

DEPARTMENT OF EDUCATION**Career Resource Network State Grants**

AGENCY: Office of Vocational and Adult Education, Department of Education.

ACTION: Notice of extension of project period and waiver, and reopening of competition for American Samoa.

SUMMARY: We waive the requirement in 34 CFR 75.261(c)(2) as it applies to projects funded under the Career Resource Network State Grants Program (CRN) in fiscal year (FY) 2000. We waive this requirement in order to be able to extend the project periods for 58 current grants awarded under the FY 2000 CRN competition.

We will also reopen the FY 2000 competition for the limited purpose of allowing American Samoa to submit an application for funding under the CRN.

DATES: This notice is effective July 31, 2002.

FOR FURTHER INFORMATION CONTACT:

Sharon A. Jones, U.S. Department of Education, 400 Maryland Avenue, SW., room 4515, Mary E. Switzer Building, Washington, DC 20202-7242. Telephone (202) 205-9870.

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 extension and waiver in an alternative format (e.g., Braille, large print, audiotope, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT**.

SUPPLEMENTARY INFORMATION:

On May 29, 2002 we published in the *Federal Register* (67 FR 37408) a notice proposing an extension of project period and waiver, and reopening of competition for American Samoa, in order to give early notice of—

(1) The possibility that additional years of funding may be available for current grantees through continuation awards; and

(2) Our intent to reopen the competition for American Samoa.

Public Comment

In the May 29th notice the Assistant Secretary invited comments on these proposals. We did not receive any comments.

Waiver of Delayed Effective Date

The Administrative Procedure Act requires that a substantive rule shall be published at least 30 days before its effective date, except as otherwise provided for good cause (20 U.S.C. 553(d)(3)). During the 30-day public

comment period on this notice, no comments or objections were received on the proposed extension, waiver and limited reopening of the FY 2000 competition. For this reason, and in order to make timely continuation grants to the entities affected, the Secretary has determined that a delayed effective date is not required.

Background

On May 12, 2000 (65 FR 30798), we issued a notice inviting applications for new awards under the CRN for FY 2000. Among other things, the notice (a) explained that CRN grants are intended to provide support for the implementation of Statewide, systemic strategies for providing young people and adults with the critical career information resources and the skills they need to make effective educational and career decisions throughout their lives, (b) created a two-year project period, (c) established the deadline for the receipt of applications, and (d) clearly identified the eligible applicants, which include any of the 50 States, the Virgin Islands, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

In the May 12th notice, we indicated that the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are not eligible for funding under the CRN after FY 2001 and, therefore, would not be eligible to receive funding under the CRN beyond FY 2001. However, following publication of the notice, Congress enacted H.R. 2436, the Guam Omnibus Opportunities Act, in which it extended the eligibility of these three entities beyond 2001, and until such time as they have fully completed the negotiations of their compacts of free association. Accordingly, since these three entities have not yet completed the negotiations process, they would continue to be eligible for funding under the CRN program in FY 2002, and perhaps beyond.

As also indicated in the May 12th notice, we expected to receive applications from each of the 59 eligible applicants. With the exception of American Samoa, every eligible State and outlying area applied for and received funding under the FY 2000 competition. American Samoa missed the deadline, but has indicated that it is interested in submitting an application and receiving funding in FY 2002. Based on the statute as written and the important services to be provided under

the authority of section 118 of the Perkins Act, we believe that Congress intended for us to provide assistance under the CRN program to all eligible entities. We are, therefore, reopening the FY 2000 competition in order that American Samoa may apply for funding under the CRN.

If we held a new competition for FY 2002 and every current grantee, as well as American Samoa, applied for and received funding, all eligible applicants would be receiving support under the CRN in FY 2002. We believe, therefore, that it is in the best interest of the CRN for us to extend currently funded projects, allow American Samoa to apply for a grant, and review requests for continuation awards from the 58 current FY 2000 grantees, rather than hold a new competition in FY 2002. We believe that holding a new competition would create an unnecessary burden for current grantees since the 58 current grantees would have to undertake the effort and cost of submitting new applications for funding in FY 2002. A new competition would be likely only to cause existing grantees to expend valuable time and resources applying for program funding under the existing authority, while requesting continuation awards would be a more appropriate and effective means for current CRNs already under way to continue their projects under this program. In addition, pursuing a continuation grant process would also result in a more effective use of Federal funds.

Moreover, the Perkins Act, which includes authorization for the CRN, expires at the end of FY 2003. With the uncertainties presented by the absence of authorizing legislation for the CRN beyond FY 2003, it does not appear to be appropriate to hold a competition in FY 2003 for projects that would operate in FY 2004. We are generally reluctant to announce a competition in which eligible entities would be expected to prepare and submit applications while they are lacking critical information about the future of the program, and we do not think that it would be in the public interest to do so in this case.

Since we will have a limited purpose reopening of the FY 2000 competition so as to allow American Samoa to apply for CRN funding, the continuation of grants in lieu of a FY 2002 competition will not prevent the support of this last, and as yet unfunded, eligible entity under the CRN.

EDGAR Requirement

In order to provide for continuation awards, we waive the requirement in 34 CFR 75.261(c)(2), which establishes the conditions for extending a project

period, including prohibiting the extension of a grantee's project period if it involves the obligation of additional Federal funds.

This extension and waiver will allow us to make continuation grants at least in FY 2002 and FY 2003 and perhaps beyond FY 2003 if Congress continues to appropriate funds for the CRN program under the current statutory authority. However, in accordance with 34 CFR 75.250, we do not hereby intend to make continuation grants beyond FY 2005.

