



U.S. DEPARTMENT OF HOMELAND SECURITY

**FISCAL YEAR 2011**

**DRIVER'S LICENSE SECURITY GRANT PROGRAM**

**GUIDANCE AND APPLICATION KIT  
SECTION I – APPLICATION AND REVIEW  
INFORMATION**

**MAY 2011**



U.S. DEPARTMENT OF HOMELAND SECURITY

**Title of Opportunity:** Fiscal Year (FY) 2011 Driver's License Security Grant Program (DLSGP)

**Regional Funding Opportunity Number:**

Grant Program Name	Opportunity Number
Driver's License Security Grant Program (DLSGP) – Region I	DHS-11-GPD-089-001-01
Driver's License Security Grant Program (DLSGP) – Region II	DHS-11-GPD-089-002-01
Driver's License Security Grant Program (DLSGP) – Region III	DHS-11-GPD-089-003-01
Driver's License Security Grant Program (DLSGP) – Region IV	DHS-11-GPD-089-004-01
Driver's License Security Grant Program (DLSGP) – Region V	DHS-11-GPD-089-005-01
Driver's License Security Grant Program (DLSGP) – Region VI	DHS-11-GPD-089-006-01
Driver's License Security Grant Program (DLSGP) – Region VII	DHS-11-GPD-089-007-01
Driver's License Security Grant Program (DLSGP) – Region VIII	DHS-11-GPD-089-008-01
Driver's License Security Grant Program (DLSGP) – Region IX	DHS-11-GPD-089-009-01
Driver's License Security Grant Program (DLSGP) – Region X	DHS-11-GPD-089-010-01

**Catalog of Federal Domestic Assistance (CFDA) Number:** 97.089

**Federal Agency Name:** U.S. Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA)

**Announcement Type:** Initial

**Dates:** Completed applications must be submitted **no later than 11:59 p.m. EDT, June 20, 2011.**

**Additional Overview Information:**

- **Reformatted DLSGP Program Guidance Kit.** Due to continued stakeholder feedback and recommendations, Grant Programs Directorate (GPD) has reformatted its FY 2011 DLSGP Guidance and Application Kit. The Kit is now structured into two separate documents, referred to as *Section I* and *Section II*. While both are important documents for grantees to study and thoroughly familiarize themselves with, *Section I* is intended to help grantees during the application phase of DLSGP, whereas *Section II* is intended to help grantees in understanding the rules and regulations associated with administering federally-funded grant awards.
- **Enhanced Data Collection.** As part of the DHS Performance Management Initiatives, including the Quadrennial Homeland Security Review (QHSR) Report, FEMA will enhance data collection processes and tools to assess the use and impact of FY 2011 DLSGP grant funds. Grantees will not be asked to provide

additional data, but may be required to modify existing data reporting processes to collect more useful performance information.

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## PART I.

# FUNDING OPPORTUNITY DESCRIPTION

On September 11, 2001, 18 of the 19 terrorists who committed attacks on the United States had been issued U.S. identification documents, including driver's licenses (DLs).<sup>1</sup> The FY 2011 DLSGP is designed to address a key recommendation of the 9/11 Commission to improve the integrity and security of State-issued DLs and identification cards (IDs). Meeting the minimum requirements of the FY 2011 DLSGP will help States<sup>2</sup> improve State driver's license and identification card issuance capabilities. In addition, the *REAL ID Act of 2005* (Public Law 109-13) and the DHS REAL ID Final Rule published in January 2008 (6 CFR Part 37) are intended to encourage States to work collectively to develop more secure systems to verify an applicant's identity before issuing a driver's license or identification card that can be accepted for official purposes.

States must be in full compliance with the REAL ID Act of 2005 by January 15, 2013 (see Federal Register Volume 76, Number 44 (Monday, March 7, 2011)). This change will give States the time necessary to ensure that driver's licenses and identification cards issued by States meet the security requirements of the REAL ID Act.

