same kinds of high-need students the proposed project is designed to support. Otherwise, the evidence would lack generalizability and would therefore not have the high external validity required for strong evidence of effectiveness. In the case of an application for a Validation grant, evidence of effectiveness when implemented for somewhat different kinds of students may be acceptable, if the evidence is convincing that the practice, strategy, or program caused the effects reported in the prior research. Applications for Development grants do not require the same weight of evidence as applications for Scale-up or Validation grants, and could therefore include projects to serve high-need students even if the previous attempt to implement the practice, strategy, or program, or one similar to it, did not focus on the same student population.

F-3. Is there a required minimum effect size that is necessary to meet i3’s definition of moderate or strong evidence?

No. There is no required minimum effect size that is necessary to meet the definition of moderate or strong evidence.

F-4. How will reviewers determine whether an effect reported in prior research is “substantial and important” and/or that it has the potential to be so?

Reviewers will determine whether an effect size reported in prior research is substantial and important, based on their evaluation of education research, practice, and policy, and also on the applicant’s response to Selection Criterion B (Strength of Research, Significance of Effect, and Magnitude of Effect) which includes a factor on the extent to which there is strong evidence (for Scale-up grants) or moderate evidence (for Validation grants) that the proposed practice, strategy, or program will have a statistically significant, substantial, and important effect. The distinction between “substantial and important” and “potential to be substantial and important” is that, in cases of strong evidence, there is greater confidence than in cases of moderate evidence that the magnitude of effect reported in prior research will hold for the project, population, and settings proposed for the grant.

F-5. If an applicant adds new elements to its project that were not included in a prior evaluation study, does that prevent the applicant from meeting the definitions of moderate or strong evidence and competing for a Validation or Scale-up grant?

Changing the practice, strategy, or program from what was studied previously would not be consistent with the requirements for a Scale-up grant, since any evidence of effectiveness in prior research studies would not apply to the project that is being proposed for funding. If the new elements are relatively minor, then the project could be considered for a Validation grant if the prior study or studies were well-designed and well-implemented experimental, quasi-experimental, or correlational studies, and provided evidence of effectiveness of the core elements of the proposed project.

F-6. If an applicant proposes for a Development grant a project that has not previously been tested even on a limited basis, and there are no available studies of any similar innovations, will the application fail to meet i3's standard of evidence for a Development grant?

To be eligible for a Development grant, the proposed practice, strategy, or program, or one similar to it, must have been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results warranting further study. Consequently, even if the proposed project has a rationale based on research findings or reasonable hypotheses, including related research or theories in education and other sectors, it would not qualify for a Development grant if it has not been previously tested.

F-7. *From Addendum 1, published March 30, 2010.*

May an eligible applicant use prior research conducted by a for-profit research company to satisfy the standards of evidence for its proposed project?

Under this program, there are no restrictions regarding the source of prior research studies providing evidence for the proposed practice, strategy, or program.

F-8. *From Addendum 2, published April 8, 2010.*

Must the research evidence that an applicant submits to support a proposed project for a Validation grant focus on the same practice, strategy, or program that the applicant proposes in its application?

A practice, strategy, or program proposed for a Validation grant must be supported by moderate evidence (as defined in the NFP). To meet this evidence requirement, the proposed practice, strategy, or program must be the same as, or very similar to, the practice, strategy or program addressed in the applicant's submitted research evidence.

Peer reviewers will consider, under Selection Criterion B for Validation grants, the strength of the research evidence supporting the proposed project and, under Selection Criterion A(3) for Validation grants, the extent to which the proposed project is consistent with the research evidence supporting the proposed project, taking into consideration any differences in context. Modification and adaptation of existing, well-tested practices, strategies, or programs in new contexts may weaken the evidence of effectiveness.

F-9. *From Addendum 2, published April 8, 2010.*

Must the research evidence that an applicant submits to support a proposed project for a Scale-up grant focus on the same practice, strategy, or program that the applicant proposes in its application?

A practice, strategy, or program proposed for a Scale-up grant must be supported by strong evidence (as defined in the NFP). To meet this evidence requirement, the proposed practice, strategy, or program must be the same as that addressed in the prior research evidence that an applicant submits to support its proposal. In general, practices, strategies, or programs that are similar to, but not the same as, those that have been evaluated previously with strong evidence of effectiveness will not meet the requirements for a Scale-up grant (but might, as discussed in F-8, meet the requirements for a Validation grant).

Peer reviewers will consider, under Selection Criterion B for Scale-up grants, the strength of the research evidence supporting the proposed project.

F-10. *From Addendum 2, published April 8, 2010.*

In the context of moderate evidence, what is the difference between correlational research and experimental and quasi-experimental studies?

Correlational research is research distinct from experimental studies and quasi-experimental studies (both as defined in the NFP) because a correlational design can identify associations between a practice, strategy, or program (or the implementation thereof) and key outcomes but cannot provide evidence of effectiveness with high internal validity (as defined in the NFP). To meet the standard for moderate evidence required for a Validation grant, correlational research would need to be of the same or a very similar practice, strategy, or program as that proposed for support, and would need to include strong statistical controls for selection bias and for discerning the influence of internal factors. In addition, an effect estimated through correlational research would need to be substantial and important in magnitude, and likely to be statistically significant in a sample of the size proposed for a Validation grant. Correlational research providing moderate support for causal conclusions (that is, having moderate internal validity) would need to be generalizable to the kinds of participants and settings proposed to receive the treatment under the Validation grant (that is, have high external validity). In contrast, in the case of a well-designed and well-implemented experimental or quasi-experimental study providing strong support for causal conclusions (that is, having high internal validity), participants or settings could be more limited than those proposed to receive the treatment under a Validation grant.

F-11. *From Addendum 2, published April 8, 2010.*

May an applicant use analyses performed retrospectively using publicly available data on school or student outcomes for the purpose of meeting the standard for moderate evidence required for a Validation grant?

Yes. Applicants may conduct and rely upon retrospective analyses using publicly available data for purposes of satisfying the moderate evidence standard for a proposed Validation grant.

F-12. *From Addendum 3, published April 21, 2010.*

Can the Department provide guidance to potential applicants on whether specific supporting evidence would best support a Development, Validation, or Scale-Up grant?

No. To ensure a level playing field for all applicants, the Department cannot help individual applicants determine the grant category in which they may be most competitive. The Department also cannot predetermine whether an applicant has sufficient evidence to meet the eligibility requirements (see B-2 and B-3). Each application will be reviewed and scored by independent peer reviewers against the selection criteria. The Department cannot speculate as to how the peer reviewers will judge an individual application.

F-13. *From Addendum 3, published April 21, 2010.*

May a proposed project have stronger research evidence than the standard of evidence that is required under a particular grant category?

Yes. The standards of evidence for the three types of grants (Scale-up grants, Validation grants, and Development grants) are minimum requirements. An eligible applicant is not prohibited from proposing a project with stronger research evidence than the minimum standard required to be eligible to receive an award. Peer reviewers will use Selection Criterion B (Strength of Research, Significance of Effect, and Magnitude of Effect) to consider whether, and how well, an eligible applicant meets the minimum standard of evidence for the type of grant for which the applicant applies.

F-14. *From Addendum 3, published April 21, 2010.*

Would a practice, strategy, or program supported by prior research with moderate internal validity and moderate external validity meet the requirement of moderate evidence for a Validation grant?

No. To meet the requirement of moderate evidence (as defined in the NFP) and be eligible for a Validation grant, a proposed practice, strategy, or program must be supported by prior research with at least (1) high internal validity (strength of causal conclusions, supported by a well-designed and well-implemented experimental or quasi-experimental study, as defined in the NFP), even if participants or settings were more limited than those proposed to receive the treatment under the Validation grant; or (2) high external validity (generalizability, including the kinds of participants and settings proposed to receive the practice, strategy, or program under the Validation grant), even if prior research had a flaw related to internal validity. A proposed practice, strategy, or program supported by prior research with only moderate internal validity and moderate external validity would not meet the moderate evidence requirement.

