

DEPARTMENT OF EDUCATION

RIN 1820-ZA29

**Special Demonstration Programs—
Model Demonstrations To Improve the
Literacy and Employment Outcomes of
Individuals With Disabilities****AGENCY:** Office of Special Education and Rehabilitative Services, Department of Education.**ACTION:** Notice of proposed priorities.

SUMMARY: The Assistant Secretary for the Office of Special Education and Rehabilitative Services (OSERS) proposes priorities under the Special Demonstration Programs. The Assistant Secretary may use these priorities in fiscal year (FY) 2003 and in later years. We take this action to focus attention on the adult literacy needs of individuals with disabilities pursuing employment under the State Vocational Rehabilitation Services Program. We intend that projects funded under these priorities will demonstrate that certain specific literacy services may raise the literacy levels and earnings of individuals with disabilities compared to individuals who receive the usual vocational rehabilitation (VR) services.

DATES: We must receive your comments on or before August 25, 2003.

ADDRESSES: Address all comments about these proposed priorities to Susan-Marie Marsh, U.S. Department of Education, 400 Maryland Avenue, SW., Switzer Building, room 3316, Washington, DC 20202-2641. If you prefer to send your comments through the Internet, use the following address: *Susan-Marie.Marsh@ed.gov*.

You must include the term "Model Demonstrations to Improve the Literacy and Employment Outcomes of Individuals With Disabilities" in the subject line of your electronic message.

FOR FURTHER INFORMATION CONTACT:

Susan-Marie Marsh. Telephone: (202) 358-2796 or via Internet: *Susan-Marie.Marsh@ed.gov*.

If you use a telecommunications device for the deaf (TDD), you may call the TDD number at (202) 205-8133.

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. 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. 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 in room 3038, Switzer Building, 330 C Street, 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. If you want to schedule an appointment for this type of aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

We will announce the final priorities in a notice in the **Federal Register**. We will determine the final priorities after considering responses to this notice and other information available to the Department. This notice does not preclude us from proposing 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**Background**

Preliminary data from the *Longitudinal Study of the Vocational Rehabilitation Services Program* suggest reading achievement levels are highly positively correlated with earnings. Data also indicate that VR agencies provide basic literacy services to only one percent of the VR population. As a result of these findings, the Rehabilitation Services Administration (RSA) is testing two instructional reading curricula: The Lindamood-Bell Language Program (LBLP) and the Wilson Reading System® (WRS). Both curricula have proven effective with adults with disabilities. However, the impact of these curricula on the literacy skills of adults with disabilities has not been assessed, and neither curriculum has been studied in a VR setting by RSA. Thus, RSA is interested in testing the impact of each curriculum on the literacy of adults with disabilities against the traditional services provided by VR.

Both curricula are phonics-based, but their instructional models differ. The WRS, based on the principles of Orton-Gillingham methodology, focuses on decoding and spelling for adults who have been unable to learn encoding and decoding through traditional basal methods, whole language, or other phonics programs and who require multisensory language instruction to master the phonological coding system of English. Teaching models of direct instruction with drill are implemented. The WRS Web site address is: <http://www.WilsonLanguage.com>.

The LBLP is used to develop students' cognitive and linguistic abilities in the areas of phonemic and orthographic awareness (symbol imagery) for decoding and spelling, and concept imagery for vocabulary development and oral and written language comprehension. The curriculum is student-driven, sequential, and constructivist-based, aimed at ultimately developing students' thinking or reasoning skills necessary for effective language processing (including reading), including all those areas predictive for reading success, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. All of LBLP's instructional approaches use a Socratic pedagogy whereby the teacher leads the

learner or learners in homogenous groups, via a series of diagnostically based questions toward the area or areas needing to be stimulated. Instruction is customized and relies heavily on appropriate assessments from the most basic linguistic units all the way through the higher level cognitive and linguistic functions including metacognition, critical thinking, language processing, and inferential thinking. Further information may be found on the Internet at the following Web site: <http://www.lblp.com>.

