

no smaller than 10 point for all text in the application narrative, including titles, headings, footnotes, quotations, and captions as well as all text in charts, tables, figures, and graphs.

- Your cover sheet, budget section (chart and narrative), assurances and certifications, response regarding research activities involving human subjects, GEPA 427 response, one-page abstract, personnel resumes, and letters of support are not included in the page limit; however, discussion of how well the application meets the competitive preference priorities and how well the application addresses each of the selection criteria must be included within the page limit.

Our reviewers will not read any pages of your application that—

- Exceed the page limit if you apply these standards; or
- Exceed the equivalent of the page limit if you apply other standards.

### 3. Submission Dates and Times:

Applications Available: February 20, 2004.

Deadline for Transmittal of Applications: April 5, 2004.

The dates and times for the transmittal of applications by mail or by hand (including a courier service or commercial carrier) are in the application package for this competition.

We do not consider an application that does not comply with the deadline requirements.

4. *Intergovernmental Review*: This competition is not subject to Executive Order 12372 and the regulations in 34 CFR part 79.

5. *Funding Restrictions*: We reference regulations outlining funding restrictions in the *Applicable Regulations* section of this notice.

6. *Other Submission Requirements*: Instructions and requirements for the transmittal of applications by mail or by hand (including a courier service or commercial carrier) are in the application package for this competition.

## V. Application Review Information

1. *Selection Criteria*: The selection criteria for this competition are in the application package and were published in Appendix E to the Notice of Final Requirements published in the **Federal Register** on May 22, 2002 (67 FR 35967, 35979).

## VI. Award Administration Information

1. *Award Notices*: If your application is successful, we notify your U.S. Representative and U.S. Senators and send you a Grant Award Notice (GAN). We may also notify you informally.

If your application is not evaluated or not selected for funding, we notify you.

2. *Administrative and National Policy Requirements*: We identify administrative and national policy requirements in the application package and reference these and other requirements in the *Applicable Regulations* section of this notice.

We reference the regulations outlining the terms and conditions of an award in the *Applicable Regulations* section of this notice and include these and other specific conditions in the GAN. The GAN also incorporates your approved application as part of your binding commitments under the grant.

3. *Reporting*: At the end of your project period, you must 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 specified by the Secretary in 34 CFR 75.118.

4. *Performance Measures*: Under the Government Performance and Results Act (GPRA), one measure has been developed for evaluating the overall effectiveness of the Enhanced Assessment Instruments program: The number of state assessment programs impacted in the first year of adoption of products or services developed under this grant award.

All grantees will be expected to submit an annual performance report documenting their success in addressing this performance measure.

## VII. Agency Contact

**FOR FURTHER INFORMATION CONTACT**: Sue Rigney, U.S. Department of Education, 400 Maryland Avenue, SW., room 3C139, Washington, DC 20202-6132. Telephone: (202)260-0931, or by e-mail [Sue.Rigney@ed.gov](mailto:Sue.Rigney@ed.gov).

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the program contact person listed in this section.

## VIII. Other Information

*Electronic Access to This Document*: You may view this document, as well as all other documents of this Department published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at the following site: [www.ed.gov/news/fedregister](http://www.ed.gov/news/fedregister).

To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, DC area at (202) 512-1530.

**Note**: The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at [www.gpoaccess.gov/nara/index.html](http://www.gpoaccess.gov/nara/index.html).

Dated: February 17, 2004.

**Raymond Simon**,

*Assistant Secretary for Elementary and Secondary Education.*

[FR Doc. 04-3738 Filed 2-19-04; 8:45 am]

**BILLING CODE 4000-01-P**

## DEPARTMENT OF EDUCATION

**RIN 1855-ZA06**

### Transition to Teaching

**AGENCY**: Office of Innovation and Improvement, Department of Education.

**ACTION**: Notice of proposed priorities and requirements.

**SUMMARY**: The Deputy Under Secretary for Innovation and Improvement proposes two priorities under the Transition to Teaching program. The Deputy Under Secretary may use one or more of these priorities for competitions in fiscal year (FY) 2004 and later years. We take this action to focus Federal financial assistance on State efforts to create or expand alternative routes to teacher certification and district efforts to streamline teacher hiring systems and processes. We intend for the priorities to help States and districts under this program to lower barriers to certification and hiring and increase the number of highly qualified teachers who are recruited into teaching from nontraditional sources. The Deputy Under Secretary also proposes minimum requirements that are needed for efficient grant competitions for FY 2004 and future years, and to ensure that grantees focus their program funds on direct costs of their projects.