F-15. *From Addendum 4, published April 30, 2010.*

Must the research evidence that an applicant submits to support a proposed project for a Development grant focus on the same practice, strategy, or program that the applicant proposes in its application?

A practice, strategy, or program proposed for a Development grant must be supported by a reasonable hypothesis. To meet this evidence requirement, an application for a Development grant must include evidence that the proposed practice, strategy, or program, or one similar to it, has been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results that suggest that more formal and systematic study is warranted. This evidence of previous implementation may be from prior research studies or from other sources of information. The application must also provide a rationale for the proposed practice, strategy, or program, and this rationale may be based on data and findings from relevant prior research, or reasonable hypotheses based on theories in education and other sectors.

A practice, strategy, or program that has not been attempted previously or that is not similar to a practice, strategy, or program that has been attempted previously is not eligible for a Development grant (see F-6). However, a project may be eligible for a Development grant if it includes, in a new setting defined by the presence of other strategies, a strategy the same as, or similar to, one attempted previously with promising results.

F-16. *From Addendum 4, published April 30, 2010.*

May an eligible applicant use prior research conducted by another entity (i.e., an entity that is not an official partner) to satisfy the standards of evidence for its proposed project?

As stated in F-7, there are no restrictions under this program regarding the source of prior research studies providing evidence for the proposed practice, strategy, or program. In addition, prior research used to demonstrate evidence may include both published and unpublished studies.

G. EVALUATION.

G-1. Must a grantee comply with the requirements of any evaluation of the i3 program conducted by the Department?

Yes. A grantee must comply with the requirements of any evaluation of the i3 program conducted by the Department. The Department's Institute of Education Sciences (IES) will be involved in evaluating the i3 program, in providing technical assistance to evaluators of individual funded projects (see G-2 and G-3), and in synthesizing evidence from multiple supported projects. The IES role will be defined in a way that will not duplicate the individual project evaluations under this program and that also encourages the independent evaluators to add to existing knowledge on the efficacy and effectiveness of the innovations being studied. Data will be collected and maintained by grantees.

G-2. Must a grantee conduct an independent evaluation of its i3 project?

Yes. A grantee must conduct an independent evaluation of its project. The NFP defines an independent evaluation as an evaluation that is:

Designed and carried out independent of, but in coordination with, any employees of the entities who develop a practice, strategy, or program and are implementing it. This independence helps ensure the objectivity of an evaluation and prevents even the appearance of a conflict of interest.

In addition, in conducting an independent evaluation grantees must agree to cooperate with any technical assistance provided by the Department or its contractor (*see G-3*).

G-3. Must a grantee cooperate with technical assistance provided by the Department or its contractor?

Yes. Grantees, along with their independent evaluators, must cooperate with any technical assistance provided by the Department or its contractor. The purpose of this technical assistance will be to ensure that evaluations are of the highest quality and to encourage commonality in evaluation approaches across funded projects where such commonality is feasible and useful.

G-4. Must grantees make the results of evaluations broadly available? Does this include data for evaluations of Scale-up and Validation grants?

Yes. All i3 grantees must make broadly available through formal (e.g., peer-reviewed journals) or informal (e.g., newsletters) mechanisms, and in print or electronically, the results of any evaluations it conducts of its funded activities. For Scale-up and Validation grants, grantees must also ensure the data from their evaluations are made available to third-party researchers consistent with applicable privacy requirements. Development grantees are not required to ensure that data from their evaluations are made available to third-party researchers.

G-5. *From Addendum 2, published April 8, 2010.*

May an official partner or other partner be the independent evaluator for a proposed project?

As discussed in the NFP, project evaluations must be conducted by a qualified evaluator distinct from the project developer and project implementer. An official partner or other partner in an i3 project may be the independent evaluator for the project if it is not responsible for project development and implementation. An autonomous research or evaluation office within an official partner's organization or other partner's organization may also qualify as an independent evaluator even if the official partner or other partner is responsible for project development or implementation, provided that the research or evaluation office's reporting of findings and conclusions is not subject to approval by the entities responsible for developing or implementing the project.

G-6. *From Addendum 3, published April 21, 2010.*

Must Development grantees use an independent evaluator to conduct an evaluation of its i3 project?

Yes. All i3 grantees, including i3 Development grantees, must conduct an independent evaluation of their projects (see G-2).

G-7. *From Addendum 3, published April 21, 2010.*

Must an applicant name its independent evaluator in its application?

If an applicant has selected a qualified independent evaluator by the time it submits its application, the applicant should include the name of the evaluator in its application. Peer reviewers will use Selection Criterion G (Quality of the Management Plan and Personnel) for Scale-up and Validation grant applications to assess the qualifications of the project director and key personnel, which could include the independent evaluator. Whether a specific independent evaluator has been selected at the time of application will not, in itself, disadvantage the applicant (see N-2 for a discussion of procurement procedures that a grantee must follow in selecting contractors, which could include an independent evaluator).

G-8. *From Addendum 3, published April 21, 2010.*

Must a grantee use a specified percentage of the grant award for the design and implementation of its project evaluation?

The Department is not prescribing a percent or amount of funding that a grantee must use to design and implement its independent evaluation. Peer reviewers will use Selection Criterion D (Quality of the Project Evaluation) to assess the extent to which the proposed project plan includes sufficient resources to carry out the project evaluation effectively.

H. PROCESS FOR SELECTING GRANTEES.

H-1. What process will the Department follow after applications are submitted?

The Department will screen applications that are submitted in accordance with the requirements in the NIA, and determine which applications are eligible to be read by peer reviewers based on whether they have met the eligibility and other requirements in the ARRA and the NFP. The peer reviewers will come from various backgrounds and professions including: prekindergarten-grade 12 teachers and principals, college and university educators, researchers and evaluators, social entrepreneurs, strategy consultants, grant-makers and managers, and others with education expertise. The Department will thoroughly screen all reviewers for conflicts of interest to ensure a fair and competitive review process.

H-2. What selection criteria apply to i3 grants?

The selection criteria that apply to each type of grant under the i3 program are described in the NIA. The following table provides a brief description of the selection criteria, and the points assigned to each criterion, for each type of i3 grant:

Selection Criteria	Scale-up grants	Validation grants	Development grants
A. Need for the Project and Quality of the Project Design	15	20	25
B. Strength of Research, Significance of Effect and Magnitude of Effect	20	15	10
C. Experience of the Eligible Applicant	15	20	25
D. Quality of the Project Evaluation	15	15	15
E. Strategy and Capacity to Bring to Scale (Scale up and Validation grants); Strategy and Capacity to Further Develop and Bring to Scale (Development grants)	15	10	5
F. Sustainability	10	10	10
G. Quality of the Management Plan and Personnel	10	10	10
Total Points	100	100	100

H-3. What process will peer reviewers follow in reviewing Scale-up and Validation grant applications?

For Scale-up and Validation grant applications, peer reviewers will review and score all eligible applications. To be eligible for an award, an application for a Scale-up grant must be supported by strong evidence (as defined in this notice) and an application for a Validation grant must be supported by moderate evidence (as defined in this notice). If eligible applicants have chosen to address the competitive preference priorities and receive points for the competitive preference priorities, those points will be added to the eligible applicant’s score. The Department may ask Scale-up grant finalists to send a team to Washington, D.C. to present their proposed project to a panel of reviewers.

H-4. What process will be followed in reviewing Development grant applications?

For Development grant applications, the Department intends to conduct a two-tier review process to review and score all eligible applications. To be eligible for an award, an application for a Development grant must be supported by a reasonable hypothesis. Reviewers will review and score all eligible Development applications on the following five selection criteria: A. Need for the Project and Quality of the Project Design; C. Experience of the Eligible Applicant; E. Strategy and Capacity to Further Develop and Bring to Scale; F. Sustainability; and G. Quality of the Management Plan and Personnel. If eligible applicants have chosen to address the competitive preference priorities, reviewers will review and score those competitive preference priorities. If points are awarded, those points will be added to the eligible applicant’s score. Eligible applications that score highly on the above five criteria will then have the remaining two selection criteria reviewed and scored by a different panel of reviewers. The remaining criteria are as follows: B. Strength of Research, Significance of Effect, and Magnitude of Effect and D. Quality of the Project Evaluation.

