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DEPARTMENT OF EDUCATION

Applications for New Awards; Preschool Development Grants--Preschool Pay For Success Feasibility Pilot

AGENCY: Office of Elementary and Secondary Education, Department of Education.

ACTION: Notice.

Overview Information:

Preschool Development Grants--Preschool Pay for Success Feasibility Pilot

Notice inviting applications for new awards for fiscal year (FY) 2016.

Catalog of Federal Domestic Assistance (CFDA) Number: 84.419C.

Dates:

Applications Available: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Notice of Intent to Apply: [INSERT DATE 20 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Transmittal of Applications: [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Full Text of Announcement

I. Funding Opportunity Description

Purpose of Program:

The purpose of this Preschool Pay For Success (PFS) Feasibility Pilot is to encourage State and local PFS activity for preschool programs by providing grants for

Feasibility Studies.<sup>1</sup> The Feasibility Studies will determine if PFS is a viable and appropriate strategy to implement preschool programs that are high-quality and yield meaningful results. The Department, in consultation with the Department of Health and Human Services (HHS), developed the Preschool PFS Feasibility Pilot. The ultimate aim of the Preschool PFS Feasibility Pilot is to improve early learning outcomes through a High-Quality Pay for Success Project by providing grants for Feasibility Studies. This pilot does not limit feasibility studies to programs that meet the definition of “high-quality” preschool used by the Preschool Development Grants program in its 2014 grant competition in order to allow the PFS demonstrations to demonstrate high-quality in different ways, including through the impacts that the pilots are able to achieve. In this way, such projects could further develop the evidence-base of programs that are demonstrated to be effective.<sup>2</sup> However, the Preschool PFS Feasibility Pilot does not fund the implementation of preschool services. These Feasibility Studies will test the viability of PFS for preschool models designed to effectively serve the Target Population, and identify a broad range of potential Outcome Measures designed to both demonstrate improved student outcomes and result in potential cost savings to school districts, Local Governments, and States, as well as provide more general benefits to society.

In awarding Preschool PFS Feasibility Pilot grants, the Department will only support Feasibility Studies that propose to identify rigorous safeguards to protect the interests of students and their families. This includes not creating incentives for reducing special education referrals or placement when Children with Disabilities need these services and related services under the Individuals with Disabilities Education Act

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<sup>1</sup> Defined terms are used throughout the document and are indicated by capitalization.

<sup>2</sup>As published in the Federal Register on August 18, 2014 (79FR48853 and 79FR48873).

(IDEA), 20 U.S.C. 1400 et seq., in order to be successful. Such incentives would contravene the IDEA requirements that States and school districts have policies and procedures in effect to locate, identify, and evaluate children suspected of having disabilities and who are in need of special education and related services and to ensure that a free appropriate public education (FAPE) is made available to eligible children, 20 U.S.C. 1412(a)(3) (Child Find) and 20 U.S.C. 1412 (a)(1) (FAPE). Possible safeguards should include: procedures to ensure that the determination of a child's eligibility for special education and related services under the IDEA is completely separated from the financial structure of the project; evaluation methods that mitigate the risk of incentives to exclude or prematurely exit children from needed services and support; stakeholder involvement with groups or families who represent students with disabilities in developing and evaluating the project; inclusion of longer-term impacts, such as third grade reading achievement, on both treatment and control groups; and may include other strategies. The Department is interested in proposals for possible outcome measures that reflect improved outcomes for students with disabilities while protecting their rights under IDEA.

The Department plans to make publicly available the completed Feasibility Studies and related reports in order to make tools and models available to the public, facilitate knowledge-sharing, and lessen the burden of future feasibility assessments in communities. Further, if the Feasibility Studies conclude that PFS is viable, it is the intent of the Department for grantees to use the Feasibility Studies, after the grant period, to develop a PFS project to improve early learning outcomes.