The FY 2011 DLSGP provides the fourth round of funding available to all State Driver's License Agencies (SDLAs), also known as State Departments of Motor Vehicles (DMVs) or Motor Vehicle Administrations (MVsAs), for FY 2011 DLSGP related projects. Previously, the Department of Homeland Security (DHS) awarded \$48,000,000 to 52 States and territories under the FY 2010 DLSGP.

As appropriated under the *Department of Defense and Full-Year Continuing Appropriations Act, 2011* (Public Law 112-10) and authorized by Title II of the *REAL ID Act of 2005*, Division B of the *Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief, 2005* (Public Law 109-13), States are invited to apply for funds under this solicitation. The FY 2011 DLSGP guidance is designed to encourage all States to apply for program funding. States are invited to submit proposals under this grant program that will further secure their DL/ID issuance processes and assist States in meeting the minimum requirements outlined in Federal law and DHS regulations.<sup>3</sup> Specifically, DHS encourages States to submit proposals that:

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<sup>1</sup> DLs include all forms of driver's licenses to include Commercial Driver's Licenses as long as they meet the REAL ID requirements

<sup>2</sup> For purposes of the *REAL ID Act*, "State" is defined at sec. 201(5) as "a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States." This package will refer to all 56 States, the District of Columbia and territories as "States."

<sup>3</sup> See *Federal Register*, Vol. 73, No. 19, Tuesday, January 29, 2008, 6 CFR Part 37, Minimum Standards for Driver's Licenses and Identification Cards Acceptable by Federal Agencies for Official Purposes; Final Rule, pp. 5272-5340

- Have the greatest impact upon reducing the issuance and use of fraudulent DLs and IDs.
- Reduce the costs of program implementation for individuals, States, and the Federal Government
- Expedite State progress toward meeting minimum security standards
- Plan and expedite State-specific activities to support Federal data and document verification requirements and standards

DHS will award grants to State driver's licensing authorities to improve State DL/ID issuance processes, enhance security, and develop innovative solutions with broad applicability for FY 2011 DLSGP implementation. These solutions should improve business processes, IT, infrastructure and DL/ID document and issuance security. Grant award recipients may use grant dollars to meet the minimum issuance standards of Federal law in one of two ways:

1. Begin or continue State-specific process, security, infrastructure and IT improvements consistent with the Federal law and DHS regulations
2. Develop and implement policies, procedures, and protocols, following the uniform set of standards established by the States to capture, manage, and verify applicant data under the provisions of Federal law

## **PART II.**

# **AWARD INFORMATION**

### ***Authorizing Statutes***

The *Department of Defense and Full-Year Continuing Appropriations Act, 2011* (Public Law 112-10) and the *Implementing Recommendations of the 9/11 Commission Act of 2007* (Public Law 110-53) (hereafter “9/11 Act”).

### ***Period of Performance***

The period of performance of this grant is 36 months. Extensions to the period of performance will be considered only through formal requests to FEMA with specific and compelling justifications as to why an extension is required. For more information on grant extensions, see *Section II, Part I.A.*

### ***Available Funding***

In FY 2011, the total amount of funds distributed under this grant program will be \$44,910,000. The FY 2011 DLSGP funds will be allocated based on the following: All 56 States and territories will receive a base amount with the balance of funds distributed based on the total number of DLs/IDs issued in each State. For the purposes of this grant, States are grouped into four categories based upon the number of DL/IDs issued. The available target funding allocations are summarized in Table 1. The amount of award may be adjusted from the allocations in Table 1 if:

1. Some States do not apply
2. Some States ask for less than the amount allocated
3. Individual State applications are inconsistent with program requirements

If the total of all State awards is less than \$44,910,000 for any of the above reasons, the remaining program funds will be redistributed to applicant States based on the formula.

