

**U.S. Department of Education
Office of Elementary and Secondary Education
Academic Improvement and Teacher Quality Programs
Washington, D.C. 20202-6200**

Fiscal Year 2011

**Outlying Areas
American Samoa, Guam, Northern Marianas, and U.S. Virgin Islands
Application for New Grants Under
the Striving Readers Comprehensive Literacy Program**

CFDA 84.371C



Dated Material - Open Immediately

Closing Date: April 25, 2011

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United States Department of Education
OFFICE OF ELEMENTARY AND SECONDARY EDUCATION
ACADEMIC IMPROVEMENT AND TEACHER QUALITY PROGRAMS

Dear Colleague:

Thank you for your interest in the Striving Readers Comprehensive Literacy program, administered by the Office of Elementary and Secondary Education of the U.S. Department of Education (Department).

The goal of Striving Readers Comprehensive Literacy (SRCL) is to advance literacy skills—including pre-literacy skills, reading, and writing—for students from birth through grade 12, including limited English-proficient students and students with disabilities.

Grants to the outlying areas (American Samoa, Guam, Northern Marianas, and U.S. Virgin Islands) under this program must align with a comprehensive literacy plan designed to improve student outcomes and have the characteristics of an effective literacy program such as professional development, screening and assessment, targeted interventions for students reading below grade level, and other research-based methods of improving classroom instruction and practice.

Please take the time to review the application instructions, including the program requirements and selection criteria.

In fiscal year 2011, the Department will award the outlying areas (as defined above) the following:

- American Samoa \$253,800
- Guam \$312,967
- Northern Marianas \$92,190
- U.S. Virgin Islands \$341,043

The Department expects to award these grants in May 2011.

Please visit our program website at <http://www2.ed.gov/programs/strivingreaders-literacy> for further information. If you have any questions about the program after reviewing the application package, please contact Miriam Lund by telephone at (202) 401-2871 or via e-mail at miriam.lund@ed.gov.

Sylvia Lyles
Acting Director
Academic Improvement and Teacher Quality

Program Background Information

PURPOSE OF THE PROGRAM

The purpose of the Striving Readers Comprehensive Literacy (SRCL) program is to advance literacy skills, including pre-literacy skills, reading, and writing, for students from birth through grade 12, including limited English-proficient students and students with disabilities.

LEGISLATION

The SRCL program was funded by the FY 2010 Consolidated Appropriations Act (Pub. L. No. 111-117) under the Title I demonstration authority (Part E, Section 1502 of the Elementary and Secondary Education Act (ESEA)). The FY 2010 Appropriations Act provides \$200 million under Section 1502 of the ESEA for a comprehensive literacy development and education program to advance literacy skills for students from birth through grade 12 including pre-literacy skills, reading and writing, including limited-English-proficient students and students with disabilities.

The Act reserves one-half of one percent for the Secretary of Interior for the Bureau of Indian Education, one-half of one percent for the outlying areas, and up to five percent for national activities conducted by the Secretary of Education. The remaining funds must be used for competitive awards to State educational agencies of which up to five percent may be used for State leadership activities and not less than 95 percent shall be awarded as subgrants to local educational agencies or other entities serving greater numbers or percentages of disadvantaged children.

The Act also reserves \$10 million for formula grants to assist States in creating or maintaining a State Literacy Team with expertise in literacy development and education for children from birth through grade 12 and to assist States in developing a comprehensive literacy plan.

Entities receiving comprehensive literacy program funds must use it for services and activities that have the characteristics of effective literacy instruction through professional development, screening and assessment, targeted interventions for students reading below grade level and other research-based methods of improving classroom instruction and practice.

Applicant Guide

Striving Readers Comprehensive Literacy (SRCL) is a grant program that is directly administered by the U.S. Department of Education (the Department). The outlying areas will submit an application that complies with SRCL statutory requirements and addresses the grant proposal criteria.

Funds will be distributed to outlying areas once all application materials have been submitted to the Department. The Department anticipates distributing funds no later than May 2011.

STATUTORY REQUIREMENTS

The FY 2010 Consolidated Appropriations Act (Pub. L. No. 111-117) provides the outlying areas funding for—

“...a comprehensive literacy development and education program to advance literacy skills for students from birth through grade 12 including pre-literacy skills, reading and writing, including limited-English-proficient students and students with disabilities.”

PRIORITIES

The Secretary has established in the *Federal Register* application notice three (3) priorities for the FY 2011 Striving Readers Comprehensive Literacy program. Under 34 CFR 75.105(c)(3) State competitive applications include these priorities. Although the outlying areas are not eligible and are, therefore, not participating in the competitive SRCL grant application process, the Department expects the outlying areas to consider the Secretary’s Priorities when responding to the application elements.

