

**PRESCHOOL DEVELOPMENT GRANTS**

**FY 2014 Competition**

**Preschool Development Grants--Development Grants**

**&**

**Preschool Development Grants--Expansion Grants**

**Guidance and Frequently Asked Questions for Applicants**



**U.S. Department of Education**

**U.S. Department of Health and Human Services**

**Washington, D.C.**

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**Purpose of the Guidance**

The purpose of this guidance is to provide information about the Fiscal Year (FY) 2014 competition of the Preschool Development Grants program. The U.S. Department of Education (ED) and the U.S. Department of Health and Human Services (HHS) (the Departments) are jointly administering the Preschool Development Grants program. This guidance, which should be read in conjunction with the FY 2014 notices inviting applications (NIAs), provides the Departments’ interpretation of various statutory provisions and does not impose any requirements beyond those included in Sections 14005 and 14006 of the American Recovery and Reinvestment Act (ARRA), as amended; the FY 2014 NIAs; and other applicable laws and regulations. In addition, it does not create or confer any rights for or on any person.

The Departments will provide additional or updated program guidance as necessary on the Preschool Development Grants program Web site, [www.ed.gov/programs/preschooldevelopmentgrants](http://www.ed.gov/programs/preschooldevelopmentgrants). If you have further questions that are not answered here or other comments, please email us at [Preschool.Development.Grant@ed.gov](mailto:Preschool.Development.Grant@ed.gov).

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## **A. FY 2014 Preschool Development Grants General Information**

### **A-1 What is the Preschool Development Grants program?**

The Preschool Development Grants program supports States in: (1) developing or enhancing State Preschool Program<sup>1</sup> infrastructure to enable the delivery of High-Quality Preschool Programs; and (2) implementing and sustaining High-Quality Preschool Programs in targeted communities to reach and serve additional Eligible Children. Eligible Children, as defined in the NIAs, means four-year-old children from families whose income is at or below 200 percent of the Federal Poverty Line. The Preschool Development Grants program is authorized under sections 14005 and 14006 of the ARRA (Public Law 111-5), as amended by section 1832(b) of division B of the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Public Law 112-10), the Department of Education Appropriations Act, 2012 (title III of division F of Public Law 112-74, the Consolidated Appropriations Act, 2012), and the Consolidated Appropriations Act, 2014 (Public Law 113-76), the language for which can be found at [www.ed.gov/blog/public-comment-sought-for-new-competition-to-build-develop-and-expand-high-quality-preschool-programs/comment-page-1/#comments](http://www.ed.gov/blog/public-comment-sought-for-new-competition-to-build-develop-and-expand-high-quality-preschool-programs/comment-page-1/#comments).

### **A-2 What is the difference between Preschool Development Grants--Development Grants and Preschool Development Grants--Expansion Grants?**

Preschool Development Grants--Development Grants support States with small or no State Preschool Programs, while Preschool Development Grants--Expansion Grants support States that have more robust State Preschool Programs *or* that have been awarded a Race to the Top – Early Learning Challenge grant.

Preschool Development Grants--Development Grants help States to: (1) develop or enhance State Preschool Program infrastructure and capacity to deliver High-Quality Preschool Programs; and (2) implement and sustain High-Quality Preschool Programs to reach and serve additional Eligible Children in *one or more* High-Need Communities.

Preschool Development Grants--Expansion Grants help States to: (1) enhance State Preschool Program infrastructure and quality to deliver High-Quality Preschool Programs; and (2) implement and sustain High-Quality Preschool Programs to reach and serve additional Eligible Children in *two or more* High-Need Communities.

For other differences between the two grants, please also see questions B-1, B-26, C-4, C-5, E-7, and F-10.

### **A-3 What is the timeline for obligating and expending FY 2014 Preschool Development Grants funds?**

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<sup>1</sup> Defined terms are used throughout the guidance and are indicated by capitalization.

The Departments must obligate all funds to States no later than December 31, 2014. In their plans, States will propose a project period of up to four years. Depending on the availability of funds, the Departments will make continuation awards for years two, three, and four of the project period in accordance with section 75.253 of the Education Department General Administrative Regulations (EDGAR) (34 CFR 75.253).

In making a continuation award, the Secretaries of Education and Health and Human Services (collectively referred to as Secretaries) may consider, under 34 CFR 75.253, the extent to which a grantee has made “substantial progress in achieving the goals and objectives of the project.” This consideration includes the review of a grantee’s progress in meeting the targets and projected outcomes established in its approved application as outlined in section III Part 2: Budget Information of the application, and whether the grantee has expended funds in a manner that is consistent with its approved application and budget. In making a continuation grant, the Secretaries also consider whether the grantee is operating in compliance with the assurances in its approved application, including those applicable to Federal civil rights laws that prohibit discrimination in programs or activities receiving Federal financial assistance from the Departments (34 CFR 100.4, 104.5, 106.4, 108.8, and 110.23).

**A-4 What are the selection criteria on which the applications will be scored?**

The selection criteria for this program are set forth in sections (A)-(H) of the NIA and vary slightly between the two types of grants (See the Preschool Development Grants--Development Grants NIA and Preschool Development Grants--Expansion Grants NIA for specific selection criteria). A panel of reviewers will assign points to an application based on how well (or how completely) the applicant (in this case, the State) addresses these areas. The Preschool Development Grants--Development Grants and Preschool Development Grants--Expansion Grants have eight application section headings with slightly differing selection criteria:

Preschool Development Grants--Development Grants

- A. Executive Summary
- B. Commitment to High-Quality Preschool Programs
- C. Ensuring Quality in Preschool Programs
- D. Expanding High-Quality Preschool Programs in Each High-Need Community
- E. Collaborating with Each Subgrantee and Ensuring Strong Partnerships
- F. Alignment within a Birth through Third Grade Continuum
- G. Budget and Sustainability

Preschool Development Grants--Expansion Grants

- A. Executive Summary
- B. Commitment to State Preschool Programs
- C. Ensuring Quality in Preschool Programs
- D. Expanding High-Quality Preschool Programs in Each High-Need Community
- E. Collaborating with Each Subgrantee and Ensuring Strong Partnerships

F. Alignment within a Birth through Third Grade Continuum  
G. Budget and Sustainability

**A-5 Who must sign the State’s application?**

The State’s application must be signed by the Governor (or an authorized representative) and an authorized representative from the Lead Agency. The State must provide the required signatures in section IV, Application Assurances and Certifications, of the application.

**B. FY 2014 Preschool Development Grants Eligibility, Participation, and Program Requirements**

**B-1 What are the eligibility requirements for the Preschool Development Grants competition?**

Eligibility requirements are the requirements that an applicant must meet in order to be eligible to receive funding. Under section 14006(a)(2) of the ARRA and section 14013 of the ARRA, States are the only applicants eligible to apply for the Preschool Development Grants program. “State” is defined to mean “each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.” All “States” are eligible to apply for either the Preschool Development Grants--Development Grants or Preschool Development Grants--Expansion Grants, depending upon the criteria outlined in section V of the application.

Preschool Development Grants--Development Grants

To be eligible to compete for funding under this program a State must--

(a) Serve less than 10 percent of four-year-old children in a State Preschool Program or not have a State Preschool Program<sup>2</sup>;and

(b) Not have received an award under a Race to the Top – Early Learning Challenge competition.

Therefore, only the States of Alabama, Alaska, Arizona, Hawaii, Idaho, Indiana, Mississippi, Missouri, Montana, Nevada, New Hampshire, North Dakota, Puerto Rico, South Dakota, Utah, and Wyoming are eligible to apply for Preschool Development Grants--Development Grants.

Preschool Development Grants--Expansion Grants

To be eligible to compete for funding under this program a State must--

(a) Serve 10 percent or more of four-year-old children in a State Preschool Program<sup>3</sup>;  
or

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<sup>2</sup> Based on current data from: Barnett, W.S., Carolan, M.E, Squires, J.H., and Clarke-Brown, K. (May 2014). State of Preschool 2013: First Look (NCES 2014-078). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Available at: <http://nces.ed.gov/pubsearch>.

(b) Have received an award under a Race to the Top – Early Learning Challenge competition.

Therefore, only the States of Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin are eligible to apply for Preschool Development Grants--Expansion Grants.

**B-2 How have the FY 2014 Preschool Development Grants funding categories been determined?**

To support States in planning their budgets, the Departments have developed annual budget caps for each State that is eligible to receive a Preschool Development Grants--Development Grant or Preschool Development Grants--Expansion Grant. The Departments will not consider for funding an application from a State that proposes a budget in any year that exceeds the applicable cap set for that State. The Departments developed grant funding categories by ranking every State according to its relative share of Eligible Children and then identifying the natural breaks in the rank order. Then, based on population, budget caps were developed for each category (<http://www2.ed.gov/programs/preschooldevelopmentgrants/4-year-old-poverty-status-2012.pdf>).