**DATES**: We must receive your comments on or before March 22, 2004.

**ADDRESSES**: Address all comments about these proposed priorities and requirements to Thelma Leenhouts, U.S. Department of Education, 400 Maryland Avenue, SW., room 3C102, Washington, DC 20202-5942. If you prefer to send your comments through the Internet, use the following address: [Transitiontoteaching1@ed.gov](mailto:Transitiontoteaching1@ed.gov).

**FOR FURTHER INFORMATION CONTACT:**  
Thelma Leenhouts. Telephone: (202) 260-0223 or via Internet:  
[Thelma.Leenhouts@ed.gov](mailto:Thelma.Leenhouts@ed.gov).

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT**.

#### **SUPPLEMENTARY INFORMATION:**

##### **Invitation To Comment**

We invite you to submit comments regarding these proposed priorities and requirements. To ensure that your comments have maximum effect in developing the notice of final priorities and requirements, we urge you to identify clearly the specific proposed priority or requirement that each comment addresses.

We invite you to assist us in complying with the specific requirements of Executive Order 12866 and its overall requirement of reducing regulatory burden that might result from these proposed priorities and requirements. Please let us know of any further opportunities we should take to reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about these proposed priorities and requirements in room 3C102, 400 Maryland Avenue, SW., Washington, DC, between the hours of 8:30 a.m. and 4 p.m., eastern time, Monday through Friday of each week except Federal holidays.

##### **Assistance to Individuals With Disabilities in Reviewing the Rulemaking Record**

On request, we will supply an appropriate aid, such as a reader or print magnifier, to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for these proposed priorities and requirements. If you want to schedule an appointment for this type of aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

##### **General**

All students need highly qualified and effective teachers if they are to meet their State's challenging academic content standards. Indeed, one of the

pivotal components of the No Child Left Behind Act of 2001, Pub. L. 107-110 (NCLB), is the law's insistence that every student be taught by highly qualified teachers. With the beginning of the 2002-2003 school year, NCLB required that all newly hired teachers of core academic subjects who teach in Title I programs be highly qualified, and, by the end of the 2005-2006 school year, NCLB requires that all teachers of core academic subjects in all public schools be highly qualified. Both States and local districts face challenges in meeting these requirements. Some experience difficulty in hiring teachers in general or in specific subject areas. Others may have an adequate supply of teachers, but these teachers might not be highly qualified.

The Transition to Teaching program is designed to address these challenges by helping high-need schools operated by high-need local educational agencies (LEAs) secure and retain the highly qualified teachers that students in those schools need to help them achieve to challenging academic standards. It does so by encouraging the development and expansion of alternative pathways to teacher certification, and by supporting local programs that make use of these alternative pathways to recruit, hire, and retain highly qualified teachers.

Transition to Teaching projects (1) recruit as teachers talented mid-career professionals, recent college graduates who have not completed a teacher preparation program, and qualified school paraprofessionals, and (2) help these individuals to become successfully certified and licensed classroom teachers in high-need schools of high-need LEAs.

In the most recent Transition to Teaching competition, the Department awarded 95 grants to national or regional, Statewide, and local projects to meet the needs of participating high-need LEAs for highly qualified teachers. However, little of these projects' efforts focus on the key role of States in developing or changing policies and implementing strategies that open up certification to talented, non-traditional candidates. Nor do the projects' efforts focus on the role of high-need LEAs in streamlining their hiring systems, timelines, and policies in order to successfully recruit and hire highly qualified teachers.