The Priorities include:

Priority 1: Improving Learning Outcomes.

To meet this priority, an applicant must propose a project that is designed to improve school readiness and success in the area of language and literacy development for disadvantaged students (as defined in this application).

Background on this priority: Increasing success in the language and literacy development of disadvantaged students is essential to improving academic achievement for these students in all content areas. Unfortunately, disproportionately large numbers of disadvantaged students struggle with developing the necessary pre-literacy and literacy skills needed to read, comprehend, and use language effectively. This results in persistent gaps in academic achievement and graduation, and presents civic and economic difficulties for these students later in life. Meeting the language and literacy needs of disadvantaged students, including limited-English-proficient students and students with disabilities, is a particular focus of the SRCL program.

Priority 2: Enabling More Data-Based Decision-Making.

To meet this priority, an applicant must propose a project that is designed to collect, analyze, and use timely data, especially on program participant outcomes, to improve instructional practices, policies, and student outcomes in early learning settings and in schools.

Background on this priority: Accurate, timely, relevant, and appropriate data, and the effective use of that data for informed decision-making, are essential to the continuous improvement of children’s literacy and language development. In developing comprehensive literacy plans and programs, States must consider strategies that provide educators, as well as families and other key stakeholders, with the data they need and the capacity and training to use those data to improve school readiness, respond to the learning and academic needs of students, improve educator effectiveness, inform professional development practices and approaches, and make informed decisions that increase student literacy and language development.

Priority 3: Effective Use of Technology.

To meet this priority, an applicant must (1) propose to use technology—which may include technology to support principles of universal design for learning (as defined in this application)—to address student learning challenges; and (2) provide, in its application, a rationale, based on research findings, that its proposed technology program, practice, or strategy will increase student engagement and achievement or increase teacher effectiveness.

Background on this priority: The effective use of technology is a critical tool for improving learning outcomes and providing professional development. Use of concepts, ideas, programming techniques, and computer-assisted text displays that give access to the text for students who cannot access traditional print, including limited-English-proficient children and students with disabilities, is a basic tenet of universal design for learning (as defined in this application) and can help improve students’ literacy and language development and identify and address student learning challenges.

APPLICATION CRITERIA

(A) Literacy Team The outlying area will describe how it will establish or support a Literacy Team with expertise in literacy development and education for children from birth through grade 12 to assist the outlying area in developing a comprehensive literacy plan (as defined in this application).

(B) Quality of program activities. The outlying area will describe:

(i) How it will implement a comprehensive literacy program and how it will align those activities with its comprehensive literacy plan.

(ii) Its goals for improving student literacy outcomes for all students, including disadvantaged students and a description of how the outlying area proposes to implement activities in schools and early learning programs with the highest levels of need and capacity for improvement.

(iii) How the comprehensive literacy plan is informed by the needs of its children from birth through grade 12 and is designed to support effective teaching and to improve student achievement of struggling readers.

(iv) The evidence base for the curricula, materials, and activities it proposes to utilize in its plan.

(v) How it will involve other agencies, nonprofit organizations, community-based organizations and families, as appropriate, in activities that promote the implementation of effective literacy instruction (as defined in this application) for disadvantaged students (as defined in this application).

(v) How it will evaluate its progress in improving achievement in literacy for children and youth from birth through grade 12, including how it will use evidence to inform and continuously improve the design and implementation of its activities.

(C) Project management. The outlying area will describe its plan to achieve the objectives of the proposed project on time and within budget, including clearly defined responsibilities, timelines, and milestones for accomplishing project tasks, and with a diversity of perspectives in operation and oversight (including, as appropriate, those of: families, teachers, early childhood education professionals, officials from local agencies, professional organizations, institutions of higher education, community-based organizations, and libraries).

REPORTING

(i) Entities will ensure that they have in place the necessary processes and systems to comply, if practical, with the reporting requirements in 2 CFR part 170, information on subawards and executive total compensation, as required by the Federal Funding Accountability and Transparency Act of 2006 (pub. L. 109-282), as amended by section 6202 of Public Law 110-252. This does not apply if you have an exception under 2 CFR 170.110(b).

(ii) At the end of the project period, entities will submit a final performance report, including financial information, as directed by the Secretary. If you receive a multi-year award, you must submit an annual performance report that provides the most current performance and financial expenditure information as directed by the Secretary under 34 CFR 75.118. The Secretary may also require more frequent performance reports under 34 CFR 75.720(c). For specific requirements on reporting, please go to www.ed.gov/fund/grant/apply/appforms/appforms.html.