Preschool Development Grants--Development Grants

Category 1 – up to \$20M – Arizona and Indiana

Category 2 – up to \$17.5M – Alabama, Missouri, and Puerto Rico

Category 3 – up to \$15M – Idaho, Mississippi, Nevada, and Utah

Category 4 – up to \$10M – Alaska, Hawaii, Montana, New Hampshire, and South Dakota

Category 5 – up to \$5M – North Dakota and Wyoming

Preschool Development Grants--Expansion Grants

Category 1 – up to \$35M – California

Category 2 – up to \$30M – Texas

Category 3 – up to \$25M – Florida and New York

Category 4 – up to \$20M – Georgia, Illinois, Michigan, North Carolina, Ohio, and Pennsylvania

Category 5 – up to \$17.5M – New Jersey, South Carolina, Tennessee, Virginia, and Washington

Category 6 – up to \$15M – Arkansas, Colorado, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Oklahoma, Oregon, and Wisconsin

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<sup>3</sup> Based on current data from: Barnett, W.S., Carolan, M.E, Squires, J.H., and Clarke-Brown, K. (May 2014). State of Preschool 2013: First Look (NCES 2014-078). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Available at: <http://nces.ed.gov/pubsearch>.

Category 7 – up to \$12.5M – Connecticut, Iowa, Maine, Nebraska, New Mexico, and West Virginia

Category 8 – up to \$10M – Delaware, District of Columbia, Rhode Island, and Vermont

**B-3 Are Indian tribes and the Department of the Interior/Bureau of Indian Education eligible to apply for grants under the Preschool Development Grants program?**

No. Indian tribes and the Department of the Interior/Bureau of Indian Education are not eligible to apply for grants under the Preschool Development Grants competition. States are the only eligible applicants under section 14006(a)(2) of the ARRA and section 14013 of the ARRA does not include Indian tribes or the Department of the Interior/Bureau of Indian Education within the definition of “State.”

However, tribes and Indian organizations are included in the definitions of Early Learning Providers and Subgrantees, and tribal areas are included in the definition of High-Need Community. Under both the Development and Expansion Grants programs, States are required to make subgrants to Early Learning Providers who will implement and carry out a High-Quality Preschool Program in a High-Need Community. While grants can be made only to States, these groups can receive subgrants to provide High-Quality Preschool Programs.

Tribal areas are included in the definition of a High-Need Community. Under Selection Criteria (D), Expanding High-Quality Preschool Programs in High-Need Communities, applicants are evaluated on the extent to which the State has an ambitious and achievable plan for expanding High-Quality Preschool Programs in High-Need Communities that includes a description of the High-Need Communities that will be served and their geographic diversity, including rural and tribal areas, if any. Under selection criteria (D)(3), States must conduct outreach to potential Subgrantees, including tribal consultations as appropriate.

Under Selection Criteria (E), Collaborating with Each Subgrantee, State applicants are evaluated on the extent to which the State has an ambitious and achievable plan to ensure that the Subgrantees are effectively implementing High-Quality Preschool Programs, including a description of how the Subgrantees will deliver High-Quality Preschool Programs to Eligible Children. This includes Eligible Children who may be in need of additional supports, such as those who have disabilities or developmental delays; who are English learners; who reside on “Indian lands” as that term is defined by section 8013(7) of the Elementary and Secondary Education Act (ESEA); who are migrant; who are “homeless,” as defined in subtitle VII-B of the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act) (42 U.S.C. §11434a(2)); who are in the child welfare system; who reside in rural or tribal areas; who are from military families; and other children as identified by the State.

**B-4 Are the U.S. Territories or Outlying Areas eligible to apply?**

No. The U.S. Territories and Outlying Areas are not eligible to apply in the Preschool Development Grants competition. States are the only eligible applicants under section 14006(a)(2) of the ARRA. As was stated in B-1, under section 14013 of the ARRA, the term "State" means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico and does not include the U.S. Territories and Outlying Areas within the definition of "State."

**B-5 Are States required to apply for the Preschool Development Grants?**

No. States are not required to apply for a Preschool Development Grant. All States, the District of Columbia, and Puerto Rico are eligible to apply, if they wish, for one of the two types of discretionary grants: Development Grants or Expansion Grants. Participation is completely voluntary and each State may decide whether or not to apply. We encourage all States to apply.

**B-6 In what other programs must a State participate if it receives a Preschool Development Grant?**

Under Program Requirement (a), a State that receives a Preschool Development Grant must continue, for the duration of the grant, to participate in the programs authorized by part C and section 619 of part B of the Individuals with Disabilities Act (IDEA); the Child Care and Development Fund (CCDF) program (pursuant to the Child Care and Development Block Grant Act (42 U.S.C. 9858 et seq.); section 418 of the Social Security Act (42 U.S.C. 618); the Maternal, Infant, and Early Childhood Home Visiting program (section 511 of title V of the Social Security Act, as amended by section 2951 of the Affordable Care Act of 2010 (Public Law 111-148)); and subtitle VII-B of the McKinney-Vento Act.

As described under Program Requirement (b) and in E-14, funds made available under this grant must be used to supplement, not supplant other Federal, State, or local early learning funds.

**B-7 May parents choose whether or not to send their children to preschool programs funded under the Preschool Development Grants program?**

Yes. High-Quality Preschool Programs funded under the Preschool Development Grants competition are voluntary for children to attend.

**B-8 What is a Lead Agency and how is the Lead Agency selected?**

The Governor of a State must designate, in the application, a State-level agency to serve as the Lead Agency to administer the grant, if awarded. The Lead Agency is a State-level agency that administers public funds related to early learning and development and is participating in the State's ambitious and achievable plan for this grant; this agency is designated by the Governor for the administration of the Preschool Development Grant funds and is the fiscal agent for the grant. If the Governor's Office meets the definition of Lead Agency, then the Governor's Office may serve as the Lead Agency.

**B-9 Must a State have a Tiered Quality Rating and Improvement System (TQRIS) in order to apply?**

No. As part of their response to Selection Criterion (B)(4), States are expected to submit evidence of their support for program monitoring and improvement, which may be accomplished through the use of a TQRIS or an alternative system.

**B-10 How does the definition of a High-Quality Preschool Program align with a State's TQRIS?**

The definition of a High-Quality Preschool Program specifies the minimum requirements for ensuring program quality. A State may enhance the requirements for its programs funded under the Preschool Development Grants competition by including in its minimum program requirements, for example, elements of quality measured and supported by its TQRIS, or by requiring that programs achieve a specific tiered level of quality.

**B-11 What are examples of evidence-based and nationally recognized standards for a High-Quality Preschool Program?**

Examples of evidence-based, nationally recognized standards for a High-Quality Preschool Program include Head Start Program Performance Standards, the National Association for the Education of Young Children Accreditation Standards, and the National Institute for Early Education Research. The standards specified in the definition of High-Quality Program are informed by, but not the same as, these standards for preschool programs of high quality and are described in the NIAs.

**B-12 Must a High-Quality Preschool Program funded under either a Preschool Development Grants--Development Grant or a Preschool Development Grants--Expansion Grant be staffed by a teacher with a bachelor's degree?**

Yes. By definition, High-Quality Preschool Programs funded under these grants must have staff with high qualifications, including a teacher with a bachelor's degree in early childhood education or bachelor's in any field with a State-approved alternate pathway for acquiring knowledge and competency in early childhood education, which may include course work, clinical practice, and evidence of knowledge of content and pedagogy relating to early childhood, as well as teaching assistantships that meet State or local requirements.

**B-13 Must every teacher have a bachelor's degree in order to meet the staff-child ratio of not more than 10 children to 1 teacher (10:1) described in the High Quality Preschool Program definition?**

No. Only one teacher in each classroom of 20 or fewer children served through this grant program must meet the high staff qualifications, as outlined in paragraph (a) of the High-Quality Preschool Program definition. The second staff person in the classroom is

required to, at a minimum, meet the qualifications for an instructional assistant or classroom aide as set out in State or local requirements.

**B-14 Will States that have State Preschool Programs that do not require preschool teachers to have a bachelor’s degree be eligible for funds?**

Yes. All States are eligible to apply. Only preschool programs that receive Preschool Development Grant funds will need to meet the competition’s requirements for a High-Quality Preschool Program (including the staff qualifications standard requiring that a teacher have a bachelor’s degree). Other preschool programs within the State will not be required to have a teacher with a bachelor’s degree.

**B-15 What role can parents, providers, and other stakeholders play in the Preschool Development Grants program?**

The Preschool Development Grants program values the engagement of parents and families. The importance of parents’ voices is signaled from the start, in that the application calls for a letter of support from the Head Start State Advisory Council, or similar State Council, which must include parent representatives [Application Requirement (b)].

As part of the priorities, selection criteria, and program requirements, States and Subgrantees must show how they plan to coordinate and increase parental and family engagement, including by helping parents to support children’s learning at home, involving parents in decisions about education and development, and encouraging strategies that strengthen families [e.g., Competitive Preference Priority 2; Selection Criteria (B)(6), (C)(1)(j), (E)(5), (F)(2)(b), (F)(2)(g), and (G)(2)(c)]. In order to receive a continuation grant, States must demonstrate that programs are coordinating funds to support parents and that Subgrantees are being held accountable for engaging and supporting parents [Requirements under IDEA and title I, as applicable, and Continuation Awards Requirement (g)].