Establishing these proposed priorities makes it possible to focus funds at both the State level, where decisions on teacher certification requirements are made, and at the district level, where responsibility for hiring resides. These proposed priorities for opening up certification through alternative

pathways and for streamlining hiring practices are needed to address the NCLB highly qualified teacher requirement.

##### **Discussion of Proposed Priorities**

We will announce the final priorities and requirements in a notice in the **Federal Register**. We will determine the final priorities and requirements after considering responses to this notice and other information available to the Department. This notice does not preclude us from proposing additional requirements or funding additional priorities, subject to meeting applicable rulemaking requirements.

**Note:** This notice does *not* solicit applications. In any year in which we choose to use these proposed priorities, we invite applications through a notice in the **Federal Register**. When inviting applications we designate the priority as absolute, competitive preference, or invitational. The effect of each type of priority follows:

*Absolute priority:* Under an absolute priority we consider only applications that meet the priority (34 CFR 75.105(c)(3)).

*Competitive preference priority:* Under a competitive preference priority we give competitive preference to an application by either (1) awarding additional points, depending on how well or the extent to which the application meets the competitive priority (34 CFR 75.105(c)(2)(i)); or (2) selecting an application that meets the competitive priority over an application of comparable merit that does not meet the priority (34 CFR 75.105(c)(2)(ii)).

*Invitational priority:* Under an invitational priority we are particularly interested in applications that meet the invitational priority. However, we do not give an application that meets the invitational priority a competitive or absolute preference over other applications (34 CFR 75.105(c)(1)).

##### **Priorities**

###### *Proposed Priority 1—State Projects to Create or Expand and Implement Alternative Pathways to Teacher Certification*

This priority supports projects by a State educational agency (SEA) or a consortium of SEAs and the respective teacher certification agency of each State (if different from the SEA), over a project period of up to five years, to create or expand and implement alternative pathways to certification by conducting both of the following activities:

(a) *Create alternatives to the State's traditional certification requirements.* States are encouraged to develop a variety of alternative pathways to certification as important options in their menu of State-approved certification methods to ensure that all teachers are fully certified and highly

qualified. Alternative routes, such as competency-based approaches to certification, permit talented individuals interested in teaching to become fully certified as a result of rigorous assessments of their content and professional teaching competence. Alternate routes such as these provide viable options for attracting a diverse and talented teacher recruitment pool.

(b) *Use the alternative routes to recruit individuals from groups eligible to participate in the Transition to Teaching program.* Funded projects also would, among other things, need to work with participating high-need LEAs to—

(1) Increase the number and quality of mid-career changers, recent college graduates who have not majored in education, and qualified paraprofessionals recruited to teach high-need subjects (such as mathematics, science, and special education) in identified high-need LEAs (which may include LEAs that are charter schools), particularly those in urban and rural areas; and

(2) Provide these newly hired teachers with the support they need to become certified and effective teachers who will choose to make teaching their new long-term profession.

In particular, SEAs receiving project funds must—

(i) Target for recruitment and rigorously screen candidates in areas where there are documented teacher shortages (e.g., mathematics, science, and special education);

(ii) Place prospective teachers only in high-need schools operated by high-need LEAs;

(iii) Prepare individuals for specific positions in specific LEAs and place them in these positions early in the training process;

(iv) Ensure that recruited teachers receive the specific training they need to become fully certified or licensed teachers; and

(v) Have recruited teachers participate in a well-supervised induction period that may include the support of experienced, trained mentors.

*Proposed Priority 2—District Projects to Streamline Teacher Hiring Systems, Timelines, and Processes*

This priority supports projects by one or more high-need local school districts, over a project period of five years, to streamline their hiring systems, timelines and processes. A participating district will need to conduct both of the following activities:

(a) *Examine its current hiring system, processes, and policies to identify the critical barriers to hiring highly*

*qualified teachers.* The lack of highly qualified teachers in most urban and rural districts has often been attributed to their difficulty in recruiting interested and qualified individuals. However, recent research indicates that the problem may not be one of recruitment but may stem from inefficient and untimely district hiring systems and processes. This is especially true in high-poverty districts and schools—the districts and schools the Transition to Teaching program is targeted to serve. Accordingly, the district would have to examine its current hiring processes and policies and, based upon that examination, identify the critical barriers to hiring highly qualified teachers.

