

Reading First plan. Therefore, for Early Reading First eligibility for FY 2002, the Department allowed States to submit lists of eligible LEAs using the above Reading First criteria. In the absence of those lists, the Department used Title I Basic Grant allocation child count data for FY 2001 (see **Federal Register** notice, 67 FR 17594 (April 10, 2002)).

FY 2003 Eligibility Lists

The Department will use the same eligibility lists for the FY 2003 Early Reading First competition that it used for the FY 2002 competition, supplemented as explained in this section under "Supplemental Data." Therefore, all LEAs, and organizations and agencies located in those LEAs, that were eligible for FY 2002 will also be eligible for the FY 2003 Early Reading First competition.

Supplemental Data—States That Have Approved Reading First Plans by February 28, 2003: A number of States now have approved Reading First plans. For States that received approval of their Reading First plans on or before February 28, 2003, the Department will supplement the FY 2002 Early Reading First eligible LEA list with any LEAs that are eligible under those approved Reading First plans but that were not included on the FY 2002 Early Reading First eligible LEA list.

Waiver of Proposed Rulemaking: It is the Secretary's practice, in accordance with the Administrative Procedure Act (5 U.S.C. 553), to offer interested parties the opportunity to comment on proposed rules that are not taken directly from statute. Ordinarily, this practice would have applied to the priorities and requirements in this notice. Section 437(d)(2) of the General Education Provisions Act (GEPA), however, exempts from this requirement rules that would cause extreme hardship to the intended beneficiaries of the program that would be affected by those regulations. The Secretary has determined that extreme hardship would be caused in this case because: a two-stage competition is necessary in order to obtain the highest-quality applications for these grants because of the complex nature of the program, the variety of potential applicants, and the expected large number of applications; funding is available only until September 30, 2003; and there is insufficient time to publish the competition rules for notice and comment and conduct a two-stage competition before that date. The Secretary, in accordance with section 437(d)(2) of GEPA, has decided to forgo public comment with respect to the rules in this grant competition in order

to ensure timely and high-quality awards. These rules will apply only to the FY 2003 grant competition.

Application Process: The FY 2003 Early Reading First grant competition will be conducted through a Pre-Application and Full Application process. All applicants must submit a Pre-Application, which must include a brief description of the context of the existing preschool program(s) to be supported and improved with Early Reading First funds, and then a short narrative that addresses four key concepts related to the proposed project that are described under PRE-APPLICATION SELECTION CRITERIA. The Pre-Application is limited to: 2 double-spaced pages for describing the context, and 10 double-spaced pages to address the selection criteria, with a limited appendix and formatting requirements that are described in the application package.

The Secretary, through a peer review panel of experts convened under section 1203(c)(2) of the ESEA in accordance with section 1222(c) of the ESEA, will evaluate each Pre-Application based on the Pre-Application selection criteria and will determine whether each Pre-Application qualifies for additional points under two Pre-Application competitive priorities included in this notice. In determining which applicants to invite to submit Full Applications, the Secretary will consider the rank order of applications, as determined by the total score of the Pre-Application based on the selection criteria and the awarding of competitive priority points, if any.

The Full Application must include a brief program context description, a narrative addressing the Full Application selection criteria (different than the Pre-Application selection criteria), a budget, and a budget narrative. The Secretary, through a separate peer review panel of experts also convened under section 1203(c)(2) of the ESEA in accordance with section 1222(c) of the ESEA, will evaluate each Full Application based on the Full Application selection criteria and will determine whether each Full Application qualifies for additional points under the Full Application competitive priority included in this notice. The Full Application is limited to: 2 double-spaced pages for the context description, 35 double-spaced pages for the narrative, and 5 double-spaced pages for the budget narrative, with formatting requirements and limited appendices that are described in the application package.

The Secretary will select applicants for funding based on the quality of the

Full Applications including their rank order as determined by the total score of the Full Application based on the selection criteria and the awarding of competitive priority points, if any. In making funding decisions, the Department will use the procedures in section 75.217 of EDGAR, 34 CFR 75.217. When making awards, the Secretary may take into consideration other information that is relevant to obtaining a variety of types of funded projects and an equitable distribution of awards throughout the Nation, such as geographical representation, location in high-need urban and rural areas, project size, and type of program. The Department anticipates making final awards in September 2003.

Priorities

Invitational Priorities

The Secretary is particularly interested in Early Reading First proposals that will be operated by a partnership that includes at a minimum, the following entities: (1) An SEA or a local educational agency (LEA), or both; and (2) a preschool that is not under the administrative control of an LEA. A preschool is considered to be under the administrative control of an LEA for this purpose if the LEA is the fiscal agent or operates, supervises, controls, or manages the preschool. A preschool that is located in a school or LEA building is not necessarily under the administrative control of an LEA. This invitational priority will help ensure that the preschool programs supported with Early Reading First funds are closely coordinated and aligned with the State's kindergarten through grade 12 (K-12) educational system and goals and will give State and local support to preschools that are not formally a part of the State's K-12 public education system. However, applications that meet this invitational priority do not receive any absolute or competitive preference over applications that do not meet the priority.

The Secretary also is particularly interested in Early Reading First projects that will serve a significant number of children with special needs, including those with disabilities and those with limited English proficiency. These programs would provide those children access, through appropriate accommodations, to the same high-quality environments and early reading curricula and activities based on scientifically based reading research as would be provided to children without special needs, to support their age-appropriate development of oral language, phonological awareness, print