Under Selection Criterion (A), applicants will be evaluated on the extent to which the State includes an ambitious and achievable plan for expanding access to High-Quality Preschool Programs that clearly articulates how the plans proposed under each criterion in this section, when taken together, will be supported by a broad group of stakeholders, including Early Learning Intermediary Organizations and, if applicable, State and local early learning councils [Selection Criterion (A)(6)].

**B-16 Are private, including faith-based, early learning providers eligible to receive a subgrant under the Preschool Development Grants program?**

Yes. Private preschool providers, including faith-based providers that meet the definition in the NIAs of Early Learning Providers may receive subgrants under a State’s Preschool Development Grant like any other eligible Early Learning Provider. Under that definition, an Early Learning Provider is an entity that carries out an early childhood education program, including an LEA, charter school, educational service agency, Head

Start program, licensed child care provider, municipality or other local government agency, tribe or Indian organization, institution of higher education, libraries and museums, and other eligible licensed providers as defined by the State, or a consortium thereof, if defined as such by the State. However, while Preschool Development Grants funds may not be used to support religious activities as detailed in 34 CFR 75.52(d) and 34 CFR 80.36(j), faith-based organizations, whether or not they participate in the State's Preschool Development Grants program, retain their independence, autonomy, right of expression, religious character, and authority over their governance.

**B-17 Are private, including faith-based, Early Learning Providers *required* to participate in the Preschool Development Grants program?**

No. The Preschool Development Grants competition requirements do not require the participation of any Early Learning Provider, including private or faith-based providers. The Preschool Development Grants program is a voluntary competitive grant program. Faith-based organizations operating an early childhood education program are eligible to receive a subgrant under a State's Preschool Development Grant on the same basis as other entities providing such services in the State.

**B-18 Are Comprehensive Services required of High-Quality Preschool Programs similar to those required in Head Start?**

Yes. Early Head Start and Head Start comprehensive services meet children's needs across all domains of development that support school readiness including: education, health, mental health, nutrition, and family engagement. Services are individualized based on initial and ongoing assessment of children. Children with disabilities additionally receive special education and related services and are fully included in all aspects of the program.

These are similar to the requirements in the definition of Comprehensive Services in the Preschool Development Grants NIAs. In the Preschool Development Grants program, Comprehensive Services include screenings and referrals, family engagement, nutrition services, coordinated early intervention services, physical activity services, family community services, on-site coordination of services, and additional support services determined by the State.

**B-19 Can three-year-olds be served by the Preschool Development Grants program?**

No. Grant funds must be used for Eligible Children, which are defined as those who are four-years old and from families whose income is at or below 200 percent of the Federal Poverty Line. To determine a child's age, States should use their eligibility determination date for preschool in the year before kindergarten. States without a preschool program may use their eligibility determination date for kindergarten entry (e.g., if a child must be five years old by September 30 to be eligible for kindergarten, then a child must be four years old by September 30 to be eligible for preschool). However, three-year-old children may be served by the same Early Learning Providers

(i.e., in the same settings as Eligible Children), but must be supported through a different funding mechanism or source.

**B-20 What are the roles of a Subgrantee and Early Learning Provider?**

A Subgrantee is an Early Learning Provider that the State enters into a binding agreement with to implement and carry out a High-Quality Preschool Program in a High-Need Community or Communities as articulated in the State’s plan. An Early Learning Provider does not need to be engaged in the direct delivery of High-Quality Preschool Programs in order to be a Subgrantee. If a Subgrantee does not directly deliver High-Quality Preschool Programs, it may make arrangements through mechanisms authorized by State procurement laws, such as MOUs or contracts, for other Early Learning Providers to directly provide those services.

As stated in the definition in the NIA, an Early Learning Provider can be an LEA, charter school, educational service agency, Head Start program, licensed child care provider, municipality or other local government agency, tribe or Indian organization, institution of higher education, or other eligible provider as defined by the State, or a consortium thereof. For example, a municipality or tribal entity may be an Early Learning Provider if it arranges for the provision of preschool services, but does not directly deliver those services.

**B-21 May family child care home providers be included as Early Learning Providers?**

Yes. A State may include home providers of family child care, also known as “family, friend, and neighbor care,” in their State plan if the family child care home provider is a licensed provider and if the program implemented meets the definition of a High-Quality Preschool Program.

**B-22 May a non-profit organization that provides services to preschool providers (e.g., training, curriculum design) be considered an Early Learning Provider?**

No. A non-profit organization that provides services such as training and curriculum design does not meet the definition of Early Learning Provider for the purposes of the Preschool Development Grants program and providing High-Quality Preschool Programs. However, a non-profit organization could be contracted by the State or Subgrantee to support efforts in the State’s plan through such activities as training and curriculum design.

**B-23 Must a State have an operational State Longitudinal Data System that links early childhood data with the State’s kindergarten through grade 12 (K-12) data system in order to apply for a grant?**

No. This is a program requirement. As such, at the time of application, the State does not have to have these elements in place, but must agree to satisfy the program requirements during the course of the grant period.

Note that under Selection Criterion (C)(2)(b), applications will be reviewed on the extent to which the State has an ambitious and achievable plan to ensure program quality, including a description of how the State will implement a system for monitoring and supporting continuous improvement for each Subgrantee to ensure that each Subgrantee is providing High-Quality Preschool Programs (including through the use of a TQRIS or other existing monitoring system), including the extent to which the State is using a Statewide Longitudinal Data System that is able to track student progress from preschool through third grade.

**B-24 Must an applicant have a statewide Kindergarten Entry Assessment in order to apply?**

No. A State is not required to have a Kindergarten Entry Assessment in place at the time it submits its application. However, States that have an ambitious and achievable plan to ensure program quality, including by measuring the outcomes of participating children across the five Essential Domains of School Readiness during the first few months of their admission into kindergarten (which may include a Kindergarten Entry Assessment) will receive more points than those that do not. It is important to note that, under Selection Criterion (C)(3), such an assessment or assessments must conform to the recommendations of the National Research Council report on early childhood<sup>4</sup>.

**B-25 Must an applicant have all elements of the Early Learning and Development Standards in place in order to apply?**

No. The State does not need to have all elements of the Early Learning and Development Standards in place at the time it submits its application. Under Selection Criterion (C)(1)(a), grantees may use funds received under this grant for program infrastructure and quality improvements at the State level through activities such as enhancing or expanding Early Learning and Development Standards.

Note that under Selection Criterion (B)(1), however, States will be evaluated on the extent to which they have the capacity to both deliver and increase access to High-Quality Preschool Programs for Eligible Children and their families, as evidenced by, among other things, their implementation of State Early Learning and Development Standards.

**B-26 When must a State begin to serve children in High-Quality Preschool Programs?**

A State that receives a Preschool Development Grants--Expansion Grant must begin serving children by no later than the end of the first year of the grant (December 31,

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<sup>4</sup> National Research Council (2008). Early Childhood Assessment: Why, What, and How. Committee on Developmental Outcomes and Assessments for Young Children, C.E. Snow and S.B. Van Hemel, Editors. Board on Children, Youth, and Families, Board on Testing and Assessment, Division of Behavioral and Social Sciences and Education. Washington, DC: The National Academies Press. Available at: [www.nap.edu/catalog.php?record\\_id=12446](http://www.nap.edu/catalog.php?record_id=12446).

2015). A State that receives a Preschool Development Grants--Development Grant must begin serving children by no later than the end of the second year of the grant (December 31, 2016).

**B-27 Must the State have an operational State Advisory Council?**

No. Under Application Requirement (b), States must include in their application a letter of support from an operational State Advisory Council on Early Childhood Education and Care that meets the requirements described in section 642B(b) of the Head Start Act (42 U.S.C. 9837(b)) and Program Requirement (l). If the State does not have an operational State Advisory Council, the application must include a letter of support from a similar State council on early childhood education and care established by the State's legislature or assigned the duties of the State Advisory Council on Early Childhood Education and Care by the State's Governor that meets the requirements described in section 642B(b) of the Head Start Act (42 U.S.C. 9837(b)) and in Program Requirement (l). The letter must describe the council's level of support and, if applicable, participation in the grant.

**B-28 Are States required to ensure that part C and section 619 of part B of IDEA programs are involved in the activities proposed in the State's plan?**

Yes. To ensure that part C and section 619 of part B of IDEA programs are involved in the activities proposed in the State's plan, States must include a letter of support from an operational State Advisory Council on Early Childhood Education and Care, which must include State agency coordinators from both part C and section 619 of part B of IDEA. If the State does not have an operational State Advisory Council, the application must include a letter of support from a similar State council on early childhood education and care established by the State's legislature or assigned the duties of the State Advisory Council on Early Childhood Education and Care by the State's Governor that meets the requirements described in section 642B(b) of the Head Start Act (42 U.S.C. 9837(b)) as described in Application Requirement (b). Involving both part C and section 619 of part B of IDEA representatives in support of the grant will help ensure that part C and section 619 of part B of IDEA services are fully integrated into grant activities and that necessary supports and services are available to preschool children with disabilities and their families.