(b) *Design and implement efforts to remove the identified barriers and put in place systems that streamline and revamp the hiring process.* Districts are encouraged to create an efficient and timely applicant hiring process with a strong data tracking system and clear hiring goals. These efforts also will involve negotiating policy reforms that remove critical barriers, such as delayed notification of vacancies and seniority and retirement rules.

Districts also would carry out the requirements of the Transition to Teaching program by recruiting nontraditional candidates, using the streamlined hiring system to hire them for teaching in high-need schools, working with them to achieve full State certification, and retaining them for at least three years.

*Discussion of Proposed Requirements for the FY 2004 and Future Year Grant Competitions and Award of Funds*

In order to promote both a fair and efficient program competition and appropriate uses of Transition to Teaching program funds, the Deputy Under Secretary proposes the following requirements to govern grant competitions and awards in FY 2004 and later years. For the most part, these proposed requirements are the same as those that the Department announced in the **Federal Register** on June 17, 2002 (67 FR 41221–41224) and successfully used for the FY 2002 Transition to Teaching program competition and grants awarded under it. The Notice Inviting Applications for New Awards for Fiscal Year 2002 on the Internet is available at the following site: [www.gpoaccess.gov/fr/index.html](http://www.gpoaccess.gov/fr/index.html).

The only exceptions concern (1) a proposal, discussed in the section Application content, that would require each applicant to include in its application a statement that each participating LEA will, rather than

intends to, hire project participants, assuming that it has positions to fill and is satisfied that the participants are qualified to teach these subjects, and (2) a proposal discussed in the section Participant eligibility, which is needed to close a loophole that has permitted some grantees to recruit existing teachers into their projects.

1. *Application content.* Section 2313(d)(2)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA), requires applicants to describe in their applications how they will use the funds received to recruit and retain individuals to teach in high-need schools operated by high-need LEAs. In addition, section 2313(i) of the ESEA requires that individuals who participate in training provided under this program serve in a high-need school operated by a high-need LEA for at least three years. In this regard, an implicit purpose of this program and the ESEA as a whole is to help ensure that all students are able to achieve to high standards, principally in the core academic subjects defined in section 9101(11) of the ESEA. To ensure that all grantees properly implement their projects, we propose that each applicant would need to include information in its application, as the Secretary may require, that confirms that it (if it is an LEA), or each LEA with which it will work—

(a) Is a high-need LEA;

(b) Has identified for the grantee the high-need subjects for which teachers are needed; and

(c) Will hire individuals recruited through the project to meet the LEA's teaching needs, assuming that the LEA still has positions to fill and is satisfied that the individuals are qualified to teach those subjects.

2. *Definitions.*

*High-need LEA.* Section 2102(3) of the ESEA defines “high-need LEA” to mean an LEA that—

(a)(1) Serves not fewer than 10,000 children from families with incomes below the poverty line, or (2) for which not less than 20 percent of the children served by the LEA are from families with incomes below the poverty line; and

(b) For which there is (1) a high percentage of teachers not teaching in the academic subjects or grade levels the teachers were trained to teach, or (2) a high percentage of teachers with emergency, provisional, or temporary certification or licensing.

We are proposing that an applicant (or a grantee should the grantee wish to add an LEA to a Transition to Teaching project after receiving a grant award) would need to demonstrate to the

Department that each LEA that would participate in the project satisfies the definition of high-need LEA. The applicant (or grantee) would need to do so on the basis of the most recent data available in the year in which the Department would approve the LEA's participation in the project. In this regard, we propose the following for each of these two components of the definition—

- For component (a) of “high-need LEA,” the only consistent available data for all LEAs that reflect the statutory requirement for use of the total number or percentage of individuals age 5–17 from families below the poverty line are data from the U.S. Census Bureau. Therefore, we propose to require that the eligibility of an LEA as a “high-need LEA” under component (a) be determined on the basis of the most recent satisfactory Census Bureau data, and we would identify the year of these data to be used in any announcement of a program competition for awards in FY 2004 and future years. (We will provide further information on this subject in the application package for this program that will be available for each competition. This information will include the Internet web site where one may obtain the LEA poverty data that the Census Bureau reports, and the kinds of poverty data the Department will accept for any LEA that is not included on this Internet Web site.)