**Table 1. FY 2011 Driver's License Security Grant Program  
Target Funding Allocations**

Category	State	FY 2011 Award	Category	State	FY 2011 Award
Category 1	California	\$1,512,900	Category 3 (cont.)	Minnesota	\$701,062
	Florida	\$1,512,900		Missouri	\$701,062
	Illinois	\$1,512,900		Mississippi	\$701,062
	New York	\$1,512,900		Nebraska	\$701,063
	Texas	\$1,512,900		New Hampshire	\$701,063
Category 2	Alabama	\$979,269		New Mexico	\$701,063
	Arizona	\$979,269		Nevada	\$701,063
	Georgia	\$979,269		Oklahoma	\$701,063
	Indiana	\$979,269		Oregon	\$701,063
	Louisiana	\$979,269		South Carolina	\$701,063
	Massachusetts	\$979,269		Tennessee	\$701,063
	Michigan	\$979,269		Utah	\$701,063
	North Carolina	\$979,269		Wisconsin	\$701,063
	New Jersey	\$979,269		West Virginia	\$701,063
	Ohio	\$979,269	Category 4	Alaska	\$556,393
	Pennsylvania	\$979,269		American Samoa	\$556,393
	Virginia	\$979,270		District of Columbia	\$556,393
	Washington	\$979,270		Delaware	\$556,393
Category 3	Arkansas	\$701,062		Guam	\$556,393
	Colorado	\$701,062		Northern Mariana Islands	\$556,393
	Connecticut	\$701,062		Montana	\$556,393
	Hawaii	\$701,062		North Dakota	\$556,393
	Iowa	\$701,062		Puerto Rico	\$556,393
	Idaho	\$701,062		Rhode Island	\$556,393
	Kansas	\$701,062		South Dakota	\$556,393
	Kentucky	\$701,062		U.S. Virgin Islands	\$556,393
	Maryland	\$701,062		Vermont	\$556,393
	Maine	\$701,062		Wyoming	\$556,393
<b>Total</b>			<b>\$44,910,000</b>		

**Cost Match**

There is no cost match required with FY 2011 DLSGP.

**A. Funding Guidelines**

DHS grant funds may only be used for the purpose set forth in the grant, and must be consistent with the statutory authority for the award. Grant funds may not be used for matching funds for other Federal grants/cooperative agreements, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds may not be used to sue the Federal government or any other government entity.



Pre-award costs are allowable only with the written consent of DHS and if they are included in the award agreement.

Federal employees are prohibited from serving in any capacity (paid or unpaid) on any proposal submitted under this program. Federal employees may not receive funds under this award.

1. **Management and Administration (M&A).** A maximum of 5 percent (5%) of funds awarded may be used for M&A purposes associated with this grant award, and must appear in the detailed budget and budget narrative.

- Hiring of full-time or part-time staff or contractors/consultants
- DHS travel-related expenses
- DHS meeting-related expenses (please refer to *Section II, Part I.B.1.1.1* for specific allowability relative to 44 CFR)
- Acquisition of authorized office equipment, including personal computers, laptop computers, printers, LCD projectors, and other equipment or software which may be required to implement FY 2011 DLSGP requirements
- Recurring fees/charges associated with certain equipment, such as cell phones, faxes, etc.
- Leasing and/or renting of space for newly hired personnel to administer FY 2011 DLSGP grant funding

2. **Allowable Costs.** This section provides guidance on allowable costs for the FY 2011 DLSGP.

### ***Planning***

FY 2011 DLSGP funds may be used for a variety of planning activities, and must appear in the detailed budget and budget narrative. These planning activities include the following:

- Establishing and participating in a State-to-State Verification Governance Body
- Developing personal identification system enhancements
- Developing project final reports
- Developing or enhancing plans and protocols
- Hiring full- or part-time staff or contract/consultant personnel to oversee planning and management activities as well as complying with reporting and data collection requirements, and requests for data by DHS Office of Policy or FEMA/GPD
- Hiring personnel to assist with the design and requirements development of the FY 2011 DLSGP

### ***Equipment***

FY 2011 DLSGP funding may be used for a variety of equipment purchases that must appear in the detailed budget and budget narrative.