There are a number of ways in which section 619 of part B of IDEA programs are included in the implementation of the Preschool Development Grants. One of the elements of High-Quality Preschool Programs is the full inclusion of children with disabilities. To support this, the State must establish policies and procedures to ensure collaboration between Subgrantees and programs authorized by section 619 of part B of IDEA to ensure that Eligible Children with Disabilities in the High-Need Community are being appropriately identified and served in the least restrictive environment. Additionally, to ensure that Eligible Children with Disabilities have access to High-Quality Preschool Programs, the State must establish policies and procedures to ensure that the percentage of Eligible Children with Disabilities served by the High-Quality Preschool Programs is not less than either the percentage of four-year-old children served

statewide through part B, section 619 of IDEA, or the current national average, whichever is greater. Accordingly, the State, Subgrantees, and programs authorized by section 619 of part B of IDEA will be required to collaborate to implement High-Quality Preschool Programs in a way that meaningfully includes Eligible Children with Disabilities and ensures access to and full participation across learning opportunities. Selection Criterion (D)(4)(i) describes how applicants will be scored based on how they will ensure that they and the Subgrantee are coordinating the delivery of High-Quality Preschool Programs with services provided to Eligible Children with Disabilities being served under IDEA.

Furthermore, Program Requirement (k) states that the State Advisory Council on Early Childhood Education and Care must include the State agency coordinators from both IDEA part C and section 619 of part B. Program Requirement (a) states that the State must continue participating in both part C and section 619 of part B of IDEA. In addition, part C and section 619 of part B of IDEA are referenced throughout the selection criteria, program requirements, priorities, and definitions, including Selection Criteria (B)(5) and (G)(1).

**B-29 What does it mean for a High-Quality Preschool Program to provide for full inclusion of a child with a disability?**

In accordance with IDEA, children with disabilities ages 3 through 21 are entitled to a free appropriate public education in the least restrictive environment (LRE). The LRE provisions require that, to the maximum extent possible, children with disabilities should have access to the general education curriculum, along with learning activities and settings that are available to their peers without disabilities.

A High-Quality Preschool Program will provide access to and full participation in a wide range of learning opportunities and activities across all Essential Domains of School Readiness to Eligible Children with Disabilities. To the maximum extent possible, and in alignment with their individualized education programs, Eligible Children with Disabilities should be included in the High-Quality Preschool Program throughout the entire day and across all learning opportunities.

To support Eligible Children with Disabilities having access to and full participation in the High-Quality Preschool Program, modifications to the environment, multiple and varied formats for instruction, and individualized accommodations and supports may be necessary. These should be provided along a continuum to meet the needs of children with various types of disabilities and levels of severity. Special education and related services must be coordinated and integrated within the High-Quality Preschool Program as appropriate.

Within a High-Quality Preschool Program, the inclusion of Eligible Children with Disabilities should be not less than either the percentage of four-year-old children served statewide through part B, section 619 of IDEA, or the current national average,

whichever is greater, and should not include self-contained classrooms of children with disabilities.

**B-30 How should a State meet its enrollment requirements for the percentage of Eligible Children with Disabilities served by the High-Quality Preschool Programs?**

In accordance with IDEA, children with disabilities ages 3 through 21 are entitled to a free appropriate public education in the least restrictive environment. To ensure that children with disabilities are served in the least restrictive environment, under Program Requirement (k), the State must establish policies and procedures to ensure that the percentage of Eligible Children with Disabilities served by the High-Quality Preschool Programs is not less than either the percentage of four-year-old children served statewide through part B, section 619 of IDEA, or the current national average, whichever is greater. Further, within each High-Quality Preschool Program, the inclusion of Eligible Children with Disabilities should be in proportion to their presence in the population. These requirements are similar to requirements in the Head Start Act (42 U.S.C. § 9837, Section 640(d)(1)).

To meet these requirements, the State, Subgrantee, and programs authorized by section 619 of part B of IDEA must collaborate to establish policies and procedures to recruit, enroll, and identify Eligible Children with Disabilities in the High-Quality Preschool Program and ensure that Eligible Children with Disabilities are being served in the least restrictive environment. It is expected that the State's policies and procedures will allow High-Quality Preschool Programs to meet the enrollment requirements by both enrolling Eligible Children with Disabilities previously identified under IDEA and identifying Eligible Children with Disabilities after they enroll in the High-Quality Preschool Program, as the High-Quality Preschool Program may be the first opportunity for the child to participate in a Comprehensive Early Learning Assessment System.

Although the High-Quality Preschool Program will be expected to meet the enrollment requirements as early in the program year as possible, the initial identification of Eligible Children with Disabilities requires time for an evaluation and the development of an individualized education program. Therefore it is expected that the State's policies and procedures will allow the High-Quality Preschool Program to meet the enrollment requirements no later than the mid-point of the program year. The State's policies and procedures should ensure that each High-Quality Preschool Program documents how it met the enrollment requirements and maintained the enrollment of Eligible Children with Disabilities.

The State's policies and procedures must also require that a High-Quality Preschool Program provide a written rationale for not meeting the enrollment requirements relating to Eligible Children with Disabilities, including documentation of the specific steps taken and strategies used by the High-Quality Preschool Program to meet the enrollment requirements and how they worked with programs authorized by section 619 of part B of IDEA to recruit and identify Eligible Children with Disabilities.

The State must have policies and procedures in place to show how it will support High-Quality Preschool Programs in meeting the enrollment requirements and the types of technical assistance it will provide to High-Quality Preschool Programs that have difficulty meeting the requirement.

**B-31 What data should the State use to determine the percentage of four-year-old children receiving services under part B, section 619 of IDEA?**

As a requirement of IDEA section 618 data collections, State educational agencies (SEAs) administering part B of IDEA must annually report to ED the number of children receiving IDEA services. Specifically, SEAs must report the number of four-year-old children receiving special education and related services statewide under part B, section 619 of IDEA on the State-designated child count date (one day between October 1 and December 1) on an annual basis. SEAs report these data to ED in ED Facts file C089 via the EDEN Submission System (ESS).

ED annually calculates the percentage of children served statewide through IDEA as a percentage of the State's population. ED uses the population counts provided on the U.S. Census Bureau's American Fact Finder Web site (<http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>) for this calculation. ED encourages SEAs to use the number of children with disabilities (IDEA), age four, receiving special education and related services that is reported in the part B child count data in ED Facts file C089 as the numerator and the number of children in the population, age four, that is reported in the Census data as the denominator.

The State should work with the SEA to identify its most recent IDEA section 618 child count data to calculate the percentage of four-year-old children served statewide through part B, section 619 of IDEA. This data should be listed in the application and the State should describe how it will ensure that the percentage of Eligible Children with Disabilities served by the High-Quality Preschool Programs is not less than either the percentage of four-year-old children served statewide through part B, section 619 of IDEA, or the current national average, whichever is greater. Additionally, States should describe a plan to review their most recent IDEA section 618 child count data on an annual basis to calculate the percentage of four-year-old children served statewide through part B, section 619 of IDEA to determine if additional guidance should be given to the High-Quality Preschool Programs.

**C. Priorities, Definitions, and Selection Criteria**

**C-1 How do the priorities, definitions, and selection criteria increase the engagement of families of Eligible Children in their children's early learning and development?**

Family engagement strategies are encouraged throughout the priorities, requirements, definitions, and selection criteria. To receive a Preschool Development Grant, States are required in their applications to demonstrate that they have an ambitious and achievable plan to deliver High-Quality Preschool Programs that are evaluated on the basis on which they meet Program Standards, including the use of culturally and linguistically responsive

strategies to engage families and strengthen their capacity to support children’s learning and development. We also expect States to make available to Subgrantees professional development on effective family engagement designed to sustain improved early learning outcomes through the third grade.

**C-2 May funding be used in programs that implement various approaches to early education, such as Montessori, Reggio-Emilio, Waldorf, Head Start, and arts-based programs?**

Yes, provided that those programs meet the requirements of a High-Quality Preschool Program when serving children funded by a Preschool Development Grant. The Departments recognize the unique philosophies of various approaches to early education and welcome a diverse selection of Early Learning Providers to meet the needs of families and communities.

Any references made to specific Early Learning Providers are for illustrative purposes only and are not in any manner endorsements by the Departments. Note, in section XII of the application, we advise that because grantees must use appropriate procurement procedures to select contractors, applicants should not include information in their grant applications about specific contractors that may be used to provide services or goods for the proposed project if a grant is awarded.

**C-3 Can funding be used to support four-year-old children in mixed-age settings?**

Yes. Funds may be used to support High-Quality Preschool Programs for Eligible Children in a mixed-age classroom as long as the program meets the definition of a High-Quality Preschool Program, and grant funds are used only to serve Eligible Children.