H-5. How will the Secretary make final decisions to award grants under the i3 program?

For all three types of applications, a rank order of applications will be developed based solely on the peer reviewers' evaluation of their quality according to the selection criteria. In accordance with 34 CFR 75.217 (c)(3), the Secretary will make final awards after considering the rank ordering and other information, including an applicant's performance and use of funds and compliance history under a previous award under any Department program.

H-6. Are there any limits on the number of grants that a grantee may receive under the i3 program?

Yes. No grantee may receive more than two grant awards under this program. In addition, no grantee may receive more than \$55 million in grant awards under this program in a single year's competition.

H-7. *From Addendum 2, published April 8, 2010.*

If an applicant has submitted more than two i3 grant applications or grant applications that exceed \$55 million and those applications score at the top of the rank-order list, how will the Department decide which grants to award?

In the event that an applicant has submitted more than two i3 grant applications or grant applications that exceed \$55 million and those applications score at the top of the rank-order list, the Department will contact the applicant to determine the applications for which the applicant would like to receive funds. While the Department will heavily weight the applicant's preference, the Department reserves the right to make final grant award determinations.

H-8. *From Addendum 2, published April 8, 2010.*

Will an applicant receive its scores from the peer review process?

Following the completion of the peer review process and after awards are made, each applicant will receive the comments and scores provided by the peer reviewers for its application.

H-9. *From Addendum 2, published April 8, 2010.*

Will continuation awards be made under this program?

No. Continuation awards will not be made under this program. We will award the full amount of funding for the grant for the entire project period at the time the award is made. As noted in A-10, i3 awards must be obligated by September 30, 2010.

H-10. *From Addendum 2, published April 8, 2010.*

Will i3 funds be available in 2011?

The President's budget proposal for fiscal year (FY) 2011 includes a request for \$500,000,000 for the i3 program. Availability of funds for the i3 program in FY 2011 is contingent upon an appropriation of funds for the program by the Congress.

H-11. *From Addendum 3, published April 21, 2010.*

If several affiliated entities – such as charter schools that are affiliated with a charter school network, or colleges within a university system – apply and are being considered for separate i3 grants, will each affiliated entity be considered a separate applicant?

For purposes of determining whether an applicant has met or exceeded the grant award limits discussed in H-6, the Department will consider any affiliated entities as separate applicants if the affiliated entities are recognized as separate legal entities under applicable federal or State law. However, affiliated entities that are part of a single legally recognized entity under federal or State law will be treated as a single applicant.

For instance, if a university is established as a single legally recognized entity, an i3 grant received by any of the university's affiliated academic colleges would count towards the total number and amount of i3 grants that the university may receive, consistent with the grant award limits discussed in H-6. However, in the case of a multi-campus university system, if each campus is considered a separate legal entity, then one campus may apply as the applicant on behalf of an eligible partnership without impacting the ability of another campus in that university system to receive an i3 grant on behalf of another eligible partnership. In the case of charter schools that are affiliated with a network of charter schools, each individual charter school may apply as an applicant without impacting the application of another charter school within the network so long as each charter school is legally recognized as a separate entity.

H-12. *From Addendum 4, published April 30, 2010.*

Has the Department predetermined the number of awards it will make under each absolute priority?

No. The Department has not predetermined the number or amount of awards it will make under this i3 competition (see L-2 for the estimated number of awards) or under the absolute priorities. The number of awards made under each absolute priority, and the amount of those awards, will be determined based on the quality of applications received and the amount of funds requested in those applications.

H-13. *From Addendum 4, published April 30, 2010.*

Is the Department giving special consideration to novice applicants under this i3 competition?

No. The Department is not giving special consideration to novice applicants under the i3 program. Under 34 CFR 75.225, the Department may (but is not required to) give special consideration to novice applicants⁵ by either (1) establishing a separate competition for novice applicants or (2) giving competitive preference to novice applicants consistent with 34 CFR 75.105(c)(2). The Department has not established either special consideration for this competition.

⁵ Under 34 CFR 75.225, a novice applicant is an applicant that has never received a grant or subgrant (or been a member of a group that received a grant) under the program from which it is seeking funds and has not had an active discretionary grant from the Federal government in the five years before the deadline date for applications under the program.

I. COMMUNITIES OF PRACTICE.

I-1. What is a community of practice?

In the context of the i3 program, a community of practice is a group of grantees that agrees to interact regularly to solve a persistent problem or improve practice in an area that is important to them. Establishment of communities of practice under the i3 program will enable grantees to meet, discuss, and collaborate with each other regarding their projects.

I-2. Must grantees under the i3 program participate in communities of practice?

Yes. Grantees are required to participate in, organize, or facilitate, as appropriate, communities of practice for the i3 program.

J. TRANSPARENCY AND REPORTING REQUIREMENTS.

J-1. What reporting requirements apply to i3 grants?

At the end of the project period, each grantee must submit a final performance report, including performance and financial expenditure information, as directed by the Secretary under 34 CFR 75.720(a) and (b). The Secretary may also require more frequent performance reports under 34 CFR 75.720(c).

J-2. Are there additional reporting requirements required by ARRA that apply to this program?

Yes. i3 grantees must meet the reporting requirements that apply to all ARRA-funded programs. Specifically, each i3 grantee must submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by the Office of Management and Budget or the Department (ARRA Division A, Section 1512(c)).

In addition, for each year of the program, each i3 grantee must submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:

- the uses of funds within the defined area of the funded project;
- how the applicant distributed the funds it received;
- the number of jobs estimated to be saved or created with the funds; and
- the project's progress in reducing inequities in the distribution of highly qualified teachers, implementing a longitudinal data system, and developing and implementing valid and reliable assessments for English language learners and students with disabilities.

J-3. After the deadline for submitting applications for the i3 competition, will the Department publicly identify all applicants and their official partners?

After the deadline for submitting applications for the i3 competition, the Department will post, on the i3 program website (<http://www2.ed.gov/programs/innovation>) the names of all i3 applicants, as well as their official partners and other partners, and the type of grant(s) for which they applied. The Department will also post summary information for the program such as the number of applications submitted for each type of grant or under each absolute priority.

J-4. *From Addendum 2, published April 8, 2010.*

Must an i3 applicant notify its State that it is applying for an i3 grant?

This program is subject to Executive Order 12372 and 34 CFR part 79, which allow States that have chosen to participate in the intergovernmental review process the opportunity to review and comment on applications submitted to the Department for funding. An applicant should check with its appropriate State single point of contact (SPOC) to inquire if its State participates in the intergovernmental review process. For a list of States that have chosen to participate in the intergovernmental review process, see http://www.whitehouse.gov/omb/grants_spo/.

Question 19 on ED Standard Form 424, which is included in the application package, requires an applicant to indicate if its State is participating in the intergovernmental review process under Executive Order 12372.

J-5. *From Addendum 3, published April 21, 2010.*

Are applications from previous i3 competitions available for review?

The Department does not have previous applications for review because this is the first competition conducted for the i3 program.

J-6. *From Addendum 5, published June 18, 2010.*

Where can information regarding specific i3 applications be found?

As part of the Obama Administration's Open Government Initiative, the Department recently launched Data.ed.gov as a "one-stop shop" for education data, enabling practitioners, researchers, and the public to access data that can inform their work in classrooms and communities across the nation. The first competitive grant program featured on this website is i3. The public can now view detailed information on all i3 applicants, as well as run customized reports and summary analyses on a subset, *e.g.*, priority addressed, State, or type of i3 grant, of i3 applicants. A link to Data.ed.gov, as well as a summary of all i3 applications received, can be found on the i3 website at <http://www2.ed.gov/programs/innovation/index.html>.