Background on the Pay For Success Model:

Under this program, the Department will award grants to States, Local Governments, and Tribal Governments to conduct Preschool PFS Feasibility Pilots. PFS includes innovative contracting and financing models that seek to test and advance promising and proven interventions, while paying only for successful impacts and outcomes for families, individuals, and communities. Through a PFS project, a government (or other) entity enters into a contract to pay for the achievement of concrete, measurable outcomes for specific people or communities. Service providers deliver interventions to achieve these outcomes. Payments, known as Outcomes Payments, are made only if the interventions achieve those outcomes agreed upon in advance. In many cases, these outcomes are expected to occur over a period of years, meaning that the service providers need outside funding in order to cover their operating costs. In these cases, PFS financing is used by bringing in Investors, which are recruited typically by an Intermediary contracted by the government. The government or other entity makes Outcomes Payments that, where PFS financing is used, repay Investors for their capital that covered the costs of services (and sometimes other projects costs) and offer them a modest return. In these cases payments are tied to the impact of the intervention, which means the improved outcomes for program recipients relative to a counterfactual, that is, what would have occurred absent the intervention. Ideally, with or without PFS financing, Outcomes Payments amount to a fraction of the short- and long-term cost savings to the government (or other) entity resulting from the successful outcomes. In other cases, these payments may represent an overall greater value to both the recipients of services and to the government or other payor based on the achievement of better outcomes than would otherwise have occurred.

The PFS contracting and financing model requires a partnership among multiple stakeholders. Partners typically include:

- One or more outcomes “payors,” generally Federal, State, Local Government, or Tribal Government entities, or other public or private entities that contract to pay for outcomes when achieved;
- Service provider(s), which deliver the intervention intended to achieve the outcomes;
- Investor(s), which cover the up-front cost of implementing the intervention and may also cover other associated costs through PFS financing; and
- An independent evaluator, which determines, through a Rigorous Evaluation, whether the intervention achieved the outcome(s) sought.

Most PFS projects to date have also included a project coordinator or Intermediary to facilitate and manage the contracting process and project.

The development, implementation, and evaluation of PFS projects typically involve three stages: Feasibility Study; transaction structuring; and agreement implementation.

The first stage, the Feasibility Study which is the focus of this solicitation, includes the following activities:

- Identification of outcome(s) sought, in particular for the population being served;
- Assessment of community needs, assets, and capacity;

- Identification of a challenge(s) or barrier(s) for serving a particular population or addressing a social issue and determination of the total costs associated with the lack of intervention;
- Identification of interventions that can achieve the desired outcome(s);
- Projection of the potential public value, including any savings, to be achieved through potential interventions;
- Determination of the willingness and capacity of stakeholders to implement a PFS project; and
- Development of Rigorous Evaluation methodology to determine if Outcome Measures have been achieved.

If the Feasibility Study has determined that a PFS project is viable, the next steps to implement the PFS project through transaction structuring and agreement implementation, which are beyond the scope and period of this grant. These activities include structuring the financial agreements, finalizing the evaluation, implementing the intervention and evaluation, measuring outcomes, and making Outcomes Payments (if appropriate).

While not a “silver bullet,” PFS models offer many potential benefits; for example:

- People and communities in need are able to receive services as a result of the capital provided by investors;
- Governments can test the effectiveness of interventions--including long-standing models, promising innovations, or adaptations of existing models--or can scale

proven interventions that might not otherwise be possible due to funding restrictions or other limitations;

- Service providers can assess the rigorous research measuring the impact of their interventions while also accessing a steady stream of funding for the life of the PFS project;

- Investors can create positive social impact and earn a modest return if outcomes are achieved;

- Multiple entities, including government, service providers, and stakeholders, can benefit from the cross-sector collaboration and appropriate data sharing (that complies with the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g; 34 CFR Part 99) that PFS facilitates; and

- Rigorous Evaluation of PFS projects strengthens the field's knowledge about effective practices in order to drive better outcomes in the future.

#### Use of PFS Financing for Preschool:

The PFS model can be a promising approach for preschool financing because of preschool's rigorous research base, which includes proven interventions that can generate measurable outcomes. Evidence demonstrates that participation in high-quality inclusive early learning programs can lead to both short- and long-term positive outcomes for children, especially those from low-income families and Children with Disabilities.<sup>3</sup> Additionally, early identification and early supports and services for Children with Disabilities is especially important in impacting long term outcomes. Research has shown multiple benefits of participating in preschool programs, including increased school

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<sup>3</sup> Odom, S. L., et al. (2004). Preschool inclusion in the United States: A review of research from an ecological systems perspective. *Journal of Research in Special Educational Needs*, 4(1), 17-49.