**C-4 What are the priorities that an applicant must meet in order to receive a Preschool Development Grants award under each of the Preschool Development Grants--Development Grant and Preschool Development Grants--Expansion Grant categories?**

Preschool Development Grants--Development Grant Absolute Priority

In order to receive a Development Grant, a State must address in its application the absolute priority described below. A State will be determined to meet the absolute priority if a majority of the reviewers determine so. Only applications that meet the absolute priority will be considered for funding.

Absolute Priority 1: Building Capacity to Deliver, and Increasing Access to, High-Quality Preschool Programs.

To meet this priority, the State must demonstrate in its application how it will build capacity to deliver, and increase access to, High-Quality Preschool Programs for Eligible Children by having an ambitious and achievable plan to--

- (1) Begin serving Eligible Children no later than year two of the grant period;
- (2) Subgrant at least 65 percent of its Federal grant funds received over the grant period to one or more Subgrantees to implement and sustain voluntary, High-Quality Preschool Programs for Eligible Children in one or more High-Need Communities in the State; and
- (3) Use no more than 35 percent of its Federal grant funds received over the grant period to develop or enhance State Preschool Program infrastructure and make quality improvements at the State level, such as those described in Selection Criterion (C)(1), and build the capacity to deliver High-Quality Preschool Programs.

#### Preschool Development Grants--Expansion Grant Absolute Priorities

In order to be eligible to receive an Expansion Grant, a State must address, in its application, Absolute Priority 1 and either Absolute Priority 2 or Absolute Priority 3 (described below). A State will be determined to meet the absolute priorities if a majority of the reviewers determine so. Only applications that meet the absolute priorities will be considered for funding.

#### Absolute Priority 1: Increasing Access to High-Quality Preschool Programs in High-Need Communities.

To meet this priority, the State must demonstrate in its application how it will increase access to High-Quality Preschool Programs for Eligible Children by having an ambitious and achievable plan to--

- (1) Begin serving Eligible Children no later than in year one of the grant period;
- (2) Subgrant at least 95 percent of its Federal grant funds received over the grant period to one or more Subgrantees to implement and sustain voluntary, High-Quality Preschool Programs for Eligible Children in two or more High-Need Communities in the State; and
- (3) Use no more than five percent of its Federal grant funds received during the grant period for State-level infrastructure and quality improvements, such as those described in Selection Criterion (C)(1).

#### Absolute Priority 2: Race to the Top – Early Learning Challenge States.

To meet this priority, an applicant must have received an award under a Race to the Top – Early Learning Challenge competition.

Note: These States are California, Colorado, Delaware, Georgia, Illinois, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, North Carolina, Ohio, Pennsylvania, Rhode Island, Oregon, Vermont, Washington, and Wisconsin.

#### Absolute Priority 3: Non-Race to The Top – Early Learning Challenge States with More Robust State Preschool Programs.

To meet this priority, the applicant must not have received an award under a Race to the Top – Early Learning Challenge competition and must serve 10 percent or more of four-year-old children in a State Preschool Program.

Note: These States are Arkansas, Connecticut, District of Columbia, Florida, Iowa, Kansas, Louisiana, Maine, Nebraska, New York, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.<sup>5</sup>

**C-5 How will peer reviewers score the Absolute Priority in the Preschool Development Grants--Development Grants or the three Absolute Priorities in the Preschool Development Grants--Expansion Grants?**

The peer reviewers for either the Preschool Development Grant--Development Grants or the Preschool Development Grant--Expansion Grants will not assign scores for the Absolute Priority 1; rather, reviewers will make a recommendation as to whether an application meets or does not meet this Absolute Priority. The Absolute Priority cuts across the entire application and should not be addressed separately. The peer reviewers will assess applications against the Absolute Priority, after fully reviewing and evaluating the applications. In those cases where there is a disparity in the reviewers' assessments, the Absolute Priority is met only if a majority of the reviewers on a panel determine that an application meets the priority. If the Departments determine that an applicant has not met the Absolute Priority, the applicant will not receive an award.

In selecting Preschool Development Grant--Expansion Grants grantees, the Secretaries of Education and Health and Human Services may consider high-ranking applications meeting Absolute Priority 2 and Absolute Priority 3 separately to ensure that a variety of States benefit from the Preschool Development Grants program and that States that have received Race to the Top – Early Learning Challenge awards are not unfairly advantaged in this competition.

**C-6 How do applicants address the Competitive Preference Priorities?**

To meet the competitive preference priorities Contributing Matching Funds, Supporting a Continuum of Early Learning and Development, and Creating New High-Quality State-Preschool Program Slots, applicants must complete the narrative section identified in the application for each priority. Peer reviewers will consider the quality of those responses.

Specifically, for the Contributing Matching Funds competitive preference priority, peer reviewers will award a range of points based on the size of the match as described in the NIAs. Matching funds may be comprised of State, local, and philanthropic funds provided during the grant period and may also include increased State funding

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<sup>5</sup> Based on current data from: Barnett, W.S., Carolan, M.E, Squires, J.H., and Clarke-Brown, K. (May 2014). State of Preschool 2013: First Look (NCES 2014-078). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Available at: <http://nces.ed.gov/pubsearch>.

appropriated beginning in the State fiscal year prior to the first year of the grant period. More information on matching is provided in Section F. For the Supporting a Continuum of Early Learning and Development competitive preference priority, peer reviewers will award a range of points based on the applicant's response. Points for the Creating New High-Quality State Preschool Program Slots competitive preference priority will be awarded on an all or nothing basis.

**C-7 What does “Indian lands” mean as used in Selection Criteria (E)(8) and (F)(2)(d); Application Requirement (f); and Appendix A (Scoring Rubric)?**

Selection Criteria (E)(8) and (F)(2)(d); Application Requirement (f); and Appendix A (Scoring Rubric) refer to children who reside on “Indian lands” as that term is defined in section 8013 of the ESEA for the Impact Aid program. Section 8013 defines “Indian lands” as follows:

(5)(A)(ii) “[R]eal property that is not subject to taxation by any State or any political subdivision of a State due to Federal agreement, law, or policy, and that is—

- (I) held in trust by the United States for individual Indians or Indian tribes;
- (II) held by individual Indians or Indian tribes subject to restrictions on alienation imposed by the United States;
- (III) conveyed at any time under the Alaska Native Claims Settlement Act [43 U.S.C. 1601 et seq.] to a Native individual, Native group, or village or regional corporation;
- (IV) public land owned by the United States that is designated for the sole use and benefit of individual Indians or Indian tribes; or
- (V) used for low-rent housing, as described in Section 8013(10), that is located on land described in subclause (I), (II), (III), or (IV) of this clause or on land that met one of those descriptions immediately before such property's use for such housing; or

...

(5)(F) [A]ny real property located in the State of Oklahoma that--

(i) is owned by an Indian housing authority and used for low-income housing (including housing assisted under or authorized by the Native American Housing Assistance and Self-Determination Act of 1996 [25 U.S.C. 4101 et seq.]); and

(ii) at any time--

(I) was designated by treaty as tribal land; or

(II) satisfied the definition of Federal property under section 403(1)(A) of the Act of September 30, 1950 (Public Law 874, 81st Congress) (as such Act was in effect on the day preceding October 20, 1994).”

You may want to check with your SEA to see if it has a staff person assigned to Impact Aid issues and, if so, whether that person is familiar with the specifics regarding any Indian lands in your State.

**C-8 Do the Early Learning and Development Standards referenced in Selection Criterion (B)(1) and (C)(1)(a) support the maintenance of a child’s first language?**

As defined in the NIAs, the Early Learning and Development Standards described in Selection Criterion (B)(1) and (C)(1)(a) do not explicitly require that the standards support the maintenance of a child’s first language, but they must, among other things, be appropriate for English learners, cover all Essential Domains of School Readiness, and be developmentally, culturally, and linguistically appropriate.

While not explicitly encouraged or discouraged, there is nothing that would prevent States from developing and using statewide, high-quality Early Learning and Development Standards that support the maintenance of a child’s first language.

**C-9 How can a Subgrantee that is or is not an LEA demonstrate a strong partnership with an LEA or other Early Learning Providers, as appropriate, as referenced in Selection Criteria (E)?**

A Subgrantee that is not an LEA would need to demonstrate through its actions and policies that it has a strong partnership with the LEA or LEAs where its children transition into kindergarten in order to support the children’s transitions. These activities may include developing procedures for sharing data, providing teacher professional development on kindergarten standards and expectations, and working with LEAs to share facilities. Likewise, a Subgrantee that is an LEA would need to demonstrate a strong partnership with other Early Learning Providers in the community, for example, by engaging in collaborative teacher professional development and family engagement activities.

**D. Application Process and Submission Procedures**

**D-1 What is the application schedule?**

The timeline for the Preschool Development Grants competition is posted on our Web site at <http://www2.ed.gov/programs/preschooldevelopmentgrants/applicant.html>.