(iii) The Department has established the following Government Performance and Results Act of 1993 (GPRA) performance measures for the Striving Readers Comprehensive Literacy grant program:

(a) The percentage of participating 4-year-old children who achieve significant gains in oral language skills;

(b) The percentage of participating 5th grade students who meet or exceed proficiency on English language arts assessments (section 1111(b)(3) of the ESEA);

(c) The percentage of participating 8th grade students who meet or exceed proficiency on English language arts assessments (section 1111(b)(3) of the ESEA);

(d) The percentage of participating high school students who meet or exceed proficiency on English language arts assessments (section 1111(b)(3) of the ESEA).

These measures will include data disaggregated for disadvantaged students, including limited-English-proficient students and students with disabilities.

These measures constitute the Department's indicators of success for this program. Consequently, we advise the outlying area under this program to give careful consideration to these measures in conceptualizing the approach and evaluation for its proposed project. Each outlying area will provide, in its annual performance and final reports, data about its progress in meeting these measures.

DEFINITIONS

Comprehensive literacy plan: The term “comprehensive literacy plan” means a plan that addresses the pre-literacy and literacy needs of children from birth through grade 12, including limited-English-proficient students and students with disabilities; aligns policies, resources, and practices; contains clear instructional goals; and sets high expectations for all students and student subgroups.

Disadvantaged students: The term “disadvantaged students” means children and students at risk of educational failure, such as children and students who are living in poverty, who are limited-English-proficient, who are far below grade level or who are not on track to becoming college- or career-ready by graduation, who have left school before receiving, respectively, a regular high school diploma, who are at risk of not graduating with a diploma on time, who are homeless, who are in foster care, who are pregnant or parenting teenagers, who have been incarcerated, who are new immigrants, who are migrant, or who have disabilities.

Effective literacy instruction: The term “effective literacy instruction” means developmentally appropriate, explicit, and systematic instruction that provides students with—

- (i) Early development and grade-level mastery of oral language skills, both listening and speaking, phonological awareness, using a wide vocabulary, conventional forms of grammar, and academic language;
- (ii) The ability to read regularly spelled words and high-frequency irregularly spelled words with automaticity and to decode regularly spelled unfamiliar words accurately, using phonemic awareness, print awareness, alphabet knowledge, and knowledge of English spelling patterns;
- (iii) The ability to read texts accurately, fluently, and with comprehension, relying on knowledge of the vocabulary in those texts and of the background information that the students possess;
- (iv) The ability to read with a purpose and the capacity to differentiate purposes and to select and apply comprehension strategies appropriate to achieving the purpose;
- (v) An understanding of, and ability to adapt to, the varying demands of different genres, formats, and types of texts across the core content areas in order to comprehend texts of appropriate levels of complexity and content, including texts necessary for mastery of grade-level standards;
- (vi) The ability to effectively access, critically evaluate, and appropriately synthesize information from a variety of sources and formats;
- (vii) The development and maintenance of a motivation to read and write, as reflected in habits of reading and writing regularly and of discussing one's reading and writing with others; and
- (viii) The ability to write clearly, accurately, and quickly so as to communicate ideas and deepen comprehension in ways that fit purpose, audience, occasion, discipline, and format; adhere to conventions of spelling and punctuation; and benefit from revision so as to improve clarity, coherence, logical development, and the precise use of language.

With respect to programs serving children birth through age five, the term “effective literacy instruction,” means supporting young children’s early language and literacy development through developmentally appropriate, explicit, intentional, and systematic instruction, in language- and literacy-rich environments, that provides children with foundational skills and dispositions for literacy, such as—

- (i) Rich vocabulary development;
- (ii) Expressive language skills;
- (iii) Receptive language skills;
- (iv) Comprehension;
- (v) Phonological awareness;
- (vi) Print awareness;
- (vii) Alphabet knowledge;
- (viii) Book knowledge;
- (ix) Emergent writing skills;
- (x) Positive dispositions toward language and literacy-related activities; and
- (xi) Other skills that correlate with later literacy achievement.

Evidence-based: The term “evidence-based” means—

(i) Based on a comprehensive, unbiased review and weighing of one or more evaluation studies that—

- (a) Have been carried out consistent with the principles of scientific research (as defined in this application);
- (b) Have strong internal and external validity; and
- (c) Support the direct attribution of one or more outcomes to the program, practice, or policy; or

(ii) In the absence of one or more studies described in paragraph (i) of this definition, based on a comprehensive, unbiased review and weighing of data analysis, research, or one or more evaluation studies of relevant programs, policies, or practices, that—

- (a) Were carried out consistent with the principles of scientific research (as defined in this application); and
- (b) Are accompanied by strategies to generate more robust evidence over time through research, evaluation, and data analysis, including the measurement of performance with reliable process and outcome indicators and the implementation of evaluations with strong internal and external validity where feasible and appropriate.