readiness, lower rates of grade retention and need for remediation, improved high school graduation rates, reduced interaction with law enforcement and teen pregnancy, and higher rates of college attendance.<sup>4</sup> Longitudinal data show that increasing access to high-quality preschool programs, particularly for at-risk children from low-income families, can help close achievement gaps prior to kindergarten entry.<sup>5</sup>

PFS may also be an appropriate mechanism to finance and rigorously evaluate adaptations and other models of providing preschool services, in order to further develop the evidence base of effective models to achieve impacts. Communities where it is difficult or not possible to secure new or additional government resources may choose to pursue a preschool PFS project as a short-term strategy to finance the immediate costs of providing preschool services or as one strategy to promote more effective investments of public dollars. Taxpayer dollars in a PFS contract are only expended when the intervention – here, preschool services – actually benefit children’s lives in the ways we anticipate and hope.

The Department notes, however, that preschool PFS is one supplemental financing strategy for early learning and not a substitute for local, State, and Federal funding for full expansion of high-quality early education. The Department also notes that PFS may not be the best or most cost-efficient model to provide high-quality preschool services, and may be more expensive than alternate financing models when

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<sup>4</sup> Yoshikawa, H., Weiland, C., Brooks-Gunn, J., Burchinal, M., Espinosa, L., Gormley, W., & Zaslow, M. J. (2013). Investing in Our Future: The Evidence Base for Preschool Education. Policy brief, Society for Research in Child Development and the Foundation for Child Development. Retrieved from the Foundation for Child Development Web site: [fcd-us.org/sites/default/files/Evidence Base on Preschool Education FINAL.pdf](http://fcd-us.org/sites/default/files/Evidence%20Base%20on%20Preschool%20Education%20FINAL.pdf); Council of Economic Advisors. (2014). The Economics of Early Childhood Investment. Accessed from [www.whitehouse.gov/sites/default/files/docs/early\\_childhood\\_report1.pdf](http://www.whitehouse.gov/sites/default/files/docs/early_childhood_report1.pdf).

<sup>5</sup> Gormley, W. T., et al. (2005) . “The Effects of Universal Pre-K on Cognitive Development,” *Developmental Psychology* (41) (2005):872–884.

scaling up effective preschool programs. We hope to build on the evidence that further demonstrates the value of public investment in preschool<sup>6</sup> and identify innovative service models that produce larger impacts and more diverse outcomes across a broader range of domains.

PFS Outcome Measures:

Identifying specific Outcome Measures on which to base the success of a program is a critical component of PFS. A PFS Feasibility Study identifies and explores potential Outcome Measures for an intervention to determine whether a PFS project is viable. This Preschool PFS Feasibility Pilot is designed to build upon PFS preschool projects conducted to date by identifying Outcome Measures that can both support a PFS project while providing structural safeguards against undesirable incentives and yielding evidence of the effectiveness of the preschool program. At this early stage in the development of State and local PFS as a financing model for preschool, projects have focused on a limited number of Outcome Measures that are easily quantifiable, such as the reduction in special education placement.

Project applicants for this grant may choose to use this measure among a number of Outcome Measures to be evaluated in the Feasibility Study. However, access to needed special education and related services is not only critical for Children with Disabilities but also required by IDEA for those preschool-age children who have been determined eligible for special education and related services. Preschool PFS projects should never result in reducing appropriate referrals for children who are suspected of

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<sup>6</sup> Gormley, W.T., et al. (2005). "The Effects of Universal Pre-K on Cognitive Development," *Developmental Psychology* (41):872–884; Karoly, L. A. & Auger, A. (2016). Informing Investments in Preschool Quality and Access in Cincinnati. RAND. Accessed from [http://www.rand.org/pubs/research\\_reports/RR1461.html](http://www.rand.org/pubs/research_reports/RR1461.html).

having a disability and have the right to be evaluated to determine eligibility for special education and related services under IDEA. It is important that PFS projects that use the reduction in special education placement as one of the Outcome Measures not create incentives that would reduce referrals of children who are suspected of having a disability under IDEA and are in need of special education and related services. Such incentives would effectively result in denying eligible Children with Disabilities the special education and related services to which they are entitled under IDEA.