**D-2 Where can a prospective applicant obtain an application package for the FY 2014 Preschool Development Grants competition?**

The application package will be available on the Grants.gov Web site. Through the Grants.gov Web site, a prospective applicant can download a copy of either the Preschool Development Grants--Development Grants or the Preschool Development Grants--Expansion Grants application package, complete it offline, and then upload and submit the application. A prospective applicant may access the electronic grant applications for the competitions at [www.Grants.gov](http://www.Grants.gov). A prospective applicant must search for the downloadable application package for the Preschool Development Grants program by the CFDA number — 84.419. No alpha suffix should be included in the search for the

application. The application titles will indicate whether the application is specific to the “Development” or “Expansion” Preschool Development Grants competition.

**D-3 Will the Departments post a list and the applications of the States that submit FY 2014 Preschool Development Grants applications?**

Yes. Shortly after the deadline for the submission of FY 2014 Preschool Development Grants applications, the Departments will post on the Preschool Development Grants Web site the States that submitted applications. Additionally, we intend to post all applications submitted by the eligible States soon after the conclusion of the competition and once the appropriate redactions have been completed. Therefore, please limit the personally identifiable information, proprietary information, or other non-public information that you include in your application to enable the redaction process to be completed as quickly as possible.

**D-4 What technical assistance will the Departments offer to prospective applicants?**

The Departments will host a technical assistance Webinar for potential Preschool Development Grants--Development Grant applicants and for Preschool Development Grants--Expansion Grant applicants, in order to provide applicants with an orientation to the respective applications. Dates and additional details can be found on our Web site at <http://www2.ed.gov/programs/preschooldevelopmentgrants/applicant.html>. The purpose of the workshop will be to review the application requirements, selection criteria, and priorities in depth, and to answer States’ questions about the program, the NIA, and the application package. For those who cannot participate in the technical assistance Webinars, a link to a recording of the Webinar will be made available on the Preschool Development Grants Web site. The Departments may host additional conference calls or Webinars to answer applicant questions, if needed.

**D-5 Who will review the Preschool Development Grants applications?**

The Departments are identifying qualified external peer reviewers to evaluate applications for the Preschool Development Grants competition. These independent reviewers will be chosen from a pool of qualified educators, scholars, and other individuals knowledgeable in early learning and development. The Departments will require potential peer reviewers to indicate their degree of expertise or experience in areas such as: cross-sector systems-building, policy development, and administering a preschool program at Federal, State, regional, or local levels; research or professional development for preschool programs serving four-year-old children from families at or below 200 percent of the Federal Poverty Line; family engagement initiatives; providing comprehensive services; and direct service preschool teachers and/or administrators. In addition, the peer reviewers may have expertise in areas such as children with disabilities, English learners, and addressing the needs of children in rural areas. The Departments will thoroughly screen all reviewers for conflicts of interest to ensure a fair and competitive review process.

**D-6 Will reviewers’ comments for all applications be made public?**

Yes. The Departments plan to post reviewers' comments for each application--both successful and unsuccessful--on the Preschool Development Grants Web site soon after the conclusion of the competition. Also after the conclusion of the competition, we will release the names of reviewers who scored applications during the competition, although we will not link reviewers to the specific State applications they reviewed.

**D-7 Will peer reviewers review only portions of a State's application?**

No. All peer reviewers will review each full application assigned to them.

**D-8 What should a prospective applicant know about Grants.gov in order to register for and use Grants.gov to submit an application?**

When using Grants.gov, early registration is important. Grants.gov registration is a one-time process that may take five or more business days to complete. The document "Grants.gov Submission Procedures and Tips for Applicants" in the application package provides important submission procedures and references to further instructions for using Grants.gov, including:

1) REGISTER EARLY – Grants.gov registration may take five or more business days to complete. You may begin working on your application while completing the registration process, but you cannot submit an application until all of the registration steps are complete. For detailed information on the registration steps, please go to: [www.grants.gov/web/grants.register.html](http://www.grants.gov/web/grants.register.html). [Note: Your organization will need to update its SAM registration annually (formerly Central Contractor Registry (CCR)\*.)]

2) SUBMIT EARLY – We strongly recommend that you do not wait until the last day to submit your application. Grants.gov will put a date/time stamp on your application and then process it after it is fully uploaded. The time it takes to upload an application will vary depending on a number of factors including the size of the application and the speed of your Internet connection, and the time it takes Grants.gov to process the application will vary as well.

**D-9 Will stakeholder letters of support submitted directly to the Departments be considered as part of Preschool Development Grants applications?**

No. Under Applicant Requirement (b) and Selection Criterion (A), peer reviewers consider the strength of letters of support from stakeholders that a State submits as part of its application. To be considered, such letters must be included in a State's application. As with any question about a State's Preschool Development Grants application, stakeholders who wish to submit letters should contact their State Governor's office.

**D-10 Should a State include hyperlinks in its application?**

No. A State should not include hyperlinks to Web sites in its application. Peer reviewers will be instructed not to open or follow such hyperlinks. We understand that hyperlinks can be a convenient way to provide information. However, to ensure the integrity and

fairness of the competitive process, the peer reviewers will consider only information submitted as part of an application, by the application deadline. Because hyperlinks can be updated after the deadline for submitting applications, we will not consider them to be part of an application.

**D-11 Should a State format its application in color or in black and white?**

We recommend that States format their applications in black and white as we will print the applications in black and white for peer reviewers.

**D-12 Recommended page limits are provided throughout the application. Will an application be penalized for exceeding the recommended page limits?**

No. The recommended page lengths for narratives and appendices are not binding limits. Applicants will not be penalized for exceeding them. But keep in mind, from a reviewer's point of view, clarity matters and brevity will be appreciated.

**E. Budget and Uses of Funds**

**E-1 What are the allowable uses of funds associated with the costs of a *new* State Preschool Program slot?**

Funds that are provided to Subgrantees to implement and sustain High-Quality Preschool Programs must be used for the direct provision of High-Quality Preschool Programs for Eligible Children, and may include the following operational costs: staff salaries and benefits; instructional supplies, food, and building operations and maintenance; in-service training and professional development; individualized accommodations and supports for Eligible Children with Disabilities; Comprehensive Services; and program administration.

As specified in Program Requirement (l), funds, including any matching funds, cannot be used for construction, renovation, modernization, or other facilities-related activities. However, construction does not include "minor remodeling" as defined in 34 CFR 77.1(c). Under that definition, "minor remodeling" means, in general, minor alterations to a previously completed building. "Minor remodeling" does not include building maintenance and repairs and is an allowable expenditure to the extent it is necessary and reasonable for grant purposes, e.g. to ensure safe and appropriate environments for preschoolers.

**E-2 How may a State spend funds for the *improvement* of existing State Preschool Program slots to bring them to the level of a High-Quality Preschool Program slot?**

As specified in Program Requirement (m), for activities involved in improving existing State Preschool Program slots to meet the definition of High-Quality Preschool Programs, the State and each Subgrantee may spend grant funds, including any matching funds, if applicable, only on costs related to the improvements listed in Selection Criterion (D)(4)(b), which include extending programs from half-day to Full-Day; limiting class

size and decreasing child to staff ratios; employing and compensating a teacher with a bachelor's degree; providing in-service, evidence-based professional development such as coaching; or providing Comprehensive Services.

**E-3 For what types of State-level infrastructure and quality improvements can States use their grant funds?**

States may use up to their respective percentage of grant funds—up to 35 percent of Preschool Development Grants--Development Grant funds and up to 5 percent of Preschool Development Grants--Expansion Grant funds over the grant period—for activities that support the overall quality of the State Preschool Program infrastructure, such as teacher training and professional development, implementation of program standards, program coordination, monitoring and evaluation, and other activities that build or improve a State Preschool Program system.

**E-4 What budgetary information are States required to submit with their applications?**

States are required to submit budgetary information in both the application and in separate budget spreadsheets. In the application, States must provide the following budgetary information required in response to:

- A narrative response that addresses (A)(3) and (A)(7) and filling out Table A;
- A narrative response that addresses (B)(2) and filling out Table B; and
- The budget tables and narratives requested in the Budget Section of the application (Section VIII) and that address Selection Criterion (G)(1) and (G)(2).

States must also fill out and submit with their application the budget spreadsheets. States are responsible for transferring the information from these spreadsheets to the Budget Section of the application. These spreadsheets can be found on the Preschool Development Grants Web site at:

<http://www2.ed.gov/programs/preschooldevelopmentgrants/index.html>.

**E-5 What are the Excel spreadsheets referred to in the NIAs and application, and why are States required to submit them?**

The Departments have prepared a set of Excel spreadsheets that contain all budget tables States are required to fill out and submit as part of their application (See Section 5 of the application). However, applicants are required to download these Excel spreadsheets from the Preschool Development Grants Website at

<http://www2.ed.gov/programs/preschooldevelopmentgrants/index.html> and then upload them under Part 5: Other Attachments Form in Grants.gov. These Excel spreadsheets will:

- Guide States in developing their Preschool Development Grant budget;

- Help States produce overall statewide budgets that are accurate and consistent because the spreadsheets contain formulas that will automatically calculate the States' overall statewide budget tables; and
- When complete, help the Departments conduct budget reviews for the highest-scoring applicants prior to award.