Principles of scientific research: The term “principles of scientific research” has the same meaning given that term under section 200(18) of the Higher Education Act of 1965, as amended.

Universal design for learning (UDL): The term “universal design for learning”, as defined under section 103 of the Higher Education Act of 1965, as amended, means a scientifically valid framework for guiding educational practice that—

- (i) Provides flexibility in the ways information is presented, in the ways students respond or demonstrate knowledge and skills, and in the ways students are engaged; and
- (ii) Reduces barriers in instruction, provides appropriate accommodations, supports, and challenges, and maintains high achievement expectations for all students, including students with disabilities and students who are limited-English-proficient.

PUBLIC POSTING OF APPLICATIONS

After awards are made under this grant program, the submitted outlying areas' applications will be posted on the Department's Web site.

APPLICATION ELIGIBILITY

Outlying Areas (American Samoa, Guam, Northern Marianas, and U.S. Virgin Islands) are eligible applicants.

Frequently Asked Questions

1) What is the total appropriation for the Striving Readers Comprehensive Literacy (SRCL) program?

The total appropriation for the SRCL program in Fiscal Year 2010 is \$200 million. Of these funds the following are the allocations by outlying area:

- American Samoa \$253,800
- Guam \$312,967
- Northern Marianas \$92,190
- U.S. Virgin Islands \$341,043

2) How did the Department determine the outlying areas allocations?

FY 2010 Consolidated Appropriations Act reserves one-half of one percent for the outlying areas but does not require the Department to use a particular formula to determine the allocations for the individual outlying areas. The Department determined the amount of a SRCL grant award for each outlying area on the same basis as the statute requires for the State Literacy Team formula grants, using each outlying area's relative share of funds under part A of Title I of the ESEA for fiscal year 2009 (excluding those funds awarded under the American Recovery and Reinvestment Act 2009).

3) May an outlying area include SRCL in its consolidated grant?

No. The Secretary is authorized to make an annual consolidated grant to the insular areas for one or more State-administered formula grant programs. See 34 CFR 76.125(c). Because the vast majority of the funds appropriated for SRCL must be distributed by competitive grants to States under the terms of the FY 2010 Consolidated Appropriations Act (Pub. L. No. 111-117), SRCL is not considered a formula grant program subject to the consolidation authority.

3) Is this a one-time award or an annual award?

This award comes from FY 2010 funds. The continuation of this award will be dependent on future appropriations. The final appropriation for FY 2011 has not yet been determined.

4) What areas of expertise are appropriate for members of the Literacy Team?

- a. Literacy development and instruction for children in the following age/grade levels:
 - Birth to school entry
 - Kindergarten through grade 5
 - Grades 6 through 8
 - Grades 9 through 12
- b. Managing and implementing an effective literacy program at the school, district, and State levels
- c. Evaluation of literacy programs
- d. Planning for and implementing a response-to-intervention model that includes utilization of universal screening, multiple tiers of instruction, early intervening services, validated interventions, and student progress monitoring to inform decision-making
- e. Screening and performance measurement in the areas of phonological awareness, word recognition, phonics, vocabulary, comprehension, fluency, and writing
- f. Validated interventions and instruction for struggling readers, limited-English-proficient students, and students with disabilities
- g. Teacher, coach, and principal professional development
- h. Teacher preparation and state licensure/accreditation in literacy development and instruction

5) Will an outlying area's Literacy Team be required to submit its comprehensive literacy plan to the Department?

Yes. Each outlying area receiving funds will be required to submit a comprehensive literacy plan to the Department by September 1, 2011.

6) How will the Department review SRCL applications from the outlying areas? What is the timeline for the review process?

Applications for this program will be reviewed by a team of Department staff with expertise in literacy programs. Reviewers will read applications for completeness in addressing the statutory requirements and elements as outlined in the Grant Proposal Criteria.

Upon completion of the review process, the Department will contact the outlying areas to gather additional information or clarification on the proposed activities and selected strategy or strategies, if necessary. Once the Department approves the application, SRCL funds will be transferred to outlying areas.

7) What should be included in the comprehensive literacy plan?

The comprehensive literacy plan *must* address the literacy needs of children from birth through grade 12, including students who are limited-English-proficient and students with disabilities. It should also improve alignment and transition between grades. The plan should include the use of clear content standards in the areas of pre-literacy, reading and writing, and may include a system of screening assessments to inform instruction; guidance on the selection and use of evidence-based (as defined in this application) reading and writing curricula and targeted interventions; evidence-based teacher preparation and professional development aligned with standards; and a system of data collection, evaluation, and program improvement.

8) What is the date the outlying area SRCL application documents are due?

All documents will be due April 25, 2011. They must be submitted to striving.readers.comprehensive.literacy@ed.gov.