K. PORTAL.

K-1. What is the web portal that the Department is building and how is it relevant to innovation programs like i3?

The Department has launched an online tool, the Open Innovation web portal (<https://innovation.ed.gov/>), which will help innovative organizations better connect with potential partners – including but not limited to the funding community. This web portal is not part of the i3 grant process, though potential i3 applicants, official partners, other partners, and grantees may find it useful.

L. OTHER MATTERS.

L-1. Must applicants notify the Department of their intent to apply for a grant under the i3 program?

The Secretary strongly encourages each potential applicant to notify the Department of its intent to submit an application for funding. The Department will be able to develop a more efficient process for reviewing grant applications if it has a better understanding of the number of applicants that intend to apply for funding under the i3 competition. Therefore, the Secretary strongly encourages each potential applicant to notify the Department of its intent to submit an application for funding by sending a short email message to i3intent@ed.gov. This short email should list (1) the applicant organization's name and address, (2) the type of grant the applicant intends to apply for, (3) the one absolute priority the applicant intends to address, and (4) all competitive preference priorities the applicant intends to address. The Secretary requests that this email be sent no later than April 1, 2010. Applicants that do not provide this email notification may still apply for funding.

L-2. How many i3 grants will be awarded in each grant category?

We estimate awarding up to 5 Scale-up grants, up to 100 Validation grants, and up to 100 Development grants. However, we are not bound by these estimates.

L-3. How long is the project period for i3 grants?

The project period for all three grant types may vary in length from 36 to 60 months (i.e., 3 to 5 years). In its application, an applicant must specify, within this range, the length of the project period for which it is requesting funds.

L-4. Will i3 grants be fully funded upfront?

Yes. The full amount of funding for the grant for the entire project period will be awarded at the time the initial grant is made.

L-5. How does an eligible applicant determine what expenditures are allowable or, alternatively what expenditures are prohibited?

The budget an eligible applicant includes in its application should include only costs that are allowable, reasonable and necessary for carrying out the objectives of the i3 project. Rules about allowable costs are included both in EDGAR (see <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>) and in the cost principles contained in applicable Office of Management and Budget (OMB) Circulars: A-21 for institutions of higher education; A-87 for State and local governments; and A-122 for nonprofit organizations (see www.whitehouse.gov/omb/circulars).

L-6. Must applications be submitted electronically?

Yes. Applications for i3 grants must be submitted electronically using e-Application, which is accessible through the Department's e-Grants Web site at <http://e-grants.ed.gov>.

Your application will be rejected if you submit it in paper format unless, as described in the application package, you qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions. More detailed instructions regarding the electronic submission of applications are in the NIA.

Applicants are advised to become familiar with the e-Grants Web site and the electronic submission process well in advance of the application deadline.

L-7. Who should applicants contact if they have additional questions?

Please submit your questions to the Department via email at i3@ed.gov.

L-8. *From Addendum 2, published April 8, 2010.*

Where should an eligible applicant address the selection criteria in its application?

An eligible applicant should respond to the selection criteria and, if applicable, the competitive preference priorities in the Project Narrative section of the application. Responses to the competitive preference priorities should be labeled and placed at the beginning of the project narrative, followed by a narrative addressing the selection criteria.

Peer reviewers will assign points to an application based on how well the application addresses the selection criteria. Applicants should include in their applications a table of contents that directs reviewers to the pages where information addressing each of the selection criteria can be found. For additional instructions regarding the project narrative, see page 40 of the i3 application, available on the Department's website at <http://www2.ed.gov/programs/innovation/applicant.html>.

L-9. *From Addendum 2, published April 8, 2010.*

What are the recommended page limits for i3 applications?

The Department strongly encourages applicants to limit the application narrative (Part III of the application) to the following page limits:

Scale-up grants	50 pages
Validation grants	35 pages
Development grants	25 pages

These page limits are strongly recommended, but not required; an application with a narrative that exceeds the applicable page limit will not be disqualified for funding. The recommended page limit does not apply to **Part I**, the cover sheet; **Part II**, the budget section, including the narrative budget justification; **Part IV**, the assurances and certifications; the one-page abstract; the resumes, the bibliography, the letters of support, or other information included in appendices.

L-10. *From Addendum 2, published April 8, 2010.*

What are the formatting standards an applicant should follow in preparing its i3 application?

As discussed in the NIA, applicants should use the following formatting standards in preparing applications (including appendices):

- A “page” is 8.5" x 11", on one side only, with 1" margins at the top, bottom, and both sides.
- Double space (no more than three lines per vertical inch) all text in the application narrative, including titles, headings, footnotes, quotations, references, and captions, as well as all text in charts, tables, figures, and graphs.
- Use a font size that is either 12 point or larger or no smaller than 10 pitch (characters per inch).
- Use one of the following fonts: Times New Roman, Courier, Courier New, or Arial. An application submitted in any other font (including Times Roman or Arial Narrow) will not be accepted.

Except as noted above regarding font, these standards are strongly recommended, but not required; an application that does not conform to these standards will not be disqualified for funding.

L-11. *From Addendum 2, published April 8, 2010.*

What State should an applicant list as its project State?

On ED Standard Form 424, which is included in the application package, an applicant should list the State in which the eligible applicant is located. However, an applicant should list the State(s) in which the eligible applicant proposes to implement its project on the i3 Applicant Information Sheet (Appendix F).

L-12. *From Addendum 2, published April 8, 2010.*

May an applicant attach media clips to its application?

No. The Department's e-Applications system does not provide reviewers a mechanism to review media attachments or clips.

L-13. *From Addendum 3, published April 21, 2010.*

Is it possible for the Department to award the maximum number of grants at the maximum funding ranges?

No. The estimated total amount of funds available for i3 awards is \$643,500,000. If the Department were to fund the estimated maximum number of awards (*see L-2*) at the estimated maximum award sizes (*see A-11*), the total funds awarded would exceed the total amount of funds available. The actual number of awards, and the amount of those awards, will not exceed the total amount of funds available for i3 awards.

The actual number of awards, and the amount of those awards, will be contingent on the number of high-quality applications received and the amount of funds requested in those applications.

L-14. *From Addendum 3, published April 21, 2010.*

I have a question that I'd like the Department to answer regarding my i3 application. Will I receive an answer to my question?

Due to the large number of potential applicants for the i3 program, the Department is receiving an unprecedented number of emails and phone calls expressing interest in this program. To ensure that all prospective applicants and interested parties are on a level playing field and receive information at the same time, the Department is not responding to individual inquiries about the i3 competition at this time, but is providing answers, through this document, to the most frequently asked questions.

In addition, the PowerPoint slides from the Department's technical assistance workshops, the program notices, application package, and other additional information about this program are provided on the Department's Web site.

L-15. *From Addendum 4, published April 30, 2010.*

May an entity that did not submit a "notice of intent to apply" still submit an i3 application?

Yes. A "notice of intent to apply" is not required, and entities that did not submit one by the April 1, 2010 deadline may still apply for funding (*see L-1*). In addition, an entity that did submit a notice of intent to apply is not obligated to apply for an i3 grant, nor is it bound to the information provided in its notice of intent to apply.

A list of the entities that submitted a notice of intent to apply and summary information regarding their submissions are available on the Department's Web site at <http://www2.ed.gov/programs/innovation/resources.html>.

L-16. *From Addendum 4, published April 30, 2010.*

May an i3 grantee coordinate its i3 project with efforts supported by other Federal funds?

Yes. An i3 grantee is encouraged to coordinate its i3 project with other education reform efforts and may use its project to build upon existing efforts supported with other Federal funds. However, an i3 grantee may not use i3 funds to carry out, or pay for expenditures incurred under, a project for which it is already receiving other Federal assistance.

L-17. *From Addendum 4, published April 30, 2010.*

How may an i3 grantee draw down grant funds to pay for expenses related to implementing its grant?