The separate Excel spreadsheets contain detailed instructions to States on how to complete them when preparing their Preschool Development Grant budget. The Departments recommend that after downloading the Excel spreadsheets from the Preschool Development Grants Website, each applicant completes all the Excel spreadsheets, then uploads all Excel spreadsheets in their entirety into Part 5: Other Attachments Form in Grants.gov.

**E-6 What budgetary information will peer reviewers score?**

Peer reviewers will review and score only the budgetary information that a State includes in the narrative and Excel spreadsheet in its application. This information should include the State's narrative response to Selection Criterion (B)(2), (G)(1), and (G)(2), the State's completed Tables A and B, and any additional information the State refers to in its narratives and chooses to include in an appendix.

**E-7 Are States required to submit MOUs with each Subgrantee as part of their applications?**

Preschool Development Grants--Development Grants

No. States applying for Preschool Development Grants--Development Grants are not required to submit MOUs as part of their applications. However, as explained in Selection Criterion (D)(1), a Development Grant applicant that has already selected each High-Need Community to be served and presents evidence of its Subgrantees' participation through a letter of support or preliminary MOU will be eligible for additional points.

Preschool Development Grants--Expansion Grants

Yes. Under Application Requirement (e), a State applying for the Preschool Development Grants--Expansion Grants *must* submit a letter of support or preliminary binding agreement, such as a preliminary memorandum of understanding (MOU), from each identified Subgrantee attesting to the Subgrantee's participation. The Departments have included a model final MOU in the application package to assist grantees in fulfilling Program Requirement (i), which requires the State to submit a signed MOU or other binding agreement between the State's Lead Agency and each Subgrantee within 90 days after receiving an award.

**E-8 How may a State include indirect costs in its FY 2014 Preschool Development Grants budget?**

A State may apply its indirect cost rate against subawards only to a very limited extent. Specifically, a State may apply its approved indirect cost rate only against the first \$25,000 of each subaward (i.e., each subgrant or contract) on a yearly basis, and not against the full amount of each subaward. Therefore, for example, a State may apply its indirect cost rate only against the first \$25,000 of each subgrant included in line 6 (Contractual) of the Budget Summary Tables. As part of a grantee's budget review and ongoing implementation, the Departments will determine whether a State has allocated the appropriate portion of its Preschool Development Grant to Subgrantees, as specified in Absolute Priority 1.

For more information about indirect cost rates, please refer to ED's *Cost Allocation Guide for State and Local Governments*. This guide may be found at: <http://www2.ed.gov/about/offices/list/ocfo/fipao/guideigcwebsite.pdf>.

**E-9 May Subgrantees charge indirect costs? For a subrecipient to charge indirect costs, would it first have to have an approved indirect cost rate?**

Yes. Subrecipients (entities receiving subawards from a State Preschool Development Grants grantee) may charge indirect costs to their Preschool Development Grants awards, subject to the limitations of applicable Federal and State rules regarding indirect costs. Under a Preschool Development Grant a State may make subawards through MOUs, interagency agreements, contracts, or other mechanisms authorized by State procurement laws, or through subgrants to its specified Subgrantees.

If a subrecipient of Preschool Development Grants funds is an LEA, it may charge indirect costs to its Preschool Development Grants subaward under the LEA's indirect cost rate, which is generally approved annually by its SEA. If a subrecipient other than an LEA has an indirect cost rate approved by the cognizant Federal agency or approved by the State under a delegation agreement between the State and the cognizant Federal agency, then it must apply the approved rate. If a subrecipient does not have an approved indirect cost rate, the State must ensure that the indirect costs the subrecipient proposes to charge are reasonable and necessary to the subrecipient's performance under the Preschool Development Grant, and comply with all applicable State and Federal rules. States are responsible for ensuring that each Preschool Development Grant subrecipient charges only reasonable and allowable indirect costs to the Preschool Development Grants. Please note that although the approved rate is the maximum rate that a subrecipient may apply, a subrecipient may choose to apply a lesser rate. The grantor will expect States to regularly monitor subrecipients charging indirect costs to the grant to ensure that the costs charged are reasonable and necessary to performance under the grant.

Please note that States and subrecipients may apply their approved or recognized indirect cost rate only against the first \$25,000 of any contract or subgrant, and only under circumstances that require meaningful administrative support in distributing and handling the contracted or subgranted funds.

**E-10 What are the rules that govern the amount of Preschool Development Grant funds that a grantee or Subgrantee may draw down at any one time?**

A State must have an effective system for managing the flow of funds that ensures funds may be drawn down as needed to pay program costs and that also minimizes the time that elapses between the transfer of the funds and their disbursement by the grantee or subrecipient, in accordance with U.S. Treasury regulations at 31 CFR 205 (see 34 CFR 80.21(b)). When advances are made by letter of credit or electronic transfer of funds, the grantee must make drawdowns of grant funds as close as possible to the time of disbursement and must ensure that Subgrantees adhere to a similar standard. Grantees and subrecipients must promptly, but at least quarterly, remit to ED any interest earned on advances (34 CFR 80.21(i)). Additionally, as required by 34 CFR 80.20 and OMB Cost Circular A-87, a grantee must keep adequate records of all salaries and wages charged to the grant. ED will take appropriate actions against grantees and subrecipients that fail to comply with these requirements.

**E-11 How must a grantee account for Preschool Development Grants funds?**

Consistent with 34 CFR 80.20(a), each grantee must expend and account for grant funds in accordance with State laws and procedures and, among other things, must maintain fiscal control and accounting procedures sufficient to permit the tracing of grant funds to a level of expenditures adequate to establish that such funds have been used for allowable costs. Similarly, each grantee must ensure that its Subgrantees adhere to this same standard and that all grant and subrecipient costs incurred using grant funds are necessary and reasonable.

As such, a grantee must not commingle grant funds with other funds under control of the grantee, even if such other funds are used for similar purposes. Allowable activities may be funded from multiple funding sources; however, grantees must ensure that funds are accounted for separately. In this context, commingling means combining funds without maintaining separate accounting records for each funding source. The burden of proof is on the grantee to establish that any grant costs incurred are necessary and reasonable.

**E-12 How must States use the \$25,000 annual set aside for technical assistance?**

Under Program Requirement (b), grantees must use the technical assistance set-aside funds for travel expenses to meetings held by the Departments. Grantees must continue to hold these funds in reserve pending further guidance from the Departments after grants are awarded on additional uses of these funds. These funds may not be used to provide technical assistance to local early learning programs and other stakeholders.

**E-13 May a grantee use Preschool Development Grant funds to pay for activities (such as increasing access to and improving the quality of preschool programs) that were funded by another program prior to the State receiving a Preschool Development Grant?**

Yes. Preschool Development Grant funds may be used to supplement any Federal, State, or local funds that, in the absence of the funds awarded under a Preschool Development Grant, would be available for increasing access to, and improving the quality of, early learning and development programs.

However, in no case may Preschool Development Grant funds be used to supplant--*i.e.*, take the place of--funds from Federal, State, or local sources available for these purposes. Unlike many supplement, not supplant provisions, a grantee cannot use Preschool Development Grant funds to supplant other Federal funds, as described in Program Requirement (i).

**E-14 How does the “supplement not supplant” requirement work (see Program Requirement (b))?**

At the State level

All State applicants are required to ensure that neither they nor their Subgrantees violate this program’s non-supplanting requirements. A State may use these grant funds only to the extent that the grant funds and the non-Federal match, if applicable, would supplement the total amount of funding, regardless of whether from Federal, State, or other sources, provided for preschool services for any type of cost, including implementation and infrastructure costs.

For example, if a State has been providing \$1 million per year to build a State early learning data system and intends to continue that level of funding in future years, it would be supplanting if the State reduced the level of its financial contribution after it received a Preschool Development Grant.

At the Subgrantee level

Subgrantees may use these grant funds only to the extent that the grant funds and the non-Federal match, if applicable, would supplement the total amount of Federal, State, and local funding provided to support preschool programs.

For example, if a county has been providing \$500,000 per year for the implementation of High-Quality Preschool Programs for low- and moderate-income children and intends to continue that level of funding in future years, it would be supplanting if it reduced the level of its financial contribution after it received grant funds from the State.

Please see Program Requirement (a) and B-6 for information about the other programs that a State must participate in if it receives a Preschool Development Grant.

**E-15 Is there a maintenance-of-effort requirement for Preschool Development Grants?**

No. There is no specific maintenance-of-effort requirement for this program, even though, as described in Program Requirement (b) and E-14, there is a supplement not supplant requirement. If a State, however, is using funds from *another* funding source to

support elements of its Preschool Development Grants plan, the State must comply with all applicable requirements associated with that funding source, including any maintenance-of-effort requirements.