9) Who may I contact for additional information?

Miriam Lund
U.S. Department of Education, OESE
400 Maryland Avenue, S.W., Rm. 3E245
LBJ Federal Office Building
Washington, DC 20202-6200
Telephone: (202) 401-2871
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Fax: (202) 260-8969
Email: Tiffany.Mcclenton@ed.gov

Application Submission Procedures

Applications may be submitted to the SRCL email address by April 25, 2011 at striving.readers.comprehensive.literacy@ed.gov

APPLICATION SUBMISSION CHECKLIST

Outlying Areas will submit the following documents along with their SRCL project narratives.

- Application Cover Sheet
- Assurances and Certifications
- ED Budget Information Non-Construction Programs (ED Form 524)
- Budget Narrative

STRIVING READERS COMPREHENSIVE LITERACY PROGRAM

OUTLYING AREAS APPLICATION

**APPLICATION COVER SHEET
(CFDA 84.371C)**

The Outlying Area of _____ commits using funds under this program to support a comprehensive literacy development and education program to advance literacy skills for students from birth through grade 12 including pre-literacy skills, reading and writing, including limited-English-proficient students and students with disabilities as indicated in the narrative and accompanying documents included in this application.

Legal Name of Applicant: Applicant's Mailing Address:	D.U.N.S. number:
Outlying Area Contact for the Striving Readers Comprehensive Literacy Grant Name: Position and Office: Contact's Mailing Address: Telephone: Fax: E-mail address:	
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Name and Title of Authorized Representative (Printed Name):	Telephone: E-mail:
Signature of Authorized Representative:	Date:

ASSURANCES AND CERTIFICATIONS

The outlying area authorized representative assures or certifies the following:

- The outlying area will comply with all applicable assurances in OMB Standard Forms 424B (Assurances for Non-Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.

- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B).

- The outlying area will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 76 -- State-Administered Programs; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Authorized Representative (Printed Name):	
Signature of Authorized Representative:	Date:

ED BUDGET 524 FORM

This part of your application contains information about the Federal funding you are requesting. Remember that you must provide all requested budget information for each year of the project (up to 60 months) and the total column in order to be considered for Federal funding. Specific instructions for completing the budget forms are provided within this application package.

Instructions for completing ED Form 524 Section A:

Name of Institution/Organization: Enter the name of the applicant in the space provided.

Personnel (line 1): Enter project personnel salaries and wages only. Include fees and expenses for consultants on line 6.

Fringe Benefits (line 2): The institution's normal fringe benefits contribution may be charged to the program. Leave this line blank if fringe benefits applicable to direct salaries and wages are treated as part of the indirect cost.

Travel (line 3): Indicate the travel costs of employees and participants only. Include travel of persons such as consultants on line 6. Applicants must set aside adequate funds within their proposed budget to send a project director and at least two individuals from each school included in the application to a two-day technical assistance meeting in Washington, DC, in each year of the project period.

Equipment (line 4): Indicate the cost of tangible, non-expendable personal property that has a usefulness greater than one year and acquisition costs that are the lesser of the capitalization level established by the applicant entity for financial statement purposes or \$5,000 per article. Lower limits may be established to maintain consistency with the applicant's policy.

Supplies (line 5): Show all tangible, expendable personal property. Direct supplies and materials differ from equipment in that they are consumable, expendable, and of a relatively low unit cost. *Supplies purchased with grant funds should directly benefit the grant project and be necessary for achieving the goals of the project.*

Contractual (line 6): The contractual category should include all costs specifically incurred with actions that the applicant takes in conjunction with an established internal procurement system. Include consultant fees, expenses, and travel costs in this category if the consultant's services are obtained through a written binding agreement or contract.

Construction (line 7): Not applicable.

Other (line 8): Indicate all direct costs not covered on lines 1-6. For example, include costs such as space rental, required fees, honoraria and travel (where a contract is not in place for services), training, and communication and printing costs. *Do not include costs that are included in the indirect cost rate.*

Total Direct Costs (line 9): The sum of lines 1-8.

Indirect Costs (line 10): Indicate the applicant's approved indirect cost rate, per sections 75.560 – 75.564 of EDGAR. If an applicant does not have an approved indirect cost rate agreement with a cognizant Federal agency, the applicant must apply to the Department for a temporary indirect cost rate if it wishes to charge indirect costs to the grant. For more information, go to the Department's website at: <http://www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html>.

Training Stipends (line 11): This line item is not applicable to this program. The training stipend line item only pertains to costs associated with long term training programs and college or university coursework, not workshops or short-term training supported by this program. *Salary stipends paid to teachers and other school personnel for participating in short-term professional development should be reported in Personnel (line 1).*

Total Cost (line 12): This should equal to sum of lines 9-11 (total direct costs + indirect + stipends). The sum for column one, labeled *Project Year 1* (a), should also be equal to item 15a on the application cover sheet (SF Form 424).