- Purchasing software and hardware associated with systems integration
- Purchasing equipment related to information capture, storage, processing, and verification
- Purchasing hardware and software for communications and information technologies (IT)
- Purchasing upgrades to existing facilities to improve the security and capabilities of license production, issuance, and enrollment systems

### ***Other Allowable Costs***

- **Maintenance and Sustainment.** The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. Grantees are reminded to be sensitive to supplanting issues as supplanting is prohibited. Maintenance contracts and warranties, repair and replacement costs, upgrades, and/or user fees for equipment that was not originally purchased with preparedness grant funding (or provided by DHS components listed in Information Bulletin [IB] 336) may not be subsequently paid for with preparedness grant funding. Please refer to GPD's IBs 336 and 348, located at <http://www.fema.gov/government/grant/bulletins/index.shtm>. Routine upkeep (i.e. gasoline, tire replacement, routine oil changes, monthly inspections, grounds and facility maintenance etc.) is the responsibility of the grantee and may not be funded with preparedness grant funding.
- **Maintenance Contracts and Warranties.** To increase the useful life of the equipment, maintenance contracts and warranties may be purchased using grant funding from one fiscal year to cover equipment purchased with funding from a different fiscal year. The use of grant funding for the purchase of maintenance contracts and warranties must meet the following conditions:
  - Maintenance contracts and warranties may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
  - To avoid supplementing Congressional appropriations for specific programs, maintenance contracts and warranties must be purchased using funds from the same grant program used to purchase the original equipment
  - The term of the maintenance contract or warranty shall not exceed the period of performance of the grant to which the contract is being charged

- **Repair and Replacement Costs.** The cost of repair and replacement parts for equipment purchased using FEMA preparedness grant funding is an allowable expense.
  - Repair and replacement parts may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
  - To avoid supplementing Congressional appropriations for specific programs, repair and replacement parts must be purchased using the same grant program used to purchase the original equipment
- **Upgrades.** FEMA preparedness grant funding may be used to upgrade previously purchased allowable equipment. For example, if the grantee purchased risk management software with Homeland Security Grant Program (HSGP) funds in FY 2005 and would like to use FY 2011 HSGP grant funding to upgrade the software, this is allowable.
  - Upgrades may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
  - To avoid supplementing Congressional appropriations for specific programs, upgrades must be purchased using the same grant program used to purchase the original equipment
- **User fees.** User fees are viewed as costs for specific services required to maintain and provide continued operation of equipment or systems. An example would be the recurring service fees associated with handheld radios or mobile data computers.
  - User fees may only be paid for equipment that has been purchased using FEMA preparedness grant funding
  - To avoid supplementing Congressional appropriations for specific programs, user fees must be paid for using the same grant program used to purchase the original equipment. The service time purchased shall not exceed the period of performance of the grant to which the user fee is being charged.
- **Implementation.** Planned or actual expenditures for maintenance contracts and warranties, repair and replacement costs, upgrades and user fees must be reflected in the grantee's SAPR and budget detail worksheet.

Grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 225.

3. **Unallowable Costs.** Costs such as using grant funds for the construction of new facilities or hiring of law enforcement personnel for activities unrelated to the FY 2011 DLSGP are unallowable under this program. For guidance and clarification

regarding these and any other unallowable costs, applicants should contact their FEMA Regional Program Manager; contact information is located in *Section II, Part II*.

For more guidance and clarification regarding these allowable and unallowable costs, applicants should review **2 CFR Part 225**, *as the lists above are not comprehensive*.

## PART III.

# ELIGIBILITY INFORMATION

### A. Eligible Applicants

The 56 States and territories are eligible to apply for FY 2011 DLSGP funds. Eligible applicants under the FY 2011 DLSGP are SDLAs, also known as State DMVs or Motor MVAs. Other eligible applicants include State Public Safety Agencies or Departments with overall responsibility for DL/ID issuance in the State. These agencies may apply on behalf of the State DMV/MVA.

### B. Governance

#### ***National Incident Management System (NIMS) Implementation***

In accordance with Homeland Security Presidential Directive (HSPD)-5, *Management of Domestic Incidents*, the adoption of the NIMS is a requirement to receive Federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, Tribal nations, nongovernmental organizations including voluntary organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.