In addition to a reduction in the need for special education and related services and remediation in future years, research shows that the expansion of high-quality preschool can lead to improved student achievement, improved social and emotional well-being, improved Executive Functioning,<sup>7</sup> and earlier identification of Children with Disabilities.<sup>8</sup> As the research indicates investment in preschool results in a broad range of both short- and long-term outcomes that benefit children, government, and society, there are multiple savings and societal benefits worth exploring. Potential Outcome Measures may include: increases in kindergarten readiness; improved reading and math growth or achievement; improved social and emotional skills; improved Executive Functioning; improved child outcomes due to the earlier identification of Children with Disabilities; reductions in grade retention, discipline referrals, and interactions with law

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<sup>7</sup> Gormley, W., Phillips, D., Welti, K., Newmark, K., & Adelstein, S. (2011). Social-emotional effects of early childhood education programs in Tulsa. *Child Development*, 82, 2095-2109; Weiland, C., & Yoshikawa, H. (2013). Impacts of a prekindergarten program on children's mathematics, language, literacy, executive function, and emotional skills. *Child Development*, 84, 2112-2130; Yoshikawa, H., Weiland, C., Brooks-Gunn, J., Burchinal, M., Espinosa, L., Gormley, W., & Zaslow, M. J. (2013). Investing in Our Future: The Evidence Base for Preschool Education. Policy brief, Society for Research in Child Development and the Foundation for Child Development. Retrieved from the Foundation for Child Development Web site: [fcd-us.org/sites/default/files/Evidence Base on Preschool Education FINAL.pdf](http://fcd-us.org/sites/default/files/Evidence%20Base%20on%20Preschool%20Education%20FINAL.pdf).

<sup>8</sup> Meisels, S. J. (2000). The elements of early childhood assessment. In J.P. Shonkoff & S. J. Meisels (Ed.), *Handbook of early childhood intervention*. New York, NY: Cambridge University Press.

enforcement; and increases in high school graduation.<sup>9</sup> The Department is interested in finding ways to quantify these benefits, and developing research-based workable data-driven approaches to monetize such short-, medium-, and long-term benefits.

Additionally, the Department is interested in Feasibility Studies that include Outcome Measures that document the potential cost savings associated with, and societal benefits of, the participation of Children with Disabilities in inclusive preschool programs. We note, however, that savings to society are not the primary reason to invest in and expand preschool. There are meaningful benefits to the lives of children and families, such as those discussed above.

Priorities: We are establishing these priorities for the FY 2016 PFS Feasibility Pilot grant competition only, in accordance with section 437(d)(1) of the General Education Provisions Act (GEPA), 20 U.S.C. 1232(d)(1).

Absolute Priority: This priority is an absolute priority. Under 34 CFR 75.105(c)(3), we consider only applications that meet this priority.

This priority is:

Feasibility Study.

Under this priority, the applicant must propose a Feasibility Study that will determine the viability of using a PFS approach to expand or improve a preschool program for a Target Population, and describe the potential Outcome Measures the applicant proposes to identify and evaluate for appropriateness for PFS. Any applicant that includes a Feasibility Study for a PFS project that proposes to reduce the need for

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<sup>9</sup> Various studies of preschool programs have found that preschool participation has improved these outcomes. For example, see Council of Economic Advisors (2014), Gormley, et al. (2011), Weiland & Yoshikawa (2013), and Yoshikawa, et al. (2013).

special education and related services as an Outcome Measure must also include at least one other meaningful and substantive Outcome Measure of short-, medium-, or long-term student achievement, such as kindergarten readiness, reading and math growth or achievement, and improved social and emotional skills.

Competitive Preference Priority: This priority is a competitive preference priority.

Under 34 CFR 75.105(c)(2)(i) we award up to an additional five points to an application, depending on how well the application meets this priority.

This priority is:

Outcome Measures Across Various Domains.

To meet this priority, an applicant must propose a Feasibility Study to evaluate if PFS is viable that would evaluate social and emotional or Executive Functioning Outcome Measures, or both. These potential outcome measures may be predictive of future school success, cost savings, cost avoidance, and other societal benefits, and may appropriate to include in a PFS project.

Application Requirements: An application for a Preschool PFS Feasibility Pilot must include the following:

- (a) A project statement of need for the Target Population that includes--
  - (1) A definition of the Target Population to be served, based on data and analysis demonstrating the need for services within the relevant geographic area; and
  - (2) Data demonstrating how the Target Population lags behind other groups in achieving key outcomes that a future PFS project will seek to achieve.