**U.S. DEPARTMENT OF EDUCATION
BUDGET INFORMATION
NON-CONSTRUCTION PROGRAMS**

OMB Control Number: 1894-0008
Expiration Date: 03/28/2011

Name of Institution/Organization

Applicants requesting funding for only one year should complete the column under "Project Year 1." Applicants requesting funding for multi-year grants should complete all applicable columns. Please read all instructions before completing form.

**SECTION A - BUDGET SUMMARY
U.S. DEPARTMENT OF EDUCATION FUNDS**

Budget Categories	Project Year 1 (a)	Project Year 2 (b)	Project Year 3 (c)	Project Year 4 (d)	Project Year 5 (e)	Total (f)
1. Personnel						
2. Fringe Benefits						
3. Travel						
4. Equipment						
5. Supplies						
6. Contractual						
7. Construction						
8. Other						
9. Total Direct Costs (lines 1-8)						
10. Indirect Costs*						
11. Training Stipends						
12. Total Costs (lines 9-11)						

***Indirect Cost Information (To Be Completed by Your Business Office):**

If you are requesting reimbursement for indirect costs on line 10, please answer the following questions:

- (1) Do you have an Indirect Cost Rate Agreement approved by the Federal government? Yes No
- (2) If yes, please provide the following information:
 Period Covered by the Indirect Cost Rate Agreement: From: ___/___/_____ To: ___/___/_____ (mm/dd/yyyy)
 Approving Federal agency: ED Other (please specify): _____ The Indirect Cost Rate is _____%
- (3) For Restricted Rate Programs (check one) -- Are you using a restricted indirect cost rate that:
 Is included in your approved Indirect Cost Rate Agreement? or Complies with 34 CFR 76.564(c)(2)? The Restricted Indirect Cost Rate is _____%

Instructions for ED 524

General Instructions

This form is used to apply to individual U.S. Department of Education (ED) discretionary grant programs. Unless directed otherwise, provide the same budget information for each year of the multi-year funding request. Pay attention to applicable program specific instructions, if attached. You may access the Education Department General Administrative Regulations, 34 CFR 74 – 86 and 97-99, on ED’s website at: <http://www.ed.gov/policy/fund/reg/edgarReg/edgar.html>

You must consult with your Business Office prior to submitting this form.

Section A - Budget Summary U.S. Department of Education Funds

All applicants must complete Section A and provide a break-down by the applicable budget categories shown in lines 1-11.

Lines 1-11, columns (a)-(e): For each project year for which funding is requested, show the total amount requested for each applicable budget category.

Lines 1-11, column (f): Show the multi-year total for each budget category. If funding is requested for only one project year, leave this column blank.

Line 12, columns (a)-(e): Show the total budget request for each project year for which funding is requested.

Line 12, column (f): Show the total amount requested for all project years. If funding is requested for only one year, leave this space blank.

Indirect Cost Information: If you are requesting reimbursement for indirect costs on line 10, this information is to be completed by your Business Office. (1): Indicate whether or not your organization has an Indirect Cost Rate Agreement that was approved by the Federal government.

If you checked “no,” ED generally will authorize grantees to use a temporary rate of 10 percent of budgeted salaries and wages subject to the following limitations:

(a) The grantee must submit an indirect cost proposal to its cognizant agency within 90 days after ED issues a grant award notification; and

(b) If after the 90-day period, the grantee has not submitted an indirect cost proposal to its cognizant agency, the grantee may not charge its grant for indirect costs until it has negotiated an indirect cost rate agreement with its cognizant agency.

(2): If you checked “yes” in (1), indicate in (2) the beginning and ending dates covered by the Indirect Cost Rate Agreement. In addition, indicate whether ED, another Federal agency (Other) or State agency issued the approved agreement. If you check “Other,” specify the name of the Federal or other agency that issued the approved agreement.

(3): If you are applying for a grant under a Restricted Rate Program (34 CFR 75.563 or 76.563), indicate whether you are using a

restricted indirect cost rate that is included on your approved Indirect Cost Rate Agreement or whether you are using a restricted indirect cost rate that complies with 34 CFR 76.564(c)(2). Note: State or Local government agencies may not use the provision for a restricted indirect cost rate specified in 34 CFR 76.564(c)(2). Check only one response. Leave blank, if this item is not applicable.

Section B - Budget Summary Non-Federal Funds

If you are required to provide or volunteer to provide cost-sharing or matching funds or other non-Federal resources to the project, these should be shown for each applicable budget category on lines 1-11 of Section B.