- For component (b)(1) of the definition of “high-need LEA,” we interpret this phrase “not teaching in the academic subjects or grade levels that the teachers were trained to teach” as equivalent to “a high percentage of teachers teaching out of field.” The Department does not have available to it suitable data with which to define what a high percentage would be. Therefore, LEAs that rely on component (b)(1) would need to demonstrate to the Department's satisfaction that they have a high percentage of teachers teaching out of field. The Department would review this aspect of an LEA's proposed eligibility on a case-by-case basis. To avoid uncertainty, an LEA might choose instead to try to meet this eligibility test under component (b)(2).

- For component (b)(2) of “high-need LEA,” the best data available to the Department on the percentage of teachers with emergency, provisional, or temporary certification or licensing come from the reports on the quality of teacher preparation that States annually provide to the Department in October of each year under section 207 of the Higher Education Act of 1965, as amended (HEA). In these reports, States provide the percentage of teachers in

their LEAs teaching on waivers, both on a statewide basis and in high-poverty LEAs. The most recently available data, which were included in the October 2002 State reports, indicate that the national average of teachers on waivers in high-poverty LEAs is eight (8) percent.

Based on information in these reports, we would publish the most current national percentage of uncertified teachers in high-poverty LEAs in any announcement of a program competition for awards in FY 2004 and future years. To satisfy component (b)(2) of the definition of high-need LEA, an LEA would need to be able to confirm that, at the time it would participate in a Transition to Teaching project, it has at least the percentage of uncertified teachers as the Department announces is a “high percentage” based on the most currently available HEA section 207 State reports.

*High-need subject.* For purposes of the Transition to Teaching program, we propose that a high-need subject means English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, geography, special education, and English as a second language (ESL). These subjects include the “core academic subjects” specified in section 9101(11) of the ESEA and the subjects of special education and ESL. We propose to include these two additional subjects because of the particular need that many high-need LEAs have for teachers in these two areas who can help students with disabilities and English language learners to become proficient in the ESEA core academic subjects.

*High-need SEA.* Section 2313(c) of the ESEA requires the Department to give priority in awarding grants under the program to applications from “a partnership or consortium that includes a high-need State educational agency or local educational agency.” However, the ESEA does not define the term high-need SEA. As was the case for the FY 2002 competition, for purposes of this priority we propose to define a high-need SEA as an SEA of a State that includes at least one high-need LEA. While our definition of this term might enable all SEAs to be considered high-need SEAs, given the proposed requirement that all applications identify the high-need LEA that would participate in the project, any project that includes one of these LEAs as a partner would already be eligible to receive this statutory priority. Hence, we see little value in proposing a more narrow definition of high-need SEA.

3. *Application review process.* Section 2313(b) of the ESEA provides that an eligible applicant for a Transition to Teaching grant must be—

- (a) An SEA;
- (b) A high-need LEA;
- (c) A for-profit or nonprofit organization that has a proven record of effectively recruiting and retaining highly qualified teachers, in a partnership with a high-need LEA or with an SEA;
- (d) An institution of higher education (IHE), in a partnership with a high-need LEA or with an SEA;
- (e) A regional consortium of SEAs; or
- (f) A consortium of high-need LEAs.