(b) A description of the preschool program, which must include an explanation of how the design of the program ensures it is high-quality, including evidence supporting its design and policies to ensure, at a minimum:

- (1) An evidence-based curriculum;
- (2) High-quality professional development for all staff;
- (3) High Qualifications for Teachers;
- (4) A child-to-instructional staff ratio of no more than 10 to 1;
- (5) Inclusion of Children with Disabilities; and

(6) Inclusion of at-risk children and children representing other high-needs populations, such as homeless children and English Learners.<sup>10</sup>

(c) A description of--

(1) How the preschool program is likely to improve student outcomes in the short-, medium-, and long-term, based on quantitative, qualitative, or theoretical evidence (e.g., prior research base or with a logic model);

(2) The goals, objectives, and outcomes to be achieved by the preschool program which are clearly specified and measurable and will demonstrate student success; and

(3) How the intervention is appropriate for, and will successfully address, the needs of the Target Population.

(d) An explanation for why PFS may be an appropriate financing strategy and how existing funding resources preclude serving this population or administering this program.

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<sup>10</sup> As noted in the Purpose section of this program does not require an applicant to conform to the definition of high-quality preschool in the 2014 Preschool Development Grants program.

(e) A description of the Preschool PFS Partnership or, if a Preschool PFS Partnership does not already exist, a plan for developing a Preschool PFS Partnership, that includes a government entity that will serve as the outcomes payor and an Independent Evaluator, and may include an Intermediary.

(f) A description of potential Outcome Measures to be evaluated in the proposed Feasibility Study. If one of the identified Outcome Measures is the reduction in special education placement, the applicant must include at least one other meaningful and substantive Outcome Measures of student achievement such as kindergarten readiness, reading and math growth or achievement, or improved social and emotional skills. Applicants may also propose to include other longer-term measures such as reduced interactions with law enforcement and increased high school graduation rates. While these measures may not occur within the time frame of a PFS project, the Department is interested in workable, researched-based, and data driven analytical approaches to capturing these benefits based on research short and intermediate term indicators.

Program Requirements:

Within the project period of the grant award, an eligible applicant awarded a Preschool PFS Feasibility Pilot Grant must--

(a) Submit a written Feasibility Study that consists of the following, at a minimum:

(1) A description of the preschool program model to be implemented, which must include an explanation of how the design of the program ensures it is high-quality, including evidence supporting its design and policies to ensure, at a minimum--

(i) An evidence-based curriculum;

- (ii) High-quality professional development for all staff;
  - (iii) High Qualifications for Teachers;
  - (iv) A child-to-instructional staff ratio of no more than 10-to-1;
  - (v) Inclusion of Children with Disabilities;
  - (vi) Inclusion of at-risk children and children representing other high-needs populations, such as homeless children and English Learners; and
  - (vii) A description of--
    - (A) How the intervention is likely to improve student outcomes, based on quantitative, qualitative, or theoretical evidence;
    - (B) The goals, objectives, and outcomes to be achieved by the preschool program, which are clearly specified and measurable and will demonstrate student success; and
    - (C) How the intervention is appropriate to, and will successfully address, the needs of the Target Population.
- (2) Identification of one or more clearly specified and measurable Outcome Measures. Any grantee that identifies the reduction in the need for special education as an Outcome Measure must include other meaningful and substantive measures of student achievement, such as kindergarten readiness, reading and math growth or achievement, or improved social and emotional skills to be evaluated in the short-, medium-, and longer-term, for both the treatment and control group. If the grantee uses reduction in special education placement as a potential Financial Benefit in its Feasibility Study, the grantee must provide a reasonably designed, detailed plan for safeguarding the rights of Children with Disabilities and their parents, and for meeting the IDEA Child Find requirements in

20 U.S.C. 1412(a)(3), to ensure that children suspected of having a disability under IDEA are properly identified and evaluated and that eligible children receive appropriate special education and related services in compliance with IDEA and relevant State and local laws. This plan must include, at a minimum--

(i) Processes to ensure that determination of eligibility for special education and related services is completely separate from the financial structure of the project;

(ii) A description of how the evaluation methodology to measure the reduction in the need for special education mitigates the risk of perverse incentives;

(iii) A description, based on research and data, of how the other Outcome Measure(s) are meaningful and substantive and indicative of student success; and

(iv) A description of how local stakeholders were involved with developing the plan for safeguards.