Lines 1-11, columns (a)-(e): For each project year, for which matching funds or other contributions are provided, show the total contribution for each applicable budget category.

Lines 1-11, column (f): Show the multi-year total for each budget category. If non-Federal contributions are provided for only one year, leave this column blank.

Line 12, columns (a)-(e): Show the total matching or other contribution for each project year.

Line 12, column (f): Show the total amount to be contributed for all years of the multi-year project. If non-Federal contributions are provided for only one year, leave this space blank.

Section C - Budget Narrative [Attach separate sheet(s)] Pay attention to applicable program specific instructions, if attached.

1. Provide an itemized budget breakdown, and justification by project year, for each budget category listed in Sections A and B. For grant projects that will be divided into two or more separately budgeted major activities or sub-projects, show for each budget category of a project year the breakdown of the specific expenses attributable to each sub-project or activity.

2. For non-Federal funds or resources listed in Section B that are used to meet a cost-sharing or matching requirement or provided as a voluntary cost-sharing or matching commitment, you must include:

- The specific costs or contributions by budget category;
- The source of the costs or contributions; and
- In the case of third-party in-kind contributions, a description of how the value was determined for the donated or contributed goods or services.

[Please review ED’s general cost sharing and matching regulations, which include specific limitations, in 34 CFR 74.23, applicable to

non-governmental entities, and 80.24, applicable to governments, and the applicable Office of Management and Budget (OMB) cost principles for your entity type regarding donations, capital assets, depreciation and use allowances. OMB cost principle circulars are available on OMB’s website at: <http://www.whitehouse.gov/omb/circulars/index.html>

3. If applicable to this program, provide the rate and base on which fringe benefits are calculated.

4. If you are requesting reimbursement for indirect costs on line 10, this information is to be completed by your Business Office. Specify the estimated amount of the base to which the indirect cost rate is applied and the total indirect expense. Depending on the grant program to which you are applying and/or your approved Indirect Cost Rate Agreement, some direct cost budget categories in your grant application budget may not be included in the base and multiplied by your indirect cost rate. For example, you must multiply the indirect cost rates of “Training grants” (34 CFR 75.562) and grants under programs with “Supplement not Supplant” requirements (“Restricted Rate” programs) by a “modified total direct cost” (MTDC) base (34 CFR 75.563 or 76.563). Please indicate which costs are included and which costs are excluded from the base to which the indirect cost rate is applied.

When calculating indirect costs (line 10) for “Training grants” or grants under “Restricted Rate” programs, you must refer to the information and examples on ED’s website at: <http://www.ed.gov/fund/grant/apply/appforms/appforms.html>.

You may also contact (202) 377-3838 for additional information regarding calculating indirect cost rates or general indirect cost rate information.

5. Provide other explanations or comments you deem necessary.

Paperwork Burden Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is **1894-0008**. The time required to complete this information collection is estimated to vary from 13 to 22 hours per response, with an average of 17.5 hours per response, including the time to review instructions, search existing data sources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to (insert program office), U.S. Department of Education, 400 Maryland Avenue, S.W., Washington, D.C. 20202

BUDGET NARRATIVE

Each application must also provide a Budget Narrative (which serves to meet the requirements of ED Form 524, Section C) for requested Federal funds. The Budget Narrative for requested Federal funds should provide a justification of how the money requested for each budget item will be spent.

This section requires an **itemized budget breakdown** for each project year and the **basis for estimating the costs** of personnel salaries, benefits, project staff travel, materials and supplies, consultants and subcontracts, indirect costs and any other projected expenditures. Be sure to complete an itemized budget breakdown and narrative for each year of the proposed project (up to 60 months).

The Budget Narrative provides an opportunity for the applicant to identify the nature and amount of the proposed expenditures. The applicant should provide sufficient detail to enable reviewers and project staff to understand how requested funds will be used, how much will be expended, and the relationship between the requested funds and project activities and outcomes.

Important Notes

- Applicants are encouraged to review OMB Circular A-21, *Cost Principles for Educational Institutions* [OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* or OMB Circular A-122, *Cost Principles for Nonprofit Organizations*] in preparing their budget and budget narrative.
- OMB Circular A-21 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html
- OMB Circular A-87 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a087/a87_2004.html
- OMB Circular A-122 may be found at the following link:
http://www.whitehouse.gov/omb/circulars/a122/a122_2004.html

Suggested Guidelines for the Budget Narrative

In accordance with 34 CFR 75.232, Department of Education staff perform a cost analysis of the each recommended project to ensure that costs relate to the activities and objectives of the project, are reasonable, allowable and allocable. We may delete or reduce costs from the budget during this review.