An independent evaluator, selected after awards are made, will work with grantees to ensure that their projects are designed and implemented in a manner that will allow for rigorous evaluation, including the assignment of project participants into literacy intervention and control groups.

Proposed Priority—Model Demonstrations To Improve the Literacy Skills and Employment Outcomes of Individuals With Disabilities

This priority supports projects that demonstrate the effect literacy services and instruction have on improving literacy skills of targeted groups of VR consumers and the effect on their employment and earnings outcomes. Projects must demonstrate how VR offices can effectively integrate literacy services into their service delivery systems and can best provide literacy services and instruction to a targeted group of VR consumers.

Evaluation

Projects must assure cooperation with RSA and RSA's outside evaluator in meeting the evaluation needs of the project and RSA. Project cooperation with RSA's outside evaluator must include the following:

1. The assessment of all entering VR consumers in the designated project service area using brief methodologically acceptable screening instruments for learning disabilities and literacy levels to determine their eligibility for the project. The assessment does not include VR consumers with evidence of mental retardation in their case files.
2. The assignment of approximately one-half of the eligible project participants into a literacy intervention group who would receive the additional services and benefits of the project and approximately one-half of the project participants into a control group who would not receive projects services. However, no individual in the control group can be denied literacy services if his or her Individualized Plan for

Employment (IPE) requires those services. Furthermore, those services may not be provided or paid for under these demonstration grants.

3. The use of diagnostic tests and effective assessments of reading proficiency consistent with the procedures of RSA's outside evaluator.

4. The administration of a pre- and post-test to project participants as directed by RSA's outside evaluator.

Interventions

An applicant for this competition must choose either the LBLP or the WRS for its curriculum and provide a rationale for its choice (e.g., the local adult literacy provider already uses WRS). However, an applicant may also choose to describe its capacity to use the other curriculum if it would be willing to substitute the alternative curriculum as its curriculum in order to enhance its ability to compete. RSA will select grantees in a manner to ensure that each curriculum intervention is adequately represented in the applications selected for funding.

Project Participants

The following participant research criteria must be met:

1. Projects must have a sufficient number of individuals in the control and experimental groups so that the effects of the literacy intervention can be adequately measured.
2. Project participants must be eligible to receive VR services by the State VR agency and have, or be in the process of developing, an IPE.
3. All project participants (control and experimental groups) must be given an informed choice with respect to participation in the demonstration project consistent with the human subjects provisions as included in the application package.
4. Project participants for the experimental and control groups must be selected using the requisite instrument. RSA requires use of the *Learning Needs Screening Tool*, a validated and public domain screener, which can be incorporated into the VR intake process. Copies of the screener as well as further information may be found on the Internet at the following Web site: <http://www.seekingwdc.org/ld/WaScreenTool.htm>.

Use of Funds

Funds may be used only for project costs and related activities and may not be used to supplant the cost of services ordinarily provided by the VR program. Related activities may include, but are not limited to—(1) counselor training or orientation, including counselor

training on administration of literacy assessment instruments, (2) educational assessment and evaluation, (3) research expenses, (4) support services such as consumer transportation, childcare, and facilitation for attendance and retention, (5) instructional materials, (6) curriculum and instruction, (7) professional development for instructors and administrators, (8) assistive technology devices and services, (9) instructional technology, and (10) consultants.

Invitational Priority

Within the priority for this competition, we are particularly interested in applications that meet the following invitational priority:

Establishing partnerships with other organizations that can assist in carrying out their respective projects related to improving literacy and employability skills of adults with disabilities.

These organizations might include Adult Education and Family Literacy (AEFL) programs, institutions of higher education, volunteer-based literacy programs, community rehabilitation programs, nonprofit or for-profit vendors of literacy services, and other workforce agencies. Applicants under this invitational priority must meet the requirements in 34 CFR 75.127 through 75.129, which governs how partnerships and other groups of eligible parties may submit applications and conduct funded projects.

Under 34 CFR 75.105(c)(1) we do not give an application that meets the invitational priority a competitive or absolute preference over other applications.