Given the wide variety of entities that may apply for grants under this program, the Department expects the scope of proposed recruitment, training, and placement efforts to vary widely. For example, a nonprofit organization might propose activities in various communities throughout the nation, an SEA might propose activities to be conducted on a statewide basis, and an LEA might propose activities that would focus on its own teaching needs. It is likely that if applications from these various entities were reviewed in a single application pool, reviewers would have difficulty evaluating the relative merits of the projects. In addition, the Department is interested in supporting projects of different types that can serve as potential models of recruitment, training, and retention through alternative routes to teaching. Given these factors, and in order to evaluate fairly the relative merits of applications proposing projects of such widely varied scope, we propose to review applications in FY 2004 and later years as we did in the FY 2002 program competition—in three different applicant pools, depending on whether the LEAs to benefit from the project are located—

- (a) In more than one State;
- (b) Statewide or in more than one area of a State; or
- (c) In a single area of a State.

When the Department announces a competition, it will provide an estimate of the number and size of awards to be made from applications in each category. However, the Department would reserve the right to adjust these estimates based on the number of high-quality applications in each pool and as a whole, without regard to the relative scores of applications in each of the three applicant pools.

Finally, because of the variety of entities that could apply for grants under this competition, it is possible that an LEA might be the recipient of services under both (1) its own

application and (2) the application of the SEA of the State in which the LEA is located, an educational service agency that is a high-need LEA, or a nonprofit organization. In this event, should those applications propose duplicative activities the Department would offer the LEA a choice of receiving its own grant award or participating in the other entity's project. Should the LEA choose to receive its own award, the Department would adjust the other entity's grant award accordingly.

4. *Participant eligibility.* Section 2312(1) provides that an individual is eligible to participate in the Transition to Teaching program if the individual (a) has substantial, demonstrable career experience, including as a highly qualified paraprofessional, or (b) is a graduate of an IHE who—

(a) Has graduated not more than three years before applying to join a Transition to Teaching project in order to become a teacher; and

(b) In the case of an individual wishing to teach in a secondary school, has completed an academic major (or courses totaling an equivalent number of credit hours) in the core academic subject that the individual will teach.

The purpose of the Transition to Teaching program is to provide financial support to enable grantees to recruit individuals from their non-teaching positions and, through alternative routes to State certification, help high-need LEAs to hire and retain them as teachers of high-need subjects. Indeed, section 2313(d)(2)(E) requires each application to describe how the proposed project will increase the number of highly qualified teachers teaching high-need academic subjects (in high-need schools operated by high-need LEAs). Consistent with this provision and the program's overall purpose, we propose that individuals who already have State teacher certification or licenses, or who are teaching on a provisional, temporary, or emergency license prior to recruitment into the program, not be eligible to participate in Transition to Teaching projects.

The Department did not adopt this requirement for the FY 2002 competition because, when we announced that competition, we did not believe that this clarification was necessary. However, a number of existing grantees have recruited some project participants from this group of teachers—typically individuals not yet certified or certified teachers desiring to change their area of certification or endorsement. While the statute does not literally prohibit this practice, for reasons we offer in the preceding

paragraph, we are proposing to clarify that those awarded Transition to Teaching grants in FY 2004 or future competitions may not recruit these individuals into the program.

5. *Evaluation and accountability.* Section 2314 of the ESEA requires grantees to submit to the Department and to the Congress interim and final reports at the end of the third and fifth years of the grant period, respectively. Subparagraph (b) of this section provides that these reports must contain the results of the grantee's interim and final evaluations, which must describe the extent to which high-need LEAs that received funds through the grant have met their goals relating to teacher recruitment and retention as described in the project application.

However, while each funded project must promote the recruitment and retention of new teachers in specific identified LEAs, eligible grant recipients are not limited to LEAs. Therefore, it is possible that one or more funded projects will not provide funding to participating LEAs. In order that all project evaluations provide relevant information on the extent to which the project is meeting these LEA goals, we propose that the interim and final evaluations would need to describe the extent to which LEAs that either receive program funds or otherwise participate in funded projects have met their teacher recruitment and retention goals.