Although the full amount of funding for the entire project period is available at the time the grant is made (see L-4), a grantee must comply with applicable requirements on the timing of the drawing down of funds from its grant award. In addition, a grantee's drawdown of i3 funds must be consistent with its approved budget.

Parts 74 and 80 of EDGAR provide that grantees should minimize the period of time between their drawdown of grant funds (i.e., the transfer of those funds to a grantee from the U.S. Treasury), and the use of those funds by the grantee to pay for grant related expenses. Furthermore, 34 CFR 74.21(a)(5), which applies to non-profit organizations and institutions of higher education, provides that grantee financial management systems shall have:

Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient. To the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern, payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury-State Agreements or the CMIA default procedures codified at 31 CFR Part 205--Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs.

Likewise, 34 CFR 80.20(b)(7), which applies to local educational agencies and consortiums of schools, provides that grantee financial management systems must have:

Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used.

The Department will closely monitor the drawdown of i3 funds by grantees under the program to ensure that the requirements noted above are being met. If necessary, the Department will take steps to correct any violations of these requirements that it identifies, which could include imposing special conditions on an i3 grantee's authority to draw down funds.

M. SELECTION CRITERIA.

M-1. *From Addendum 1, published March 30, 2010.*

To address Selection Criterion F pertaining to sustainability, should the applicant take responsibility for continuing the operation of the project after the project period has ended, or may another party take responsibility for continued operation of the project?

The peer reviewers will evaluate each applicant's proposal for sustaining its project beyond the grant period and award points based on their assessment of the quality and effectiveness of the proposal. Selection Criterion F does not prescribe a specific approach to demonstrating sustainability, so applicants have discretion to develop the most effective approach consistent with their specific circumstances. Thus, an applicant may, consistent with Selection Criterion F, propose that an official or other partner would be responsible for sustaining the project. There is nothing in Selection Criterion F that would prevent involving additional entities in sustaining the project.

M-2. *From Addendum 1, published March 30, 2010.*

Is there a minimum number of students that an i3 grantee must serve?

No, there is no minimum number of students that an i3 grantee must serve. The NFP explains in the Analysis of Comments and Changes that:

An eligible applicant is free to propose how many students it will serve under its project, consistent with its project goals, capacity, and resources.

M-3. *From Addendum 1, published March 30, 2010.*

Do the selection criteria for the i3 program take into account the number of students that an applicant proposes to serve in its application?

Under Selection Criterion E(2), the peer reviewers will consider the number of students proposed to be reached by the proposed project and the capacity of the eligible applicant and any other partners to reach the proposed number of students during the grant period. The NFP, in the Analysis of Comments and Changes, notes that:

The total number of students that the eligible applicant proposes to serve is expected to be reached by the end of the grant period.

M-4. *From Addendum 1, published March 30, 2010.*

Do the requirements for bringing a project to scale require an applicant to serve a specific number of students during the grant period?

Selection Criterion E(4) does not establish requirements for scaling proposed projects to specific numbers of students. As noted in the Analysis of Comments and Changes section of the NFP, Selection Criterion E(4) considers both costs estimates for : (1) the total number of students that the applicant proposes to serve; and, (2) the eligible applicant and others to reach scaling targets for their grant (i.e., 100,000, 250,000, and 500,000 for Development and Validation grants and 100,000, 500,000 and 1,000,000 for Scale-up grants). While the total number of students that an applicant proposes to serve is expected to be reached during the grant period, an applicant would not be expected to reach their scaling targets within this timeframe. As noted in the Analysis and Comment and Changes section of the NFP:

The scaling targets . . . are theoretical and allow peer reviewers to assess the cost effectiveness generally of the proposed projects, whether implemented by the eligible applicant or any other entity; grantees are not required to reach these numbers during the grant period.

M-5. *From Addendum 1, published March 30, 2010.*

Is there a specific time by which an i3 grantee must bring its project to scale?

Peer reviewers will judge the proposed plan and timeline to bring a proposed i3 project to scale. i3 grantees are expected to bring their projects to scale either during or following the grant period. Scale-up grants are expected to scale up to the national, regional or State level; Validation grants are expected to scale up to the regional or State level; and Development grants are expected to further develop and scale. See A-3 for the definitions of “national level” and “regional level.”

M-6. *From Addendum 2, published April 8, 2010.*

Under Selection Criterion E(4), how should an eligible applicant calculate cost estimates?

Under Selection Criterion E(4), peer reviewers will consider an eligible applicant’s estimate of the cost of the proposed project, which includes the start-up and operating costs per student per year (including indirect costs) for reaching the total number of students proposed to be served by the project. In addition, an eligible applicant may include evaluation costs, materials, and personnel training in its calculation of the cost per student per year. See N-4 for information on the differences between direct and indirect costs.

An eligible applicant should calculate its cost estimates in a manner that is appropriate for the unique circumstances of its proposed project. An eligible applicant should discuss how it arrived at its cost estimates and what specific items and activities are included in the calculations used to arrive at those estimates. Items and activities included in the calculations should be clearly labeled.

M-7. *From Addendum 3, published April 21, 2010.*

Should an applicant estimate the cost of its proposed project based on the amount of Federal funds awarded or the total amount of funds available for the proposed project, including the private-sector matching funds?

An applicant should use the total amount of funds available for the proposed project when calculating the cost of the proposed project. The total amount of funds available for the proposed project includes the full amount of the grant award and any matching funds or in-kind donations, including the required 20 percent private-sector match.

M-8. *From Addendum 3, published April 21, 2010.*

May an eligible applicant implement a proposed project in more than one State?

Yes. Although the three types of grants (Scale-up grants, Validation grants, and Development grants) differ in terms of the expectations to bring projects to scale (*see A-2*), nothing precludes an eligible applicant under any of these grants from proposing to implement its project in more than one State.

M-9. *From Addendum 3, published April 21, 2010.*

Must an eligible applicant include letters of support in its i3 applications?

No. However, peer reviewers will use Selection Criterion F pertaining to sustainability to consider the adequacy of an applicant's resources to continue to develop or expand the proposed project after the grant period ends. An eligible applicant may include letters of support or memoranda of understanding in Appendix D of its application to demonstrate the commitment of any other partners; and evidence of broad support from stakeholders (e.g., State educational agencies, teachers unions) critical to the project's long-term success (*see Selection Criterion F(1)*).

M-10. *From Addendum 3, published April 21, 2010.*

How do Selection Criterion C (Experience of the Eligible Applicant) and Selection Criterion G (Quality of the Management Plan and Personnel) differ?

Under Selection Criterion C peer reviewers will consider the experience of the eligible applicant. (Under section 14007(a)(1)(A) of the ARRA, the eligible applicant is the LEA; and under section 14007(a)(1)(B) of the ARRA, the eligible applicant is the partnership between a nonprofit organization and (a) one or more LEAs or (b) a consortium of schools.) Under Selection Criterion G, peer reviewers will consider the quality of the personnel for the proposed project. In other words, Selection Criterion C focuses on the experience of the entities that comprise the eligible applicant, whereas Selection Criterion G focuses on the quality of personnel for the proposed project.

M-11. *From Addendum 4, published April 30, 2010.*

How do Selection Criterion B (Strength of Research, Significance of Effect, and Magnitude of Effect) and Selection Criterion C (Experience of the Eligible Applicant) differ?

Under Selection Criterion B, peer reviewers will consider the strength of the research in support of the proposed project. Under Selection Criterion C, peer reviewers will consider the experience of the eligible applicant. In other words, Selection Criterion B focuses on the prior research evidence to support the proposed project, whereas Selection Criterion C focuses on the experience of the eligible applicant.

N. ALLOWABLE USE OF FUNDS.

N-1. *From Addendum 1, published March 30, 2010.*

May a grantee charge the costs it incurs in preparing its application to its i3 grant?