Federal FY 2010 NIMS implementation must be considered prior to allocation of any Federal preparedness awards in FY 2011. Since FY 2007, the National Integration Center (NIC) has advised State, Tribal nation, and local governments to self assess their respective progress relating to NIMS implementation objectives in the NIMS Compliance Assistance Support Tool (NIMSCAST).<sup>4</sup> The list of objectives against which progress and achievement are assessed and reported can be found at <http://www.fema.gov/emergency/nims/ImplementationGuidanceStakeholders.shtm#item2>.

All State, Tribal nation, and local government grantees should update their respective NIMSCAST assessments and, if necessary, submit a Corrective Action Plan via NIMSCAST for FY 2010. Corrective Action Plans are only required if a jurisdiction fails to meet one of the NIMS implementation activities. Comprehensive information concerning NIMS implementation for States, Tribal nations, local governments, nongovernmental organizations, and the private sector is available through the NIC at FEMA's NIMS Resource Center at <http://www.fema.gov/nims>.

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<sup>4</sup> As defined in the *Homeland Security Act of 2002* (Public Law 107-296), the term "State" means "any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any possession of the United States" 6 U.S.C. 101 (14)

State, Tribal, and local governments should continue to implement NIMS training guidance (course curricula and instructor qualifications) contained in the *Five-Year NIMS Training Plan*, released in February 2008 and any successor guidance released by FEMA. [Note: Coursework and training developed and/or delivered by National Wildfire Coordinating Group (NWCG) meet the course and instructor requirements of the *Five-Year NIMS Training Plan*]. NIMS training guidance is available on FEMA's NIMS Resource Center at <http://www.fema.gov/emergency/nims/NIMSTrainingCourses>.

The primary grantee/administrator of FY 2011 DLSGP award funds is responsible for determining if sub-awardees have demonstrated sufficient progress in NIMS implementation to disburse awards.

# PART IV.

## APPLICATION AND SUBMISSION INFORMATION

### A. Address to Request Application Package

FEMA makes all funding opportunities available on the Internet at <http://www.grants.gov>. If you experience difficulties accessing information or have any questions please call the Grants.gov customer support hotline at (800) 518-4726.

Application forms and instructions are available at Grants.gov. To access these materials, go to <http://www.grants.gov>, select “Apply for Grants,” and then select “Download Application Package.” Enter the CFDA and/or the funding opportunity number located on the cover of this announcement. Select “Download Application Package,” and then follow the prompts to download the application package. To download the instructions, go to “Download Application Package” and select “Instructions.”

### B. Content and Form of Application

1. **Application via Grants.gov.** All applicants must file their applications using the Administration’s common electronic “storefront” – <http://www.grants.gov>. Eligible grantees must apply for funding through this portal, accessible on the Internet at <http://www.grants.gov>.

The application must be started and submitted using Grants.gov after Central Contractor Registration (CCR) is confirmed. The on-line application includes the following required form:

- Standard Form 424, Application for Federal Assistance

When applicants apply through <http://www.grants.gov>, the Standard Form 424 in the initial Grants.gov application will need to be submitted. The Standard Form 424 will be retrieved by ND Grants and the system will automatically populate the relevant data fields in the application. Because FEMA will need to conduct an initial review of the application prior to the submission deadline of June 20, 2011, grantees are encouraged to initiate and complete the Standard Form 424 submission within Grants.gov by **no later than June 13, 2011**. Upon the completion of the initial review, FEMA will determine whether an application should proceed further and the applicant will be notified to complete their submission by fulfilling additional

application requirements (e.g., budget, Investment Justification, Work Plan, etc.) listed below by **no later than June 20, 2011**.