6. *Limitation on indirect costs.* The success of the Transition to Teaching Program depends upon how well grantees and the high-need LEAs with which they work recruit, hire, train, and retain highly qualified individuals from other professions and backgrounds to become teachers in high-need subjects. If the program is to achieve its purpose, we need to ensure that all appropriated funds are used as effectively as possible. To do so, we believe it is necessary to place a reasonable limitation on the amount of program funds that grant recipients may use to reimburse themselves for the indirect costs of program activities. Therefore, we propose to place a reasonable limit on the indirect cost rate that all grantees and other recipients of program funds would be able to use in determining the amount of indirect costs they may charge to their Transition to Teaching awards. As was the case for grants awarded under the FY 2002 competition, this limit would be the lesser of eight percent or the recipient's negotiated restricted indirect cost rate.

For reasons we have offered in a limited number of other competitive grant programs that focus on improving teacher quality, we believe that a similar

limitation on a recipient's indirect costs is necessary here to ensure that Transition to Teaching program funds are used to secure the new teachers that Congress intended. See, e.g., the discussion of (1) 34 CFR 611.61, as proposed, that governs the Teacher Quality Enhancement Grants program authorized by Title II, part A of the HEA (65 FR 6936, 6940 (February 11, 2000)), and (2) requirements for the FY 2002 grants competition under the School Leadership program authorized by Title II, part A, subpart 5 of the ESEA (67 FR 36159, 36162 (May 23, 2002)), and under this Transition to Teaching program (67 FR 41223–24 (June 17, 2002)).

#### **Executive Order 12866**

This notice of proposed priorities and requirements has been reviewed in accordance with Executive Order 12866. Under the terms of the order, we have assessed the potential costs and benefits of this regulatory action.

The potential costs associated with the notice of proposed priorities and requirements are those resulting from statutory requirements and those we have determined as necessary for administering this program effectively and efficiently.

In assessing the potential costs and benefits—both quantitative and qualitative—of this notice of proposed priorities and requirements, we have determined that the benefits of the proposed priorities and requirements justify the costs.

We have also determined that this regulatory action does not unduly interfere with State, local, and tribal governments in the exercise of their governmental functions.

#### *Summary of potential costs and benefits:*

Elsewhere in this notice we discuss the potential costs and benefits of these proposed priorities and requirements under the **SUPPLEMENTARY INFORMATION** section.

#### **Intergovernmental Review**

This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive order is to foster an intergovernmental partnership and a strengthened federalism. The Executive order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

This document provides early notification of our specific plans and actions for this program.

**Electronic Access to This Document**

You may view this document, as well as all other Department of Education documents published in the **Federal Register**, in text or Adobe Portable Document Format (PDF) on the Internet at the following site: [www.ed.gov/news/fedregister](http://www.ed.gov/news/fedregister).

To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, DC, area at (202) 512-1530.

**Note:** The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: [www.gpoaccess.gov/nara/index.html](http://www.gpoaccess.gov/nara/index.html).

(Catalog of Federal Domestic Assistance Number 84.350 Transition to Teaching)

**Program Authority:** 20 U.S.C. 4683 *et seq.*

Dated: February 13, 2004.

**Nina Shokraii Rees,**

*Deputy Under Secretary for Innovation and Improvement.*

[FR Doc. 04-3739 Filed 2-19-04; 8:45 am]

**BILLING CODE 4000-01-P**

**DEPARTMENT OF EDUCATION****Submission of Data by State Educational Agencies**

**AGENCY:** National Center for Education Statistics, Institute of Education Sciences, Department of Education.

**ACTION:** Notice of dates of submission of State revenue and expenditure reports for fiscal year 2003 and of revisions to those reports.

**SUMMARY:** The Secretary of Education announces dates for the submission by State educational agencies (SEAs) of expenditure and revenue data and average daily attendance statistics on ED Form 2447 (the National Public Education Financial Survey) for fiscal year (FY) 2003. The Secretary sets these dates to ensure that data are available to serve as the basis for timely distribution of Federal funds. The U.S. Bureau of the Census is the data collection agent for the National Center for Education Statistics (NCES). The data will be published by NCES and will be used by the Secretary in the calculation of allocations for FY 2005 appropriated funds.