Generally, a grantee may treat costs associated with preparing its grant application, including the costs of a grant writer, as indirect costs. Consistent with the Office of Management and Budget Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87), a local educational agency may charge the costs of preparing its grant application directly to its i3 grant, so long as it obtains prior approval from the Department. Specifically, OMB Circular A-87, Attachment B, Section 33, provides that the:

Costs of preparing proposals for potential Federal awards are allowable. Proposal costs should normally be treated as indirect costs and should be allocated to all activities of the governmental unit utilizing the cost allocation plan and indirect cost rate proposal. However, proposal costs may be charged directly to Federal awards with the prior approval of the Federal awarding agency.

The Department has determined that direct costs charged to the i3 program should only be incurred for substantive program activities that promote educational innovation, consistent with the grantee's proposal. For that reason, we will not permit a grantee to charge as direct costs to the i3 program costs for preparing its application.

N-2. *From Addendum 1, published March 30, 2010.*

If an i3 grantee wishes to obtain goods or services from a for-profit entity, whether or not the for-profit entity is acting as an other partner, are there procurement rules the grantee should follow?

i3 grantees obtaining goods and services that are necessary to carry out their projects must follow the applicable rules in EDGAR. A nonprofit organization must follow the regulatory provisions on procurement set out at 34 CFR 74.40-74.48. A local educational agency or a member of a consortium of schools must follow the rules set out at 34 CFR 80.36. As explained in the Department's regulations, a grantee's procurements must comply with applicable State laws.

N-3. *From Addendum 1, published March 30, 2010.*

What procedures should an i3 grantee follow if it determines it needs to secure goods and services from an entity that is not an official partner, such as a for-profit company? Can an i3 grantee make subgrants to deal with this situation?

Under the i3 program, subgrants may only be made by a grantee to other official partners in the partnership (i.e., a nonprofit organization, an LEA, or a consortium of schools). In all other cases in which a grantee needs to pay another party, including other partners, for goods and services needed to carry out its grant, the grantee must follow the applicable procurement procedures set out in EDGAR. LEAs and members of a consortium of schools must follow the procurement procedures set out at 34 CFR 80.36. Nonprofit organizations must follow the procurement procedures set out at 34 CFR 74.40-74.48. An applicant, in designing its project, must take the EDGAR procurement rules into account so that needed procurements can be conducted in a manner that is both legal and consistent with efficient implementation of its proposed project.

N-4. *From Addendum 2, published April 8, 2010.*

What is the difference between direct costs and indirect costs?

OMB Circular A-87, which applies to local educational agencies, describes direct costs as those that can be identified specifically with a particular cost objective. Direct costs are described in similar terms in OMB Circular A-122, which applies to nonprofit organizations and OMB Circular A-21, which applies to IHEs.⁶ The circular provides examples of typical direct costs, which include:

- a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.
- b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
- c. Equipment and other approved capital expenditures.
- d. Travel expenses incurred specifically to carry out the award.

OMB Circular A-87, Attachment A, Section E.1.

Indirect costs, by contrast, are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. OMB Circular A-87, Attachment A, Section F.1.⁷

⁶ OMB Circular A-21, which applies to institutions of higher education, describes direct costs as those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. OMB Circular A-21, Section D. 1. The NFP provides that the definition of nonprofit organization includes institutions of higher education as defined under Section 101(a) of the HEA.

⁷ OMB Circulars A-21 and A-122 describe indirect costs in similar terms.

Indirect costs represent the expenses of doing business that are not readily identified with a particular grant project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs.

N-5. *From Addendum 2, published April 8, 2010.*

What must a grantee do in order to claim indirect costs under its i3 grant?

Under 34 CFR 75.560(b), a grantee, if it has not already done so, must obtain a current indirect cost rate from its cognizant Federal agency in order to charge those costs to its grant. The cognizant Federal agency is generally the Federal department or agency providing the grantee with the most Federal funding subject to indirect cost support (or an agency otherwise designated by OMB). However, Department regulations provide that each State educational agency, on the basis of a plan approved by the Secretary, shall approve an indirect cost rate for each local educational agency that requests it to do so. 34 CFR 75.561.

For additional information about obtaining an approved indirect cost rate or applying for an indirect cost rate, contact the Department's Office of the Chief Financial Officer at (202) 377-3909 or (202) 377-3838.

N-6. *From Addendum 2, published April 8, 2010.*

If, at the time it receives its i3 grant award, a grantee does not have an indirect cost agreement with its cognizant Federal agency, must it submit its indirect cost proposal to its cognizant Federal agency within a certain timeframe?

A grantee that does not have an indirect cost agreement must submit an indirect cost proposal to its cognizant Federal agency within 90 days of receiving its i3 grant award notification. 34 CFR 75.560(b).

N-7. *From Addendum 2, published April 8, 2010.*

May a grantee that does not yet have an approved indirect cost rate charge indirect costs to its grant?

A grantee that does not have a federally recognized indirect cost rate agreement may charge its grant for indirect costs at a temporary rate of 10 percent. 34 CFR 75.560(c). However, a grantee that does not submit an indirect cost proposal to its cognizant Federal agency within 90 days of receiving its i3 grant award notification, will not be allowed--absent exceptional circumstances as determined by the Department--to charge indirect costs to its i3 grant until it obtains a federally recognized indirect cost agreement. 34 CFR 75.560(c).

N-8. *From Addendum 2, published April 8, 2010.*

Is the i3 program subject to a restricted indirect cost rate?

No. Under 34 CFR 75.563, programs that are subject to a non-supplanting requirement must use a restricted indirect cost rate. Because the ARRA does not include a non-supplanting requirement for the i3 program, it is not subject to a restricted indirect cost rate. As a general matter, restricted indirect cost

rates are lower than unrestricted indirect cost rates because, in programs subject to a non-supplanting requirement, grantees cannot charge costs to the Federal grant that it would have incurred and charged to its non-Federal funds. Restricted indirect cost rates are calculated in a manner to reflect this requirement.

N-9. *From Addendum 2, published April 8, 2010.*

Which entity's indirect cost rate should an eligible applicant that includes a partnership between a nonprofit organization and (a) one or more LEA or (b) a consortium of schools use?

As discussed in C-1, the entity that is applying on behalf of the partnership is the applicant. When completing ED Standard Form 524 included in the i3 application package, the applicant's indirect cost rate should be used. 34 CFR 75.564(e).

N-10. *From Addendum 2, published April 8, 2010.*

May an applicant include indirect costs in its budget request?

Yes. The amount of indirect costs, if an applicant chooses to request them, should be noted on line 10 of Section A of ED Standard Form 524 included in the i3 application package, and, along with other information, in the Budget Narrative section of the application.

N-11. *From Addendum 2, published April 8, 2010.*

May an applicant incur pre-award costs?

Yes. Under 34 CFR 75.263 and 74.25, applicants may incur pre-award costs for up to 90 days prior to the beginning of the award period. However, the applicant incurs these costs at its own risk. If the applicant does not receive an award, the Department will not reimburse the applicant for the pre-award costs.

N-12. *From Addendum 2, published April 8, 2010.*

What information should an i3 applicant include in its budget narrative?

Each applicant must provide a detailed line item budget (ED Standard Form 524) for both the ED funds requested (Section A) and for any matching or other non-Federal resources to be provided to the project (Section B) and a detailed budget narrative in the Budget Narrative section of its application. The required budget narrative should provide an itemized breakdown and justification by project year of the Federal funds requested by line item. Instructions for completing ED Standard Form 524 are included on pages 53–56 of the i3 application, available on the Department's website at <http://www2.ed.gov/programs/innovation/applicant.html>.

N-13. *From Addendum 2, published April 8, 2010.*

Should an applicant submit a budget narrative for each official partner?

No. Each application should include one budget and one budget narrative that includes the costs and justification of costs for the proposed project. Separate budgets for each official partner would not be acceptable.

N-14. *From Addendum 3, published April 21, 2010.*

Which parts of EDGAR and OMB Cost Circulars apply to grantees and subgrantees under the i3 program?