Executive Order 12866

This notice of proposed priorities 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 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, we have determined that the benefits of the proposed priorities 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

The Assistant Secretary has determined this project to be beneficial to the ongoing research and further assistance of VR customers. No other direct financial contribution is expected of the grantee.

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. *Applicable Program Regulations:* 34 CFR part 373.

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: <http://www.ed.gov/legislation/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: <http://www.access.gpo.gov/nara/index.html>.

(Catalog of Federal Domestic Assistance Number 84.235P Special Demonstration Programs—Model Demonstration Projects to Improve the Literacy and Employment Outcomes of Individuals With Disabilities)

Program Authority: 29 U.S.C. 773(b).

Dated: July 22, 2003.

Robert H. Pasternack,

Assistant Secretary for Special Education and Rehabilitative Services.

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DEPARTMENT OF EDUCATION

[CFDA No. 84.235P]

Special Demonstration Programs—Model Demonstrations To Improve the Literacy and Employment Outcomes of Individuals With Disabilities; Notice Inviting Applications for New Awards for Fiscal Year (FY) 2003

Purpose of Program: Special Demonstration Programs support projects that expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act of 1973, as amended (Act), or further the purposes of the Act in empowering individuals with disabilities to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society. This competition focuses attention on the adult literacy needs of individuals with learning disabilities pursuing employment under the State Vocational Rehabilitation Services Program. We intend that projects funded under these priorities will demonstrate that certain specific literacy services may raise the literacy levels and earnings of individuals with disabilities compared to individuals who receive the usual vocational rehabilitation (VR) services.

Eligible Applicants: State VR agencies.

Applications Available: July 28, 2003.

Deadline for Transmittal of Applications: August 27, 2003.

Deadline for Intergovernmental Review: September 26, 2003.

Estimated Available Funds: \$1,600,000.

Estimated Average Size of Awards: \$200,000.

Estimated Number of Awards: 8. Eight projects will be funded in total. Four projects will be funded under each of the two reading curricula described in the Background section of the notice of proposed priorities published elsewhere in this issue of the **Federal Register**.

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

Project Period: Up to 60 months.

Page Limit: The application narrative (Part III of the application) is where you, the applicant, address the selection criteria that reviewers use to evaluate your application. It is suggested that you limit Part III to 35 pages.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 85, 97, and 99. (b) The regulations for this program in 34 CFR part 373.

Priorities

Model Demonstrations To Improve the Literacy and Employment Outcomes of Individuals With Disabilities

It is the policy of the Department of Education not to solicit applications before the publication of final priorities. However, in this case it is essential to solicit applications on the basis of the notice of proposed priorities published elsewhere in this issue of the **Federal Register**, because the Department's authority to obligate these funds will expire on September 30, 2003. Applicants should base their applications on the proposed priorities. If changes are made in the final notice in response to public comments or other considerations, applicants will be given an opportunity to revise or resubmit their applications.

For FY 2003, this priority is an absolute priority. Under 34 CFR 75.105(c)(3) we consider only applications that meet this priority.

Invitational Priority

The invitational priority in the notice of proposed priorities published elsewhere in this issue of the **Federal Register** also applies to this competition.

Under 34 CFR 75.105(c)(1) we do not give an application that meets the invitational priority a competitive or absolute preference over other applications.

Application Procedures

Note: Some of the procedures in these instructions for transmitting applications differ from those in the Education Department General Administrative Regulations (EDGAR) (34 CFR 75.102). Under the Administrative Procedure Act (5 U.S.C. 553) the Department generally offers interested parties the opportunity to comment on proposed regulations. However, these amendments make procedural changes only and do not establish new substantive policy. Therefore, under 5 U.S.C. 553(b)(A), the Secretary has determined that proposed rulemaking is not required.

Pilot Project for Electronic Submission of Applications

In FY 2003, the U.S. Department of Education is continuing to expand its pilot project for electronic submission of applications to include additional formula grant programs and additional discretionary grant competitions. The Special Demonstration Programs—CFDA number 84.235P is one of the programs included in the pilot project. If you are an applicant under the Special Demonstration Programs, you may submit your application to us in either electronic or paper format.