A waiver will mean that: (1) Current CRN grants may be continued at least through FY 2004 (depending on the availability of appropriations for CRN in subsequent years under the current statutory authority), instead of ending in FY 2002, and (2) we will not announce a new competition or make new awards in FY 2002, as previously planned.

Continuation of the Current Grantees

With this extension and waiver of § 75.261(c)(2) of EDGAR, we extend the project periods of the 58 States and outlying areas that received grants under the FY 2000 competition for two years and for additional years for which Congress appropriates funds under the current statutory authority.

Decisions regarding annual continuation awards will be based on the program narratives, budgets and budget narratives, and Grant Performance Reports submitted by grantees, and on the regulations at 34 CFR 75.253. Consistent with 34 CFR 75.253, we will award continuation grants if we determine, among other things, and based on information provided by each grantee, that each grantee is making substantial progress performing grant activities. Under this extension and waiver, (1) the project period for grantees could be extended to July 19, 2004, and (2) additional continuation awards could be made for any additional fiscal year or years for which Congress appropriates funds under existing statutory authority.

We do not interpret this waiver as exempting current grantees from the account closing provisions of Pub. L. 101-510, or as extending the availability of FY 2001 funds awarded to current grantees. As a result of Pub. L. 101-510, appropriations available for a limited period may be used for payments of valid obligations for only five years after the expiration of their period of availability for Federal obligation. After that time, the unexpended balance of those funds is canceled and returned to the Treasury Department and is unavailable for restoration for any purpose.

Instructions for Requesting a Continuation Award

Under the applicable EDGAR provisions, each grantee wishing to receive an annual continuation grant shall submit a program narrative that describes the activities it intends to carry out during each of the two years (FYs 2002 and 2003), and during any additional years for which Congress appropriates funds under the current statutory authority, of a continuation award. The activities must be consistent with, or be a logical extension of, the scope, goals, and objectives of the grantee's approved application. (34 CFR 75.261(c)(3)). A grantee shall also submit a budget and budget narrative for each year it requests a continuation award. (34 CFR 75.118 and 75.253(c)(2)(i)). We suggest that states and outlying areas request their continuation awards at least three weeks before their current grants expire.

Amount of New Awards Under Continuation Grant

The actual amount of each continuation award depends on factors such as (1) the grantee's written statement describing how the funds made available under the continuation award will be used, (2) a cost analysis of the grantee's budget by the Department, and (3) whether any unobligated funds remaining from previous grant awards are needed to complete activities that are planned for completion in the prior budget period. (34 CFR 75.232 and 75.253(c)(2)(ii) and (3)).

The CRN has received an increase in its appropriation from FY 2001, which could result in States and outlying areas receiving a percentage increase in their awards. As a result of the increase in the appropriation, it is expected that States and outlying areas will receive a 4.39 percent increase in the amount of their current grants.

Although grantees must submit program narratives and budgets describing the activities they plan to carry out during each period of continuation, which could include some increase in funding, we strongly encourage all grantees to consider the 4.39 percent increase when deciding the amount of funds to request to support their continuation of projects.

American Samoa

American Samoa missed the deadline for the FY 2000 competition, but is interested in receiving funding in FY 2002. In order to provide an opportunity for American Samoa to submit an application under the CRN, we (1)

reopen the competition and application notice published on May 12, 2000 (65 FR 30798) for this limited purpose, and (2) establish a new deadline date by which American Samoa will be required to submit its application. To be considered for funding, American Samoa must submit an application that meets the requirements established by the statute and the May 12, 2000 notice and is determined by the Department to have merit based on the criteria described in the May 12th notice. However, American Samoa is not required to follow the May 12th notice with regard to the *Deadline for Transmittal of Applications, Deadline for Intergovernmental Review, Estimated Average Size of Awards, and Project Period*. Instead, American Samoa should note the following:

Deadline for Transmittal of Application: August 30, 2002.

Deadline for Intergovernmental Review: October 29, 2002.

Estimated Range of Award: As with other awards under the FY 2000 competition, the size of American Samoa's award will depend on factors such as the scope and quality of the application and will be determined during pre-award clarification discussions with us. However, we strongly encourage American Samoa to consider the \$85,732 estimated grant amount determined for American Samoa and published in the May 12th notice and the 4.39 percent increase in this notice, in determining the amount it requests for FY 2002.

Project Period: American Samoa's project period will be for FYs 2003 and 2004, and possibly for additional years for which Congress appropriates funds under the current statutory authority. Decisions regarding any continuation awards for American Samoa will be made in the same manner as decisions will be made for other CRN grantees under this notice.

Note: The Department is not bound by any estimates in this notice.

If You Have Questions About The Percentage Increase Your State Or Outlying Area May Receive Or About The Information You Must Submit In Order , To Request A Continuation Award, Or New Award In The Case Of American Samoa, Contact: Burt Carlson, U.S. Department of Education, 400 Maryland Avenue, SW., room 4331, Mary E. Switzer Building, Washington, DC 20202-7241. Telephone (202) 401-6225.

Paperwork Reduction Act of 1995

This extension and waiver does not contain any information collection requirements.

Intergovernmental Review

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

In accordance with the order, we intend this document to provide early notification of the Department's specific plans and actions for this program.

Assessment of Educational Impact

In the notice of proposed extension and waiver we requested comments on

whether the proposed extension and waiver would require transmission of information that any other agency or authority of the United States gathers or makes available.

Based on the response to the notice of proposed extension and waiver and our own review, we have determined that this final notice of extension and waiver does not require transmission of information that any other agency or authority of the United States gathers or makes available.

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(Catalog of Federal Domestic Assistance Number 84.346 Career Resource Network State Grants)

Program Authority: 20 U.S.C. 2328.

Dated: July 24, 2002.

Hans Meeder,

Acting Assistant Secretary, Office of Vocational and Adult Education.

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