In expending and accounting for funds awarded under the i3 program, grantees and subgrantees must follow the provisions of EDGAR and the OMB Cost Circulars that apply to them. The following chart sets out the parts of EDGAR and the OMB Cost Circulars that apply to a nonprofit organization, an IHE, an LEA, and a consortium of schools, respectively:

TYPE OF ENTITY	PART OF EDGAR THAT APPLIES	OMB COST CIRCULAR THAT APPLIES
Nonprofit Organization	34 CFR Part 74	A-122 http://www.access.gpo.gov/nara/cfr/waisidx_09/2cfr230_09.html
IHE	34 CFR Part 74	A-21 http://www.access.gpo.gov/nara/cfr/waisidx_09/2cfr220_09.html
LEA	34 CFR Part 80	A-87 http://www.access.gpo.gov/nara/cfr/waisidx_09/2cfr225_09.html
A consortium of schools	34 CFR Part 80	A-87 http://www.access.gpo.gov/nara/cfr/waisidx_09/2cfr225_09.html

If any entity in a partnership under section 14007(a)(1)(B) of the ARRA receives a subgrant from an official partner, then that entity, as the subgrantee, must follow the part of EDGAR and the OMB Cost Circular that applies to them even if a different EDGAR part or OMB Cost Circular applies to the grantee.

For example, consider a grant awarded to a partnership under section 14007(a)(1)(B) consisting of a nonprofit organization that is the grantee, and two official partners, including: (1) an LEA, and (2) an IHE. In this case, the grantee must follow 34 CFR Part 74 and OMB Circular A-122, which apply to nonprofit organizations, in expending and accounting for its i3 grant award. And if the nonprofit organization makes a subgrant to its IHE official partner, the IHE must follow 34 CFR Part 74 and OMB Circular A-21, which apply to IHEs, in expending and accounting for that subgrant. And if the nonprofit organization makes subgrants to its LEA official partner, the LEA must follow 34 CFR Part 80 and OMB Cost Circular A-87 in expending and accounting for its subgrant. See C-2.

N-15. *From Addendum 3, published April 21, 2010.*

Are there any ARRA provisions that would disqualify particular entities from receiving i3 funds, either as a grantee, subgrantee, or contractor?

Section 1604 of Title XVI of Division A of the ARRA provides that:

None of the funds appropriated or otherwise made available in this Act may be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

Under the terms of this provision, not only is the Department prohibited from making a grant to any of the listed entities under the i3 program, but grantees are prohibited from subgranting i3 funds to these entities and from using i3 funds to pay for goods or services procured or obtained from these entities.

N-16. *From Addendum 3, published April 21, 2010.*

Can an LEA that receives i3 funds, either as a grantee or subgrantee, use i3 funds for construction?

LEAs may propose to use i3 funds for modernization, renovation, or repair projects to the extent that these projects are consistent with implementing their i3 proposals. As provided in section 14003 of the ARRA, an LEA may use ARRA funds for construction. This rule applies whether the LEA is a grantee or subgrantee under the i3 program. However, consistent with its May 11, 2009 guidance for the State Fiscal Stabilization Fund program, <http://www2.ed.gov/programs/statestabilization/guidance-mod-05112009.pdf>, the Department discourages LEAs from using i3 funds for construction because this use may limit the ability of LEAs to implement their i3 proposals.

N-17. *From Addendum 4, published April 30, 2010.*

Can an i3 grantee use its grant funds to purchase real property?

No. The ARRA and the NFP do not authorize i3 grantees to use grant funds for the acquisition of real property. Consistent with 34 CFR 75.533, no grantee may use its grant for acquisition of real property unless specifically permitted to do so under the authorizing statute or implementing regulations for the program.

N-18. *From Addendum 4, published April 30, 2010.*

May a grantee under the i3 program copyright intellectual property that it developed with funds from its i3 grant?

Department regulations allow grantees to copyright intellectual property developed with funds from a grant of the Department. 34 CFR 75.622.

However, the Department of Education is authorized to publish and distribute any copyrightable materials produced with Department grant funds even if a grantee or other party copyrights those

materials. With regard to grants and subgrants awarded to LEAs and consortia of schools, the Department:

[R]eserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

- (a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and
- (b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

34 CFR 80.34.

A regulation establishing a similar requirement applies to grants and subgrants awarded to nonprofit organizations and IHEs. Under that regulation, the Department:

[H]as the right to:

- (1) Obtain, reproduce, publish or otherwise use the data first produced under an award; and
- (2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

34 CFR 74.36(c).

O. PRIORITIES.

O-1. *From Addendum 3, published April 21, 2010.*

Which types of school personnel may be included under Absolute Priority 1?

Under Absolute Priority 1, the Department provides funding to support practices, strategies, or programs that are designed to increase the number or percentages of teachers or principals who are highly effective teachers or principals or reduce the number or percentages of teachers or principals who are ineffective. The priority focuses on teachers and principals because they are the individuals directly responsible for academic instruction. However, the NFP explains that:

[A]n eligible applicant is not prohibited from proposing under this priority an innovative strategy, practice, or program that includes support for related services professionals to the extent that this support is intended to increase the number or percentages of highly effective teachers and principals (or reduce the number or percentages of ineffective teachers and principals).

O-2. *From Addendum 3, published April 21, 2010.*

In order meet Absolute Priority 1, must an application address all of the methods listed in the priority (i.e., identifying, recruiting, developing, placing, rewarding, and retaining highly effective teachers or principals)?

Yes. As stated in the NFP:

Under this priority, the Department provides funding to support practices, strategies, or programs that are designed to increase the number or percentages of teachers or principals who are highly effective teachers or principals or reduce the number or percentages of teachers or principals who are ineffective, especially for teachers of high-need students, by identifying, recruiting, developing, placing, rewarding, *and* retaining highly effective teachers or principals (or removing ineffective teachers or principals) [emphasis added].

O-3. *From Addendum 3, published April 21, 2010.*

Does Absolute Priority 3 focus only on standards and assessments in mathematics and English language arts?

No. Under Absolute Priority 3, the Department provides funding for practices, strategies, or programs that are designed to support States' efforts to transition to standards and assessments that measure students' progress toward college- and career-readiness, including curricular and instructional practices, strategies, or programs in core academic subjects (as defined in section 9101(11) of the ESEA) that are aligned with high academic content and achievement standards and with high-quality assessments based on those standards.

The NFP explains that:

This priority is designed to support initiatives in any or all core academic subjects, consistent with section 9101(11) of the ESEA, including English, reading or language arts, mathematics, science, foreign language, civics and government, economics, arts, history, and geography. Consistent with the Race to the Top Fund program, the Department interprets the core academic subject of "science" under section 9101(11) to include STEM education (science, technology, engineering and mathematics) which encompasses a wide-range of disciplines, including computer science.

O-4. *From Addendum 3, published April 21, 2010.*

May an eligible applicant propose a practice, strategy, or program under Absolute Priority 3 that is based on standards for academically rigorous courses or college entrance examinations?

Yes. Under Absolute Priority 3, an eligible applicant may propose a practice, strategy, or program that uses standards for academically rigorous courses or college entrance examinations as long as the standards used are aligned with and at least as rigorous as its States' standards.

O-5. *From Addendum 3, published April 21, 2010.*

What are “Investing in Innovation Fund Absolute Priority 4 schools”?

Under Absolute Priority 4, the Department provides funding to support strategies, practices, or programs that are designed to turn around schools that are in any of the following categories: (a) persistently lowest-achieving schools (as defined in the final requirements for the School Improvement Grants program, see <http://www2.ed.gov/programs/sif/faq.html>); (b) Title I schools that are in corrective action or restructuring under section 1116 of the Elementary and Secondary Education Act (ESEA); or (c) secondary schools (both middle and high schools) eligible for but not receiving Title I funds that, if receiving Title I funds, would be in corrective action or restructuring under section 1116 of the ESEA.

O-6. *From Addendum 3, published April 21, 2010.*

Does the Department have a list of Investing in Innovation Fund Absolute Priority 4 schools?