To facilitate the review of your Budget Narrative, we encourage each applicant to include the following information for each year of the project:

1. Personnel

- Provide the title and duties of each position to be compensated under this project.
- Provide the salary for each position under this project.
- Provide the amounts of time, such as hours or percentage of time to be expended by each position under this project.
- Explain the importance of each position to the success of the project.

- Provide the basis for cost estimates or computations.

2. Fringe Benefits

- Give the fringe benefit percentages of all personnel included under Personnel.
- Provide the rate and base on which fringe benefits are calculated.

3. Travel

- Explain the purpose of the travel, how it relates to project success, how it aligns with the project goals and objectives and which program participants or staff will participate.
- Submit an estimate for the number of trips, points of origin and destination, and purpose of travel.
- Submit an itemized estimate of transportation and/or subsistence costs for each trip.
- Provide the basis for cost estimates or computations.

1. Equipment

- Indicate the estimated unit cost for each item to be purchased.
- Identify each type of equipment.
- Provide adequate justification of the need for items of equipment to be purchased.
- Explain the purpose of the equipment, and how it relates to project success.
- Provide the basis for cost estimates or computations.

2. Supplies

- Provide an itemized estimate of materials and supplies by nature of expense or general category (e.g., instructional materials, office supplies, etc.).
- Explain the purpose of the supplies and how they relate to project success.
- Provide the basis for cost estimates or computations.

3. Contractual

- Provide the purpose and relation to project success.
- Describe the products to be acquired, and/or the professional services to be provided.
- Provide a brief justification for the use of the contractors selected.
- Identify the name(s) of the contracting party, including consultants, if available.
- Provide the cost per contractor.
- Provide the amount of time that the project will be working with the contractor(s).
- For professional services contracts, provide the amounts of time to be devoted to the project, including the costs to be charged to this proposed grant award.
- Provide a brief statement that you have followed the procedures for procurement under 34 CFR Parts 74.40 - 74.48 and Part 80.36.
- Provide the basis for cost estimates or computations.

4. Construction

- Not applicable.

5. Other

- List and identify items by major type or category (e.g., communications, printing, postage, equipment rental, etc.).
- Provide the cost per item (printing = \$500, postage = \$750).

- Provide the purpose for the expenditures and relation to project success.
- Provide the basis for cost estimates or computations.

6. Total Direct Costs

- The amount that is the sum of expenditures, per budget category, of lines 1-8.

7. Indirect Costs

- Identify indirect cost rate (if the applicant will charge indirect costs to the grant)
- *Note:* remember to provide a copy of the most recent approved indirect cost agreement in the Other Attachments form section of the application.

11. Training Stipends

- Not applicable.

12. Total Costs

- Sum total of direct costs, indirect costs, and stipends.
- Please provide total costs for each year of the project as well as grand total cost for the entire project period (up to 60 months)

Important Information Regarding Indirect Cost Rates

The Department of Education (the Department) reimburses grantees for its portion of indirect costs that a grantee incurs in projects funded by the Striving Readers Comprehensive Literacy program (CFDA 84.371C). Any grantee charging indirect costs to a grant from this program must use the indirect cost rate (**ICR**), negotiated with its *cognizant agency*, i.e., either the Federal agency from which it has received the most direct funding, subject to indirect cost support, the particular agency specifically assigned cognizance by the Office of Management and Budget or the State agency that provides the most subgrant funds to the grantee.

Note: Applicants should pay special attention to specific questions on the application budget form (ED 524) about their cognizant agency and the ICR they are using in their budget.

If an applicant selected for funding under this program has not already established a current ICR with its cognizant agency, ED generally will authorize the grantee to use a temporary rate, of 10 percent of budgeted direct salaries and wages subject to the following limitations:

1. The grantee must submit an indirect cost rate proposal to its cognizant agency within 90 days after ED issues the GAN.
2. If after the 90-day period, the grantee has not submitted an indirect cost rate proposal to its cognizant agency, the grantee may not charge its grant for indirect costs (except when ED finds exceptional circumstances) until it has negotiated an indirect cost rate agreement with its cognizant agency.
3. Once the grantee has negotiated an ICR with its cognizant agency, the grantee will be required to make certain adjustments to recover the correct amount of indirect costs authorized for the period before it negotiated the ICR.

Applicants should be aware that ED is very often *not* the cognizant agency for its own grantees. Rather, ED accepts, for the purpose of funding its awards, the current ICR established by the appropriate cognizant agency.

Applicants are encouraged to have an accountant calculate a proposed indirect cost rate using current information from its audited financial statements, actual cost data or IRS Form 990. Applicants should use this proposed rate in their application materials and describe which of these methods they used to calculate the rate. Guidance related to calculating an indirect cost rate can be found on ED's website at:

<http://www.ed.gov/about/offices/list/ocfo/fipao/icgindex.html>