Grantees may also include longer-term measures such as reduced interactions with law enforcement and increased high school graduation rate.

(3) A Cost-Benefit Analysis that evaluates whether the preschool program is viable for PFS, including a framework and analysis for estimating the Benefits of the preschool program for the Target Population.

(4) Identification of any statutory or legal barriers to implementing PFS and recommendations of approaches to overcome these barriers.

(5) Identification of potential sources of Outcomes Payments from a government entity or other sources.

(b) If the Feasibility Study concludes that PFS is viable, submit a written report that--

(1) Identifies partners for a Preschool PFS Partnership and includes a description of--

(i) The roles and responsibilities of each partner; and

(ii) An effective governance structure in which partners necessary to implement PFS successfully are represented and have the necessary authority, resources, expertise, and incentives to achieve the PFS project's goals and resolve unforeseen issues;

(2) Describes a plan for Rigorous Evaluation of a PFS project to implement preschool services for the Target Population and demonstrates that the Preschool PFS Partnership has the capacity to collect, analyze, and use data to determine if Outcome Measures have been achieved. Any necessary data sharing agreements must be identified; and

(3) Describes a proposed plan to implement or scale the preschool program for the Target Population, a preliminary financing strategy, and a proposed timeline and milestones, including next steps to proceed to transaction structuring.

(c) If the Feasibility Study concludes that PFS is not viable, provide a written description and explanation of why such a project is not feasible and a discussion of potential alternatives to PFS that would contribute to the public good and enhance or expand preschool services or a description of the steps necessary to make a PFS approach feasible.

(d) The Feasibility Study cannot include any Head Start-funded programs in its Preschool PFS Feasibility Pilot since Head Start is funded by the Federal government.

Definitions: We are establishing the following definitions for the FY 2016 grant competition only in accordance with section 437(d)(1) of GEPA, 20 U.S.C. 1232(d)(1).

*Benefits* means fiscal and other value to the public and society as a result of achieving the Outcome Measures through the implementation of the intervention for the Target Population. Benefits may include cost savings, cost avoidance, cost-effectiveness, and positive societal benefits.

*Children with Disabilities* has the same meaning as the term “child with a disability” under section 602(3) of the IDEA (20 U.S.C. 1401(3)).

*Cost-Benefit Analysis* means an analysis that compares the costs of an intervention with the Benefits that will result from achieving the Outcome Measures, including a framework and description of the process used for estimating Benefits that would result from implementation of the intervention.

For example, a Cost-Benefit Analysis of a preschool program may include the costs and Benefits of the initial program, later education, earnings, criminal behavior, tax payments, participation in public welfare, and health outcomes.

*English Learner* means an individual--

(a) Who is aged 3-21;

(b) Who is enrolled or preparing to enroll in an elementary school or secondary school;

(c)(1) Who was not born in the United States or whose native language is a language other than English;

(2)(i) Who is a Native American or Alaska Native, or a native resident of the outlying areas; and

(ii) Who comes from an environment where a language other than English has had a significant impact on the individual’s level of English language proficiency; or

(3) Who is migratory, whose native language is a language other than English, and who comes from an environment where a language other than English is dominant; and

(d) Whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual the--

(1) Ability to meet the challenging State academic standards;

(2) Ability to successfully achieve in classrooms where the language of instruction is English; or

(3) Opportunity to participate fully in society.

*Executive Functioning* means a set of skills that include sustained attention, impulse control, flexibility in thinking, and working memory (the ability to hold information and manipulate it to perform tasks).

*Feasibility Study* means a written report assessing the suitability of an intervention for PFS. A Feasibility Study includes, at a minimum--

(a) A description of the preschool program model to be implemented through PFS;

(b) One or more clearly specified and measurable Outcome Measures;

(c) A Cost-Benefit Analysis;

(d) Identification of any statutory or legal barriers to implementing PFS; and

(e) Potential sources of Outcomes Payments from a government entity or other sources.