No. The Department does not have a list of all schools included in the three categories of schools that make up Investing in Innovation Fund Absolute Priority 4 schools (see O-5).

O-7. *From Addendum 3, published April 21, 2010.*

Are eligible applicants applying under Absolute Priority 4 limited, during their proposed project period, to serving schools that fall within one of the three categories of Investing in Innovation Absolute Priority 4 schools?

In order to be eligible for funding under Absolute Priority 4, a proposed project:

[M]ust include strategies, practices, or programs that are designed to turn around Investing in Innovation Absolute Priority 4 schools through either whole-school reform or targeted approaches to reform.

In order to meet this priority, the proposed strategies, practices, or programs must be designed to turn around Investing in Innovation Priority 4 schools through targeted approaches or whole school reform. As is the case for all i3 projects, the application would, in order to be funded, also have to be supported by the appropriate level of evidence for the type of grant: strong evidence for a Scale-up grant, moderate evidence for a Validation grant, or a reasonable hypothesis for a Development grant. (See section F for information on the standards of evidence that apply to i3 grants, especially F-1 and F-2.) A project that met these requirements, as well as all other applicable requirements, would not be disqualified for consideration under Absolute Priority 4 because it proposed to serve, during the project period, schools that are not Investing in Innovation Absolute Priority 4 schools.

O-8. *From Addendum 3, published April 21, 2010.*

How is “rural LEA” defined under this program?

The NFP explains that “rural LEA” means:

[A]n LEA that is eligible under the Small Rural School Achievement (SRSA) program or the Rural and Low-Income School (RLIS) program authorized under Title VI, Part B of the ESEA. Eligible applicants may determine whether a particular LEA is eligible for these programs by referring to information on the following Department Web sites. For the SRSA: <http://www.ed.gov/programs/reapsrsa/eligible09/index.html>. For the RLIS: <http://www.ed.gov/programs/reaprlisp/eligibility.html>.

O-9. *From Addendum 3, published April 21, 2010.*

To receive competitive preference points under Competitive Preference Priority 8, must an eligible applicant be a rural LEA?

No. To meet Competitive Preference Priority 8, an eligible applicant need not be a rural LEA. Any eligible applicant may propose a project to serve students in rural LEAs under this priority.

O-10. *From Addendum 3, published April 21, 2010.*

To receive competitive preference points under Competitive Preference Priority 8, may an eligible applicant focus on the unique needs of teachers in rural areas?

Competitive Preference Priority 8 provides competitive points to applications that focus on the particular challenges faced by students in rural LEAs. An application may focus on the unique needs of teachers in rural LEAs provided that the proposed project meets the requirements in this priority (*i.e.*, the proposed project focuses on the unique challenges of high-need students in schools within a rural LEA and addresses the particular challenges faced by students in these schools; and also improves student achievement or student growth, closes achievement gaps, decreases dropout rates, increases high school graduation rates, or improves teacher and principal effectiveness in one or more rural LEAs).

O-11. *From Addendum 3, published April 21, 2010.*

To receive competitive preference points under Competitive Preference Priority 8, may an eligible applicant serve schools in both rural and urban areas?

In order to be receive points under Competitive Preference Priority 8, as determined by the peer reviewers, a proposed project must focus on the unique challenges of high-need students in schools within a rural LEA and address the particular challenges faced by students in these schools; it must also improve student achievement or student growth, close achievement gaps, decrease dropout rates, increase high school graduation rates, or improve teacher and principal effectiveness in one or more

rural LEAs. A project that meets the requirements of Competitive Preference Priority 8, as well as all other applicable requirements, would not be disqualified for consideration under Competitive Preference Priority 8 simply because it proposes to serve, in addition to schools in rural LEAs, schools that are not in rural LEAs.

O-12. *From Addendum 4, published April 30, 2010.*

In order to meet Absolute Priority 1, must an application include practices, strategies, or programs that are designed to increase both the number of highly effective teachers and the number of highly effective principals?

No. As stated in the NFP:

Under [Absolute Priority 1], the Department provides funding to support practices, strategies, or programs that are designed to increase the number or percentages of teachers *or* principals who are highly effective teachers *or* principals or reduce the number or percentages of teachers *or* principals who are ineffective, especially for teachers of high-need students, by identifying, recruiting, developing, placing, rewarding, and retaining highly effective teachers *or* principals (or removing ineffective teachers or principals). [emphasis added]

O-13. *From Addendum 4, published April 30, 2010.*

How should an eligible applicant addressing Absolute Priority 1 evaluate teacher or principal effectiveness?

The NFP states that:

[T]eacher or principal effectiveness should be determined through an evaluation system that is rigorous, transparent, and fair; performance should be differentiated using multiple rating categories of effectiveness; multiple measures of effectiveness should be taken into account, with data on student growth as a significant factor; and the measures should be designed and developed with teacher and principal involvement.

O-14. *From Addendum 4, published April 30, 2010.*

Under Absolute Priority 3, what is meant by “standards?”

“Standards” refers generally to academic content standards in core academic subjects and include the content standards States are required to develop in mathematics, English language arts, and science under section 1111(b) of the ESEA.⁸

O-15. *From Addendum 4, published April 30, 2010.*

May an eligible applicant propose a practice, strategy, or program under Absolute Priority 3 that focuses only on a subset of standards in a core academic subject?

Yes. An eligible applicant is not prohibited from proposing a practice, strategy, or program that focuses only on a subset of standards in a core academic subject so long as the standards used are aligned with and at least as rigorous as its State’s standards.

O-16. *From Addendum 4, published April 30, 2010.*

To receive competitive preference points under Competitive Preference Priority 5, must an eligible applicant propose a practice, strategy, or program that includes all the elements in the priority?

Yes. The NFP states that:

To meet this priority, applications must focus on (a) improving young children’s school readiness (including social, emotional, and cognitive readiness) so that children are prepared for success in core academic subjects (as defined in section 9101(11) of the ESEA); (b) improving developmental milestones and standards and aligning them with appropriate outcome measures; *and* (c) improving alignment, collaboration, and transitions between early learning programs that serve children from birth to age three, in preschools, and in kindergarten through third grade. [emphasis added]

O-17. *From Addendum 4, published April 30, 2010.*

To receive competitive preference points under Competitive Preference Priority 6, must an eligible applicant propose a practice, strategy, or program that serves students in all elementary and secondary grades or may it focus on a particular grade or grades?

With regard to Competitive Preference Priority 6, the NFP states that:

We give competitive preference to applications for projects that would implement innovative practices, strategies, or programs that are designed to enable kindergarten through grade 12 (K–12) students, particularly high school students, to successfully prepare for, enter, and graduate from a two- or four-year college. To meet this priority,

⁸ The Department interprets the core academic subject of “science” under section 9101(11) of the ESEA to include STEM education (science, technology, engineering and mathematics) which encompasses a wide-range of disciplines, including computer science.

applications must include practices, strategies, or programs for K–12 students that (a) address students’ preparedness and expectations related to college; (b) help students understand issues of college affordability and the financial aid and college application processes; and (c) provide support to students from peers and knowledgeable adults.

An eligible applicant need not propose a project that serves students in all elementary and secondary grades in order to receive competitive preference points under this priority. An eligible applicant may choose to focus on a subset of K–12 students, including students in a single grade.

O-18. *From Addendum 4, published April 30, 2010.*

To receive competitive preference points under Competitive Preference Priority 7, must an eligible applicant propose a practice, strategy, or program that serves both students with disabilities and limited English proficient students?

No. The NFP states that:

We give competitive preference to applications for projects that would implement innovative practices, strategies, or programs that are designed to address the unique learning needs of students with disabilities, including those who are assessed based on alternate academic achievement standards, *or* the linguistic and academic needs of limited English proficient students. To meet this priority, applications must provide for the implementation of particular practices, strategies, or programs that are designed to improve academic outcomes, close achievement gaps, and increase college- and career-readiness, including increasing high school graduation rates (as defined in this notice), for students with disabilities *or* limited English proficient students.
[emphasis added]