The application must be completed and final submission made through the ND Grants system located at <https://portal.fema.gov>. If you need assistance registering for the ND Grants system, please contact FEMA's Enterprise Service Desk at (888) 457-3362. Applicants are encouraged to begin their ND Grants registration at the time of solicitation to ensure they have adequate time to start and complete their application submission. The ND Grants system includes the following required forms and submissions:

- Standard Form 424A, Budget Information (Non-construction)
- Standard Form 424B, Standard Assurances (Non-construction)
- Standard Form 424C, Budget Information (Construction)
- Standard Form 424D, Standard Assurances (Construction)
- Standard Form LLL, Disclosure of Lobbying Activities (if the grantee has engaged or intends to engage in lobbying activities)
- Grants.gov (GG) Lobbying Form, Certification Regarding Lobbying
- FEMA Form 20-16C, Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements
- Program Narrative
- Program Management Capabilities Work Plan
- Budget Narrative
- Confirmation from the applicant (if different from the State MVA or DMV) that the State MVA or DMV administrator agrees with the application package

The program title listed in the CFDA is "*Driver's License Security Grant Program*." The CFDA number is **97.089**.

2. **Dun and Bradstreet Data Universal Numbering System (DUNS) Number.** The applicant must provide a DUNS number with their application. This number is a required field within <http://www.grants.gov> and for CCR. Organizations should verify that they have a DUNS number, or take the steps necessary to obtain one, as soon as possible. Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at (866) 705-5711.
3. **Valid CCR.** The application process also involves an updated and current registration by the applicant, which must be confirmed at <http://www.ccr.gov>.
4. **Program Narrative and Program Management Capabilities Work Plan (Parts A and B), and Budget and Budget Narrative Requirements.** The required Program Narrative, associated Program Management Capabilities Work Plan (*Parts I and II*), and Budget and Budget Narrative Requirements provides the State with a DLSGP implementation roadmap and tells DHS how grant funding will be used.



- 5. Submission and File Naming Convention.** The Program Narrative, Program Capabilities Work Plan (*Parts I and II*), Budget, and Budget Narrative requirements must be submitted with the grant application as a file attachment within <http://www.grants.gov>. Applicants must use the following file naming convention when submitting required documents as part of the FY 2011 DLSGP: “FY 2011 Driver’s License Security Grant Program <State Abbreviation>.”

### **FY 2011 Driver’s License Security Grant Program Application Template**

Successful FY 2011 DLSGP applicants must comply with the following requirements:

**A) Program Narrative.** Applicants should ensure that their program narratives describe the following:

- The State’s progress in improving its credentials and licensing issuance processes consistent with Federal law and DHS regulations
- The State’s current driver’s licensing issuance processes and personal identification system capabilities
- State policies and procedures that will be changed to become consistent with the standards of DHS regulations; these may include business rules and processes for DL/ID card issuance and personal identification verification
- Measures States will take to protect the security and privacy of personal identifiable information
- Actual FY 2011 DLSGP requirements the State intends to meet with this grant funding

**B) Program Management Capabilities Work Plan**

**Part I.** Please provide a description of current resource management capabilities the State needs to develop, implement, and manage the programmatic requirements associated with implementing the FY 2011 DLSGP. When describing current management capabilities, consider including discussions and information such as the following:

- Major organizations in the State, committees, and other structures accountable for implementing the initiatives
- State staffing/resource levels within these core organizations responsible for program administration and oversight
- Initiatives to reduce fraud and improve the security of driver’s licensing issuance authorities and motor vehicle operations involved with issuing ID cards or driver’s licenses

**Part II.** The following basic goals and objectives for the FY 2011 DLSGP should be considered in the State’s Program Management Work Plan:

- Reduce the potential for fraudulent issuance and use of DLs and ID cards

- Reduce the costs of FY 2011 DLSGP implementation for individuals, States, and the Federal government
- Develop improvements to State-centric license issuance processes, policies, security, IT personal identification information security and verification capabilities
- Involve proven technology solutions
- Design solutions that can be used or adopted by other States
- Include privacy and security impact assessments and/or provisions
- Document how project activities will:
  1. Reduce the issuance and use of fraudulent DLs and identification cards.
  2. Reduce the costs of program implementation for individuals, States, and the Federal Government
  3. Expedite State progress toward enhanced security standards
  4. Upgrade state capabilities for verifying identity documentation and information presented by applicants
  5. Be successfully completed by the project period end date

