

3. Services designed (based on review of scientifically based research) to improve the reading proficiency of migratory children whose education is interrupted;

4. Services designed (based on review of scientifically based research) to improve the mathematics proficiency of migratory children whose education is interrupted;

5. Services designed (based on review of scientifically based research) to decrease the dropout rate of migratory students (*i.e.* grades 7 to 12) whose education is interrupted and improve high school completion rates;

6. Services designed (based on review of scientifically based research) to strengthen the involvement of migratory parents in the education of migratory students whose education is interrupted; and

7. Services designed (based on review of scientifically based research) to expand access to innovative educational technologies intended to increase the academic achievement of migratory students whose education is interrupted.

Specifically, an SEA wishing to receive an incentive grant would need to be a partner within a consortium that focuses on one or more of these seven key priorities. The Department believes that these seven priorities reflect the most pressing needs of migratory students that warrant particular attention through work in consortium arrangements.

The area of identification and recruitment is a critical first component of any migrant education program, and one in which consortium activities have proven useful and effective. The areas of early childhood education, reading and mathematics achievement, parental involvement, and reduction in the migrant dropout rate are critical to ensuring that migratory students stay in school and achieve to high academic content and academic performance standards. However, to date, these areas have not been a primary focus of consortium efforts. As school interruption and low levels of student achievement continue to be dominant characteristics of the migrant student population, finding innovative uses of electronic technologies to assist students away from home to continue to master State content and academic achievement standards also remains a priority.

In proposing these particular priorities to govern receipt of consortium incentive grants, the Department understands that migratory students have other significant needs that also warrant the focused attention of interstate and interagency consortia.

These efforts, in areas such as improving the responsiveness of teachers to migrant student needs, transfer of key education and health records, and increasing the numbers of migratory students who take and pass State assessments, are clearly important and should continue. However, the Department believes that migratory students will be better served at this time by targeting special financial incentives to SEAs that participate in high-quality consortia that focus on one or more of the proposed seven absolute priorities.

Proposed Amount and Duration of Incentive Grants

The Department proposes that an SEA that participates in a high-quality consortium arrangement, as determined by use of the program's selection criteria, would receive only one incentive grant award regardless of the number of high-quality consortia in which it participates.

Rather than determine the amount of grant awards on the basis of a cost analysis as described in section 75.232 of the EDGAR, the Department would make awards to SEAs participating in these consortia on the basis of the following two-tiered formula: For each project period, SEAs whose MEP allocations are \$1 million or less would receive a grant award that is twice the amount of the award provided to SEAs whose MEP allocations are greater than \$1 million. Within each tier, awards would be of equal size. However, no SEA would receive an incentive grant award that exceeds the amount of its Title I, Part C MEP formula grant or \$250,000, whichever is less.

It should be noted that, because these requirements would prohibit an SEA from receiving a consortium incentive grant award that exceeds its MEP formula allocation, some SEAs with MEP allocations of \$1 million or less may not receive a consortium incentive grant award that is twice the amount of the award provided to SEAs whose MEP allocations are greater than \$1 million.

In proposing to award only one incentive grant per SEA and to utilize a two-tiered formula, subject to the limitations discussed above, for making incentive grants, the Department is recognizing that these awards are by law, only "incentives" for SEAs to enter into high-quality consortium arrangements, and as such are not necessarily intended to pay the costs of consortium activities.

While the award of these grants offers all SEAs an incentive to participate in consortium arrangements, the use of this two-tiered formula would recognize the

particular resource needs of SEAs whose MEPs are \$1 million or less. Section 1303(d)(1) directs the Department to specifically consult with SEAs that receive MEP allocations of \$1 million or less in order to determine whether their participation in consortium arrangements would result in the delivery of MEP services in a more effective and efficient manner.

On February 25, 2003, officials of the Department's Office of Migrant Education (OME) met with the MEP Directors from those SEAs that receive an MEP allocation of \$1 million or less in order to discuss their States' special needs. One of the foremost concerns these State MEP Directors raised was the need to receive a consortium incentive grant fund amount large enough to encourage and enable their State MEPs' full participation in consortium arrangements. Responding to a possible option of having all SEAs that participated in high-quality consortia receive the same size consortium incentive grant, participants recommended that the Department consider awarding a higher consortium incentive grant amount to those States that receive MEP grants of \$1 million or less.

The idea of awarding a higher level of consortium incentive grant funds to SEAs that receive MEP allocations of \$1 million or less was later proposed to all the State MEP Directors in attendance at the February 26–27, 2003 Annual Meeting of State MEP Directors, and no objections were raised.

In short, the proposed two-tiered approach for awarding consortium incentive grants eliminates the costs and burdens associated with the individual SEAs and consortia preparing and reviewing their estimated cost savings, as was required under this program in prior years.

Based on these consultations with the State MEP Directors, the Department believes that the proposed two-tiered funding formula offers two advantages over other proposals. First, with little burden on SEAs, it provides a reasonable and efficient basis for awarding consortium incentive grant funds. In addition, it will assist those SEAs that receive MEP allocations of \$1 million or less obtain the funds they need to participate effectively in consortium arrangements, while also administering and operating their State MEPs.

For FY 2003, the Department proposes to reserve \$2.5 million for consortium incentive awards. The amount of awards in future years would vary and would be announced prior to any future competition. With a \$2.5