

# Archived Information

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## Investing In Innovation Fund (i3) Frequently Asked Questions ADDENDUM #4 April 30, 2010

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*Please note that the following FAQs are an addendum to the FAQs published on April 21, 2010. The FAQs below have been incorporated into the relevant sections of the April 21, 2010 FAQs and the revised document is also now posted on the i3 website at <http://www2.ed.gov/programs/innovation/faq.html>.*

### A. OVERVIEW OF THE i3 PROGRAM.

**A-19. Is there a minimum amount of funds that an eligible applicant must request in its application for an i3 grant?**

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

### B. ELIGIBILITY TO RECEIVE AN AWARD.

**B-21. To be eligible to receive an i3 grant, must an eligible applicant currently implement the project that it is proposing in its application?**

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

### C. OTHER QUESTIONS RELATED TO ELIGIBILITY AND PARTICIPATION IN THE i3 PROGRAM.

**C-20. Will the Department provide a list of LEAs that are eligible to apply for an i3 grant under section 14007(a)(1)(A) of the ARRA?**

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

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

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

**C-21. May an applicant partner with an entity located in another State?**

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

**E. MATCHING REQUIREMENT.**

**E-16. What is meant by “private sector?”**

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

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

**E-17. Is there a limit on the amount of in-kind donations an eligible applicant may count towards the 20 percent matching requirement?**

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

**E-18. May an i3 grantee procure goods or services from a private-sector entity that also provides funds or in-kind donations to meet the i3 grantee’s 20 percent private-sector match?**

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

**E-19. May an eligible applicant count toward the 20 percent matching requirement private-sector funds or in-kind donations expended prior to receipt of an i3 grant?**

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

**E-20. Which funds should an applicant list when completing Section B of ED Standard Form 524?**

An applicant for an i3 grant must complete ED Standard Form 524, including Section B (Budget Summary Non-Federal Funds). In Section B, an applicant should show the funds or in-kind donations it proposes to use to meet the 20 percent matching requirement as well as any other non-Federal funds or in-kind

donations that it proposes to use to support its i3 project. An applicant need not have secured matching funds or in-kind donations in order to show those funds or donations in Section B. If an applicant is submitting with its application a request for a reduction of the private-sector matching requirement, the applicant may show in Section B the amount of non-Federal funds or in-kind donations it intends to use to support its i3 project consistent with that request.

## **F. EVIDENCE.**

### **F-15. Must the research evidence that an applicant submits to support a proposed project for a Development grant focus on the same practice, strategy, or program that the applicant proposes in its application?**

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

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

### **F-16. May an eligible applicant use prior research conducted by another entity (i.e., an entity that is not an official partner) to satisfy the standards of evidence for its proposed project?**

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

## **H. PROCESS FOR SELECTING GRANTEES.**

### **H-12. Has the Department predetermined the number of awards it will make under each absolute priority?**

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

**H-13. Is the Department giving special consideration to novice applicants under this i3 competition?**

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

**L. OTHER MATTERS.**

**L-15. May an entity that did not submit a “notice of intent to apply” still submit an i3 application?**

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

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

**L-16. May an i3 grantee coordinate its i3 project with efforts supported by other Federal funds?**

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

**L-17. How may an i3 grantee draw down grant funds to pay for expenses related to implementing its grant?**

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

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

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<sup>1</sup> Under 34 CFR 75.225, a novice applicant is an applicant that has never received a grant or subgrant (or been a member of a group that received a grant) under the program from which it is seeking funds and has not had an active discretionary grant from the Federal government in the five years before the deadline date for applications under the program.

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

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

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

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

#### **M. SELECTION CRITERIA.**

##### **M-11. How do Selection Criterion B (Strength of Research, Significance of Effect, and Magnitude of Effect) and Selection Criterion C (Experience of the Eligible Applicant) differ?**

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

#### **N. ALLOWABLE USE OF FUNDS.**

##### **N-17. Can an i3 grantee use its grant funds to purchase real property?**

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

**N-18. May a grantee under the i3 program copyright intellectual property that it developed with funds from its i3 grant?**

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

However, the Department of Education is authorized to publish and distribute any copyrightable materials produced with Department grant funds even if a grantee or other party copyrights those materials. With regard to grants and subgrants awarded to LEAs and consortia of schools, the Department:

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

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

34 CFR 80.34.

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

[H]as the right to:

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

34 CFR 74.36(c).

**O. PRIORITIES.**

**O-12. In order to meet Absolute Priority 1, must an application include practices, strategies, or programs that are designed to increase both the number of highly effective teachers and the number of highly effective principals?**

No. As stated in the NFP:

Under [Absolute Priority 1], the Department provides funding to support practices, strategies, or programs that are designed to increase the number or percentages of teachers *or* principals who are highly effective teachers *or* principals or reduce the number or percentages of teachers *or* principals who are ineffective, especially for teachers of

high-need students, by identifying, recruiting, developing, placing, rewarding, and retaining highly effective teachers *or* principals (or removing ineffective teachers or principals). [emphasis added]

**O-13. How should an eligible applicant addressing Absolute Priority 1 evaluate teacher or principal effectiveness?**

The NFP states that:

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

**O-14. Under Absolute Priority 3, what is meant by “standards?”**

“Standards” refers generally to academic content standards in core academic subjects and include the content standards States are required to develop in mathematics, English language arts, and science under section 1111(b) of the ESEA.<sup>2</sup>

**O-15. May an eligible applicant propose a practice, strategy, or program under Absolute Priority 3 that focuses only on a subset of standards in a core academic subject?**

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

**O-16. To receive competitive preference points under Competitive Preference Priority 5, must an eligible applicant propose a practice, strategy, or program that includes all the elements in the priority?**

Yes. The NFP states that:

To meet this priority, applications must focus on (a) improving young children’s school readiness (including social, emotional, and cognitive readiness) so that children are prepared for success in core academic subjects (as defined in section 9101(11) of the ESEA); (b) improving developmental milestones and standards and aligning them with appropriate outcome measures; *and* (c) improving alignment, collaboration, and transitions between early learning programs that

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<sup>2</sup> The Department interprets the core academic subject of “science” under section 9101(11) of the ESEA to include STEM education (science, technology, engineering and mathematics) which encompasses a wide-range of disciplines, including computer science.

serve children from birth to age three, in preschools, and in kindergarten through third grade. [emphasis added]

**O-17. To receive competitive preference points under Competitive Preference Priority 6, must an eligible applicant propose a practice, strategy, or program that serves students in all elementary and secondary grades or may it focus on a particular grade or grades?**

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

We give competitive preference to applications for projects that would implement innovative practices, strategies, or programs that are designed to enable kindergarten through grade 12 (K–12) students, particularly high school students, to successfully prepare for, enter, and graduate from a two- or four-year college. To meet this priority, applications must include practices, strategies, or programs for K–12 students that (a) address students’ preparedness and expectations related to college; (b) help students understand issues of college affordability and the financial aid and college application processes; and (c) provide support to students from peers and knowledgeable adults.

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

**O-18. To receive competitive preference points under Competitive Preference Priority 7, must an eligible applicant propose a practice, strategy, or program that serves both students with disabilities and limited English proficient students?**

No. The NFP states that:

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