*Financial Benefit* means a fiscal benefit to a government entity or entities as a result of a measurable current monetary cost savings and future avoided costs achieved from meeting the designated Outcome Measure.

*Financial Model* means a quantitative model that shows public sector value (or value to other non-governmental outcomes payors), including cost savings, cost avoidance or efficiency, and societal benefit and links the costs of implementing the preschool services that are covered, in whole or in part, by the Investors to the amount and timing of Outcomes Payments that are made by a government entity.

*High-Quality Pay for Success Project* means a PFS project that includes--

- (a) A well-defined problem and associated Target Population;
- (b) A service delivery strategy that is managed, coordinated, and guided by the service provider, is flexible and adaptive to the target problem and population, and has a robust, rigorous evidence base or a compelling theory of change with pre- and post-intervention outcomes;
- (c) One or more clearly specified and measureable Outcome Measures that are a significant improvement on the current condition of the Target Population and have been agreed to by all required project partners;
- (d) A plan for Rigorous Evaluation;
- (e) A financial model that shows Benefits and costs, and tracks effects of the project on relevant Federal, State, and local funding sources;
- (f) A commitment from an individual or entity to act as an outcomes payor (whose Outcomes Payments may be directed to Investors if they have covered, in part or in whole, costs associated with delivering the intervention);

(g) If needed, a binding commitment of funds from one or more independent Investors to cover all operating costs of the intervention, including administrative and overhead costs of the Intermediary; and

(h) A legal agreement and any associated necessary agreements that incorporate all elements above.

*High Qualifications for Teachers* means that a teacher must meet one of the following requirements:

(a) A bachelor's degree in early childhood education or a related field with coursework that demonstrates competence in early childhood education;

(b) A bachelor's degree with a credential, license, or endorsement that demonstrates competence in early childhood education; or

(c) A bachelor's degree in any field and--

(1) Has demonstrated knowledge of early childhood education by passing a State-approved assessment in early childhood education;

(2) While employed as a teacher in the preschool program, is engaged in ongoing professional development in early childhood education for not less than two years; and

(3) Not more than four years after starting employment as a teacher in the preschool program, enrolls in and completes a State-approved educator preparation program in which the teacher receives training and support in early childhood education.

*Inclusion of Children with Disabilities* means, with respect to a preschool program, that Children with Disabilities have access to appropriate activities and settings that are available to their peers without disabilities and that the program:

(a) Includes Children with Disabilities in classrooms and programs where the majority of children are typically developing. The Inclusion of Children with Disabilities in a classroom or program should be in proportion to their presence in the general preschool population. Self-contained or separate classrooms for Children with Disabilities or classrooms where the majority of children are Children with Disabilities are not acceptable;

(b) Provides access to, and full participation of, Children with Disabilities in a wide range of learning opportunities and activities. To the maximum extent possible, and in alignment with their individualized education programs, Children with Disabilities, as appropriate are included in the preschool program throughout the entire day and across all learning opportunities;

(c) Provides modifications to the environment, multiple and varied formats for instruction, and individualized accommodations and supports along a continuum to meet the needs of children with various types of disabilities and levels of severity; and

(d) Ensures that special education and related services are coordinated and integrated within the preschool program as appropriate<sup>11</sup>.

*Independent Evaluator* means an independent entity that rigorously evaluates whether the intervention achieved the Outcome Measure(s) sought.

*Intermediary* means an entity that serves as the project facilitator between the parties in a PFS project. Responsibilities may include but are not limited to:

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<sup>11</sup> This definition is derived from the IDEA requirement that, to the maximum extent appropriate, children with disabilities are educated with children that are not disabled, and that special classes, separate schooling, or other removal of children with disabilities from the regular educational environment occurs only if the nature or severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily. 20 U.S.C. 1412(a)(5).

coordinating the development and execution of legal agreements, building a Financial Model to guide the terms of the legal agreements, and raising capital from Investors.

*Investor* means an individual, entity, or group thereof that provides upfront capital to cover the operating costs and other associated costs, in part or whole, of the intervention delivered by the service provider.