In addition, each State that receives a Preschool Development Grant will be responsible for implementing its ambitious and achievable plan, including meeting its stated goals for expanding the number and percentage of Eligible Children served by High-Quality Preschool Programs. While there is no specific maintenance-of-effort requirement for this program, we strongly encourage States during and after the grant period not only to implement with fidelity, but to sustain and build on the strengths of their existing programs to improve the quality of, and ultimately deliver, a coordinated set of services and experiences that support young children's success in school and beyond.

## **F. Matching Funds**

### **F-1 What funds can a State use that will qualify as matching funds if a State chooses to address the competitive preference priority Contributing Matching Funds?**

Only contributions from non-Federal sources count towards the match. Contributions may be cash or in-kind. Existing private-sector support may count towards the match so long as these funds are reallocated in support of the project for which the applicant seeks funding and the applicant can provide appropriate evidence of this commitment. Matching funds may come from either a single entity or multiple entities.

If a State chooses to address the competitive preference priority, the matching funds or in-kind donations must be provided from non-Federal sources, such as increased State funding appropriated beginning in State fiscal year prior to the first year of the grant period, local funds, and philanthropic funds, consistent with the requirements of ED's administrative regulations on matching funds in 34 CFR 80.24.

As discussed in E-14, the matching funds must be in addition to the State or local funds that would otherwise be available for improving the quality of State Preschool Programs and increasing access to High-Quality Preschool Programs. The Departments generally consider that State and local funds would be available for this purpose at least in the amount that was available in the preceding comparison year and that the Federal funds and matching non-Federal funds under this program would supplement that amount.

### **F-2 May volunteer services count towards the private-sector match?**

Yes. Volunteer services may count as an in-kind contribution under Education Department General Administrative Regulations (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.

**F-3 May discounts on services or materials count towards the private-sector match?**

Yes. Discounts on services or materials may count towards the match as in-kind contributions if the contributions are consistent with ED's regulations set forth in 34 CFR 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 Preschool Development Grant [*See* 34 CFR 80.24(b)(7)]. Applicants should refer to ED'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.

**F-4 May a grantee procure goods or services from a private-sector entity that also provides funds or in-kind donations towards the non-Federal match?**

Yes. A private-sector entity that provides funds or in-kind donations to a Preschool Development Grant grantee is not prohibited from also providing goods or services through a procurement relationship with the grantee. However, as discussed in Section G of these FAQs, grantees obtaining goods or services that are necessary to carry out their projects must follow the applicable procurement rules in EDGAR.

**F-5 May an applicant count toward the match non-Federal funds or in-kind donations expended prior to receipt of a Preschool Development Grant?**

No. In order to count toward the matching requirement, funds or in-kind donations from non-Federal sources, must be expended during the project period. However, an applicant may count existing non-Federal support towards the required match so long as these funds are reallocated in support of the Preschool Development Grant, the applicant can provide appropriate evidence of this commitment, and this support is expended during the Preschool Development Grant project period (*See* F-8).

**F-6 Is there a limit on the amount of in-kind donations an applicant may count towards the match?**

No. An applicant may meet the 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 matching requirement.

**F-7 Must an applicant have matching funds or in-kind contributions in hand or simply committed by the time of the grant award?**

Applicants are not required to have the full match in hand at the time of the award. A grantee may arrange for the match to be provided throughout the project period of the grant. A grantee under the program that does not ultimately receive or spend the match during its project period may be subject to enforcement actions, including placement on high-risk status, withholding or suspension of funds, or denial of a continuation award. The Departments will monitor, throughout the project period, the amount of matching funds and in-kind contributions grantees are receiving and expending to ensure they are on track to meeting their commitments.

**F-8 What documentation may a highest-rated applicant submit 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 a Preschool Development Grant.

**F-9 Can State matching funds include existing State funding for preschool programs or does it have to be new funds specifically tied to the Federal funds?**

Matching funds may be comprised of State, local, and philanthropic funds and include increased State funding appropriated beginning in the State fiscal year prior to the first year of the grant period.

**F-10 For applicants for Preschool Development Grants--Development Grants and Preschool Development Grants--Expansion Grants, must a State allocate its matching funds between Subgrantees and State-level infrastructure according to the prescribed breakdown under Absolute Priority 1?**

No. To meet Absolute Priority 1, applicants for Preschool Development Grants--Development Grants must subgrant at least 65 percent of the Federal funds received to Subgrantees to implement High-Quality Preschool Programs and must use no more than 35 percent of the Federal funds received to develop or enhance State Preschool Program infrastructure. Applicants for Preschool Development Grants--Expansion Grants must subgrant at least 95 percent of the Federal funds received to Subgrantees to implement High-Quality Preschool Programs and must use no more than 5 percent of the Federal

funds received to develop or enhance State Preschool Program infrastructure. However, matching funds do not need to conform to these breakdowns of funds. Reviewers will evaluate how a State proposes to use its total funds in evaluating the overall strength of the State's ambitious and achievable plan.

**F-11 Can matching funds only be spent on allowable costs under the Preschool Development program?**

Yes. Under EDGAR section 80.24, matching funds can only be spent on allowable costs under the Preschool Development Grant program. Allowable uses of Preschool Development Grant funds are explained in Section E of the FAQs and in the NIAs.

**G. Accountability and Reporting Requirements**

**G-1 What are the reporting requirements for Preschool Development Grants?**

A State receiving Preschool Development Grant funds must submit an annual report that includes, in addition to the standard elements, a description of the State's progress to date on its goals, on meeting its timelines, and on its adherence to budgets, as well as a description of actual performance compared to the annual targets the State established in its application with respect to each performance measure. For more details, see the reporting requirement published in section VI.3 of the NIAs. We will provide additional information and technical assistance on completing the annual report at a later date.

**G-2 Does the receipt of Preschool Development Grant funds require recipients to comply with Federal civil rights laws?**

Yes. States receiving Federal Preschool Development Grant funds must comply with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age. State agencies, intermediary organizations, and local providers receiving Preschool Development Grant funds from the Lead State Agency must also comply with Federal civil rights laws.

**G-3 Are States accountable for the commitments that they propose in their applications?**

Yes. States are accountable for meeting the goals, timelines, budgets, and targets established in their applications and should adhere to a drawdown schedule that is tied to meeting those goals, timelines, budgets, and targets. In addition the Departments will review a State's performance against these items on a regular basis. If a State receives a grant, it is conceivable that it may need to make some revisions, provided that such revisions do not change the overall scope and objectives of the approved proposal.

Significant changes to a proposal could affect the State's ability to deliver on its grant goals or affect the scope of its grant proposal. Such changes would need to be reviewed and considered on a case-by-case basis by the Departments, and could result in changes in, or possible partial or complete termination of, the State's grant. Based on the grant

condition documents for this program, States must inform and seek the prior approval of the Departments on any substantive changes in their approved grant applications.

If a grantee or subgrantee fails to comply with requirements governing the funds, the Departments may, consistent with applicable administrative procedures, take one or more enforcement actions, including withholding or suspending, in whole or part, funds awarded under the program, or recovering misspent funds following an audit.

**G-4 What are the reporting requirements for the Federal Funding Accountability and Transparency Act (FFATA) and the ARRA?**

For new Federal grants as of October 1, 2010, if the initial award is equal to, or more than \$25,000, reporting of subaward and executive compensation data under FFATA is required. Grantees, referred to as “prime awardees,” must report using the FFATA Subaward Reporting System (FSRS), and must, therefore, register in FSRS. The key FFATA data reporting elements are: name of entity receiving award; amount of award; funding agency; Catalog of Federal Domestic Assistance (CFDA) program number for grants; program source; award title; and location of the entity. To facilitate subaward reporting, the prime awardee must report information related to a subaward by the end of the month following the month the subaward or obligation was made. Similarly, the prime awardee must report the subawardee’s executive compensation data by the end of the month following the month the award or obligation was made. Additional information about FFATA reporting is available on the FSRS Web site at: [www.fsrs.gov/](http://www.fsrs.gov/), which includes links to FFATA FAQs and the Office of Management and Budget Guidance on FFATA.

Unlike grantees under the Race to the Top State Competition, Preschool Development Grants grantees do not need to meet the reporting requirements that apply to ARRA-funded programs, such as quarterly reports under section 1512(c) of the ARRA (ARRA division A, section 1512(c)).

**H. Resources and Information**

**H-1 Where can one obtain updated information or answers to questions about the Preschool Development Grants program?**

The Departments will post updated information about the FY 2014 Preschool Development Grants program on the Preschool Development Grants Web site at: <http://www2.ed.gov/programs/preschooldevelopmentgrants/index.html>.

You may submit specific questions about the FY 2014 Preschool Development Grants competition to the following e-mail address: [PreschoolDevelopmentGrant@ed.gov](mailto:PreschoolDevelopmentGrant@ed.gov). We encourage eligible applicants to submit questions and will make every effort to respond promptly.