**C) Budget and Budget Narrative Requirements.** All FY 2011 DLSGP award recipients are required to submit a detailed budget and budget narrative addressing related costs and expenses, as they relate to expenditures outlined in the SF 424A. This budget narrative should be detailed and should serve to: (1) explain how the costs were estimated, and (2) justify the need for the costs incurred to the measurable achievement outcomes as stated in the work plan. For clarification purposes, the narrative should include tables describing cost and expense elements (e.g. equipment list with unit costs/quantity). The budget must be complete, reasonable and cost-effective in relation to the proposed project. The budget should provide the basis of computation of all project-related costs and any appropriate narrative. Applicants will find a sample budget detail worksheet in Part VI. This worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative.

Funds will not be made available for obligation, expenditure, or drawdown without an approved budget and budget narrative.

## **C. Environmental Planning and Historic Preservation (EHP) Compliance**

FEMA is legally required to consider the potential impacts of all grant-funded projects on environmental resources and historic properties. For DLSGP and other preparedness grant programs, this is accomplished via FEMA's EHP Review.

Grantees must comply with all applicable EHP laws, regulations, and Executive Orders (EOs) in order to draw down their FY 2011 DLSGP grant funds. Any project with the potential to impact natural resources or historic properties cannot be initiated until FEMA has completed the required FEMA EHP review. Grantees that implement projects prior to receiving EHP approval from FEMA risk de-obligation of funds.

DLSGP projects that involve the installation of equipment or ground-disturbing activities must undergo a FEMA EHP review. For these types of projects, grantees must complete the FEMA EHP Screening Form (Office of Management and Budget [OMB] Number 1660-0115/FEMA Form 024-0-01) and submit it, with all supporting documentation, to the GPD EHP team at [GPDEHPinfo@fema.gov](mailto:GPDEHPinfo@fema.gov) for review. If you have any additional questions please contact CSID at (800) 368-6498, Monday through Friday, 8:00 a.m. – 6:00 p.m. EST. Grantees should submit the FEMA EHP Form for each project as soon as possible upon receiving their grant award. Refer to IBs 329, 345, and 356 (located at <http://www.fema.gov/government/grant/bulletins/index.shtm>) and *Section II, Part I.B.5.5.6* for further details on EHP requirements.

The following activities would not require the submission of the FEMA EHP Screening Form: planning and development of policies or processes; management, administrative or personnel actions; classroom-based training; table top exercises; and, acquisition of mobile and portable equipment (not involving installation).

#### **D. Submission Dates and Times**

All submissions will be received by **no later than 11:59 p.m. EDT, June 20, 2011**. Late applications will neither be considered nor reviewed. Only applications started through <http://www.grants.gov> and completed through the ND Grants system located at <https://portal.fema.gov> will be accepted.

## **PART V.**

# **APPLICATION REVIEW INFORMATION**

### **A. Review Criteria**

Applications will undergo a completeness and content review. Each FEMA Region will be responsible for reviewing the Program Narrative, Program Management Capabilities Work Plan (Parts I and II), Budget (SF 424A), and Budget Narrative of their respective States in order to ensure programmatic compliance and the applicant's potential to successfully improve the State's driver's license and identification card processes, security, IT, and infrastructure. Thereafter, the DHS Office of Policy, Screening Coordination Office will review each application to ensure proposed projects are consistent with Federal law and DHS regulations.

### **B. Review and Selection Process**

The following process will be used to provide final approval to MVAs and DMVs:

- FEMA Regions will verify compliance with all administrative and eligibility criteria identified in the application kit
- FEMA Regions will evaluate the applicant's potential to successfully improve the States driver's license and identification card processes, security, IT, and infrastructure
- DHS Office of Policy will review each submitted application to ensure proposed projects are consistent with Federal law and DHS regulations
- FEMA Headquarters, in partnership with the FEMA Regions, will provide grant recipients with official notification of the grant award upon approval of the Program Narrative, Program Management Capabilities Work Plan (Parts I and II), Budget (SF 424A), and Budget Narrative

NOTE: Should an application be conditionally approved, it will be the grantee's responsibility to work directly with their respective FEMA Regional contact to ensure corrective action is taken in order for a full release of FY 2011 DLSGP funds to take place.