**DATES:** The date on which submissions will first be accepted is March 15, 2004. The mandatory deadline for the final submission of all data, including any

revisions to previously submitted data, is September 7, 2004.

**ADDRESSES AND SUBMISSION INFORMATION:** SEAs may mail ED Form 2447 to: Bureau of the Census, ATTENTION: Governments Division, Washington, DC 20233-6800.

SEAs may submit data via the World Wide Web using the interactive survey form at <http://www.census.gov/govs/www/npefs.html>. If the Web form is used, it includes a digital confirmation page where a pin number may be entered. A successful entry of the pin number serves as a signature by the authorizing official. A certification form may also be printed from the Web site, and signed by the authorizing official and mailed to the Governments Division of the Bureau of the Census, at the address listed in the previous paragraph. This signed form must be mailed within five business days of web form data submission.

Alternatively, SEAs may hand deliver submissions by 4 p.m. (Eastern Time) to: Governments Division, Bureau of the Census, 8905 Presidential Parkway, Washington Plaza II, room 508, Upper Marlboro, MD 20772.

If an SEA's submission is received by the Bureau of the Census after September 7, 2004, in order for the submission to be accepted, the SEA must show one of the following as proof that the submission was mailed on or before the mandatory deadline date:

1. A legibly dated U.S. Postal Service postmark.
2. A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.
3. A dated shipping label, invoice, or receipt from a commercial carrier.
4. Any other proof of mailing acceptable to the Secretary.

If the SEA mails ED Form 2447 through the U.S. Postal Service, the Secretary does not accept either of the following as proof of mailing:

1. A private metered postmark.
2. A mail receipt that is not dated by the U.S. Postal Service.

**Note:** The U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, an SEA should check with its local post office.

**FOR FURTHER INFORMATION CONTACT:** Ms. Sharon J. Meade, Chief, Bureau of the Census, ATTENTION: Governments Division, Washington, DC 20233-6800. Telephone: (301) 763-7316. If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternative

format (*e.g.*, Braille, large print, audiotape, or computer diskette) on request to: Frank Johnson, National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education, Washington, DC 20208-5651. Telephone: (202) 502-7362.

**SUPPLEMENTARY INFORMATION:** Under the authority of section 153(a)(1)(I) of the Education Sciences Reform Act of 2002 (P.L. 107-279), 20 U.S.C. 9543, which authorizes NCES to gather data on the financing of education, NCES collects data annually from SEAs through ED Form 2447. The report from SEAs includes attendance, revenue, and expenditure data from which NCES determines the average State per pupil expenditure (SPPE) for elementary and secondary education, as defined in the Elementary and Secondary Education Act of 1965, as amended (ESEA) (currently 20 U.S.C. 7801(2)).

In addition to utilizing the SPPE data as general information on the financing of elementary and secondary education, the Secretary uses these data directly in calculating allocations for certain formula grant programs, including Title I of the ESEA, Impact Aid, and Indian Education. Other programs such as the Educational Technology State Grants program (Title II, Part D), the Education for Homeless Children and Youth Program under Title VII of the McKinney-Vento Homeless Assistance Act, the Teacher Quality State Grants (Title II, Part A) Program, and the Safe and Drug-Free Schools and Communities (Title IV, Part A) Program make use of SPPE data indirectly because their formulas are based, in whole or in part, on State Title I allocations.

In January 2004, the Bureau of the Census, acting as the data collection agent for NCES, will mail to SEAs ED Form 2447 with instructions and request that SEAs submit data to the Bureau of the Census on March 15, 2004, or as soon as possible thereafter. SEAs are urged to submit accurate and complete data on March 15, or as soon as possible thereafter, to facilitate timely processing. Submissions by SEAs to the Bureau of the Census will be checked for accuracy and returned to each SEA for verification. All data, including any revisions, must be submitted to the Bureau of the Census by an SEA not later than September 7, 2004.

Having accurate and consistent information on time is critical to an efficient and fair allocation process and to the NCES statistical process. To ensure timely distribution of Federal education funds based on the best, most accurate data available, NCES