

ISSUE BRIEF

i3 Program Final Regs

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OVERVIEW

On Monday, March 8, Secretary of Education Arne Duncan announced the Department of Education's final priorities for the \$650 million Investing in Innovation Fund (i3). The long-awaited announcement, coming five months after the proposed regulations for the i3 program were released in October of 2009, was accompanied by the release of the grant application, as well as an announcement regarding three informational workshops to be held in the coming weeks. The Department also noted it received comments on its proposed guidance from 346 commenters, including local education agencies (LEAs), nonprofit organizations, professional associations, parents and individuals.

The i3 program is part of what Secretary Duncan calls an “historic \$5 billion investment in school reform” and is available via enactment of last year’s stimulus bill—the American Recovery and Reinvestment Act (ARRA). The program intends to support the development of path-breaking new ideas, the validation of approaches that have demonstrated promise, and the scale-up of the Nation's most successful and proven education innovations. “Many of our generation's greatest breakthroughs occur when people are willing to invest in small scale projects with big scale potential,” said Duncan of the program. “We need to identify these pockets of promise in the education community and give them the resources they need to grow.”

Interestingly, no major changes were made in the final rules and application for the program, when compared to October’s proposed guidance, including the controversial-to-some requirement that successful applicants secure a 20 percent match in funds or in-kind donations from the private sector.

Successful applicants with a record of “improving student achievement and attainment” will receive funds to support local efforts to start or expand research-based innovative programs that: help close the achievement gap; improve outcomes for students; decrease dropout rates; increase high school graduation rates; or increase college enrollment and completion rates.

ELIGIBILITY

Partnerships are critical to successful applications, and eligible applicants remain an LEA or non-profit organizations that partner with one or more LEAs, or a consortium of schools. If applying alone, an LEA or a consortium of schools must be able to demonstrate it has significantly closed the achievement gaps between groups of students as identified in No Child Left Behind (i.e., economically disadvantaged, students from major racial and ethnic groups, students with limited English proficiency and student with disabilities); or has demonstrated success in significantly increasing student academic achievement for all groups of students. For applications that include a nonprofit organization as a partner, the nonprofit organization must demonstrate that it has a record of significantly improving student achievement, attainment, or retention through its record of work with an LEA or schools. Therefore, an applying partnership that includes a non-profit with demonstrated success does not necessarily need to include as a partner an LEA or a consortium of schools that have also significantly closed the achievement gaps between disaggregated groups as identified in No Child Left Behind.

In addition, in the case of an eligible entity that is a partnership between a nonprofit organization and one or more LEAs or a consortium of schools, the partner serving as the fiscal agent (i.e., the applicant applying on behalf of the eligible applicant) may make subgrants to one or more of the other entities in the partnership. An applicant must identify all of its partners before a grant award will be made.

TYPES OF I3 GRANTS

Under the final priorities, the Department will award three types of grants as described below, and applicants can propose support for a 3 to 5 year period. Among the three grant types, there are differences in terms of the evidence that an applicant is required to submit in support of its proposed project; the expectations for “scaling up” successful projects during or after the grant period, and the available funding. The i3 regulations also include specific definitions for what constitutes “strong evidence,” “moderate evidence” and a “reasonable hypothesis.”

Scale-up Grants: (Up to \$50 million awarded; estimated average award size of \$40 million; and up to 5 awards expected)

This is the largest possible grant category and will provide funding to “scale up” practices, program or strategies on the national, regional or state level. Applicants must have “strong evidence” that their program has had a significant effect on improving student achievement, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates.

Validation Grants: (Up to \$30 million; estimated average award size of \$17.5 million; and up to 100 awards expected)

This “middle level” grant category will provide funding to support practices, programs or strategies that show promise, but for which there is currently only “moderate evidence” that the proposal will have a statistically significant effect on improving student achievement, closing achievement gaps, decreasing dropout rates, increasing high school graduation rates, or increasing college enrollment and completion rates.

An applicant for a Validation Grant does not need to have the same level of research evidence to support the proposed project as is required for a Scale-up Grant. However, it is expected the proposed project will be scaled-up on the regional or state level.

Development Grants: (Up to \$5 million; estimated average award size of \$3 million; and up to 100 awards expected)

This is the smallest grant level category and provides funding to support high-potential and relatively untested practices, strategies, or programs whose efficacy should be systematically studied. An applicant must provide evidence that the proposed practice, strategy, or program, or one similar to it, has been attempted previously, albeit on a limited scale or in a limited setting, and yielded promising results that suggest that more formal and systematic study is warranted.

An applicant for a Development Grant does not need to provide the same level of evidence to support the proposed project as is required for Scale-up or Validation Grants.

OTHER ELEMENTS

There are other elements that will be evaluated as “selection criteria” for the three types of grants, including the need for the project, the experience of the applicant, the quality of the project evaluation, the project’s scalability and sustainability and the quality of the management plan and personnel. According to the final guidance, these elements will count to varying degrees, depending on the category of grant being sought.

MATCHING FUNDS

Grant recipients will be required to secure a 20 percent match of federal funds with private dollars (or request a reduction in or waiver of the required match). A change, however, was made in respect to the timing of the submission of evidence of the matching funds. The final regulations now state that applicants will not have to identify their match until after the peer-review process takes place, versus including evidence of the match in the initial submission of the grant application. Successful applicants will also need to demonstrate how their programs will be sustained after their federal grant funds are depleted.

To assist recipients in their efforts to find private matches and to serve the larger purpose of creating an innovation community, the Department of Education has launched an online community, the *Open Innovation Portal* (<https://innovation.ed.gov/>). This is the first national forum within which entrepreneurs, education stakeholders of all types, and funders can partner to develop and fund innovative ideas in the education sector. Through this portal, the Department “hopes to facilitate partnerships by convening like-minded individuals to accelerate the development, identification, and broad use of innovative products, practices, and processes to improve education in schools.”

ABSOLUTE AND COMPETITIVE PRIORITIES

According to the final guidance, all applicants must use i3 funds “to implement practices, strategies, or programs that serve high-need students.” There are also four “absolute priorities”

and four “competitive preference priorities” that applicants must consider when putting together their applications.

The proposed innovations must address four “absolute” priorities:

1. Support for effective teachers and principals (*note: the word “principal” is a change from the proposed guidance which originally had “school leader.”)
2. Improved use of data
3. Complement implementation of high standards and high-quality assessments
4. Turning around persistently low-performing schools (as defined in the final requirements for the School Improvement Grants Program; or Title I schools that are in corrective action or restructuring; or secondary schools eligible for but not receiving Title I funds.)

The proposed innovations can also address one or more of the four competitive preference priorities for extra points on the application:

- Improving early learning outcomes
- Support for college access and success
- Addressing the unique learning needs of limited English proficient (LEP) students and students with disabilities
- Serving schools in rural LEAs

DUE DATE

Applications for the i3 program will be due in mid-May and grants will be awarded in September. Funds available under this program must be obligated by September 30, 2010. The final regulations also state that no grantee may receive more than two grant awards under this program. In addition, no grantee may receive more than \$55 million in grant awards under this program in a single year’s competition.

To assist potential applicants in the process, three pre-application workshops will be held and are designed to provide technical assistance to interested applicants for all three types of grants. Detailed information regarding the pre-application workshop locations and times, along with the on-line registration form, can be found at <http://www2.ed.gov/programs/innovation/index.html>.

To view the Secretary’s press release related to the i3 guidance announcement, visit: <http://www2.ed.gov/news/pressreleases/2010/03/03082010.html>.