Funds will not be made available for obligation, expenditure, or drawdown until the applicant's budget and budget narrative have been approved by FEMA.

The applicant must provide a detailed budget for the funds requested. The detailed budget must be submitted with the grant application as a file attachment within <http://www.grants.gov>. The budget must be complete, reasonable, and cost-effective in relation to the proposed project. The budget should provide the basis of computation of

all project-related costs, any appropriate narrative, and a detailed justification of M&A costs.

### **C. Anticipated Announcement and Award Dates**

FEMA will evaluate, act on applications, and make awards on or before September 30, 2011.

### **D. Intergovernmental Review**

Executive Order 12372 requires applicants from State and local units of government or other organizations providing services within a State to submit a copy of the application to the State Single Point of Contact (SPOC), if one exists, and if this program has been selected for review by the State. Applicants must contact their State SPOC to determine if the program has been selected for State review. Executive Order 12372 can be referenced at <http://www.archives.gov/federal-register/codification/executive-order/12372.html>. The names and addresses of the SPOCs are listed on OMB's home page available at [http://www.whitehouse.gov/omb/grants\\_spoc](http://www.whitehouse.gov/omb/grants_spoc).

## PART VI. OTHER INFORMATION

The following sample budget detail worksheet may be used as a guide to assist DLSGP applicants in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

### Sample Budget Detail Worksheet

**Purpose.** The budget detail worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

**A. Personnel.** List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
		\$
<b>Total Personnel</b>		\$

**B. Fringe Benefits.** Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project.

Name/Position	Computation	Cost
		\$
<b>Total Fringe Benefits</b>		\$

**C. Travel.** Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
				\$
<b>Total Travel</b>				\$

**D. Equipment.** List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than one year. (Note: Organization's own capitalization policy and threshold amount for classification of equipment may be used). Expendable items should be included either in the "Supplies" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Computation	Cost
		\$
<b>Total Equipment</b>		\$

**E. Supplies.** List items by type (e.g. office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy and threshold amount for classification of supplies may be used). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
		\$
<b>Total Supplies</b>		\$

**F. Consultants/Contracts.** Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

**Consultant Fees:** For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Name of Consultant	Service Provided	Computation	Cost
			\$
<b>Subtotal – Consultant Fees</b>			\$

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.)

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Location	Computation	Cost
			\$
<b>Subtotal – Consultant Expenses</b>			\$

**Contracts:** Provide a description of the product or services to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts in excess of \$100,000.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

Item	Cost
	\$
<b>Subtotal – Contracts</b>	\$
<b>Total Consultants/Contracts</b>	\$

**G. Other Costs.** List items (e.g., reproduction, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and how many months to rent.

**Budget Narrative:** Provide a narrative budget justification for each of the budget items identified.

**Important Note:** If applicable to the project, construction costs should be included in this section of the Budget Detail Worksheet.

Description	Computation	Cost
		\$
<b>Total Other</b>		\$

**H. Indirect Costs.** Indirect costs are allowed only if the applicant has a Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description	Computation	Cost
		\$
<b>Total Indirect Costs</b>		\$



**Budget Summary** - When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal funds requested and the amount of non-Federal funds that will support the project.

Budget Category	Federal Amount	Non-Federal Amount <sup>5</sup>
A. Personnel	\$	\$
B. Fringe Benefits	\$	\$
C. Travel	\$	\$
D. Equipment	\$	\$
E. Supplies	\$	\$
F. Consultants/Contracts	\$	\$
G. Other	\$	\$
H. Indirect Costs	\$	\$

Total Requested Federal Amount	Total Non-Federal Amount
\$	\$
Combined Total Project Costs	
\$	

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<sup>5</sup> FY 2011 DLSGP does not require matching funds; this section should be left blank for all FY 2011 DLSGP applications.