*Local Government* means any unit of government within a State, including a--

(a) County;

(b) Borough;

(c) Municipality;

(d) City;

(e) Town;

(f) Township;

(g) Parish;

(h) Local public authority, including any public housing agency under the United States Housing Act of 1937;

(i) Special district;

(j) School district;

(k) Intrastate district;

(l) Council of governments, whether or not incorporated as a nonprofit corporation under State law; and

(m) Any other agency or instrumentality of a multi-, regional, or intra-State or local government. (See 2 CFR 200.64).

*Outcome Measure* means a measure that provides an assessment of a program's impact and is applied to both target and comparison groups. It is determined using relevant program data and has defined units of measurement by which the impact can be tracked. Examples of Outcome Measures include, but are not limited to, improvement in knowledge and skills at kindergarten entry, reduction in the need for remedial services, reduction in the need for grade retention, improvement in third grade reading and math proficiency, and improvement in language development.

*Outcomes Payments* means payments, as agreed to in PFS legal agreements, to cover repayment of the principal investment and a return in the case that: (a) an Investor has covered part or all of the costs of service delivery and other associated costs, and (b) Outcome Measures have been achieved according to an Independent Evaluator.

*Preschool Pay for Success (Preschool PFS) Partnership* includes a government entity that makes Outcomes Payments and an Independent Evaluator and may also include an Intermediary. A Preschool PFS Partnership may also include one or more preschool service providers and Investor(s).

*Rigorous Evaluation* means an evaluation that will, if well implemented, produce evidence about the project's effectiveness that would meet the What Works Clearinghouse Evidence Standards without reservations or, when random assignment is not feasible, would meet What Works Clearinghouse Evidence Standards with reservations.

*State* means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

*Target Population* means, at a minimum, low-income and disadvantaged preschoolers who are three or four years of age at the time of enrollment, such as those at risk of failing to meet the State's academic content standards. The Target Population may include a more specific criteria.

*Tribal Government* means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 43 U.S.C. 1602(c)) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

*What Works Clearinghouse Evidence Standards* means the standards set forth in the What Works Clearinghouse Procedures and Standards Handbook (Version 3.0, March 2014), which can be found at the following URL address:  
<http://ies.ed.gov/ncee/wwc/DocumentSum.aspx?sid=19>.

Waiver of Proposed Rulemaking: Under the Administrative Procedure Act (5 U.S.C. 553) the Department generally offers interested parties the opportunity to comment on proposed priorities, requirements, definitions, and selection criteria. Section 437(d)(1) of GEPA, however, allows the Secretary to exempt from rulemaking requirements, regulations governing the first grant competition under a new or substantially revised program authority. This is the first grant competition for this program under the Preschool Development Grant national activities authorized by the Consolidated Appropriations Act, 2016, Title III, Division H (P.L. 114-113) and therefore qualifies for this exemption. In order to ensure timely grant awards, the Secretary has decided to forego public comment on the priorities, requirements, definitions, and selection criteria

under section 437(d)(1) of GEPA. These priorities, requirements, definitions, and selection criteria will apply to the FY 2016 grant competition only.

Program Authority: Part D of Title V of the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001 (ESEA), and Title III of Division H of The Consolidated Appropriations Act, 2016 (Pub. L. 114-113).

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75, 77, 79, 81, 82, 84, 86, 97, 98, and 99. (b) The OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department of Education in 2 CFR part 3485. (c) The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR part 200, as adopted and amended as regulations of the Department of Education in 2 CFR part 3474.

Note: The regulations in 34 CFR part 79 apply to all applicants except federally recognized Indian tribes.

## II. Award Information

Type of Award: Discretionary grants.

Estimated Available Funds: \$2,800,000.

Estimated Range of Awards: \$200,000-\$400,000.

Maximum Award: We will reject any application that proposes a budget exceeding \$400,000 for a single budget period of up to 30 months.

Note: In their budget narratives, applicants must identify which costs will be funded by the Preschool PFS Feasibility Pilot grant and identify any other sources of funds to

support project activities. If an applicant plans to have a contractor conduct the Feasibility Study, the applicant must identify the percentage of the Federal dollars from this grant competition the applicant would retain for administrative costs, and the percentage of funds the contractor would retain for its administrative costs.

Estimated Number of Awards: 7-14.

Note: The Department is not bound by any estimates in this notice. The Department will determine the number of awards to be made based on the quality of applications received consistent with the selection criteria. The Department will also determine the size of an award made to an eligible applicant based on a review of the eligible applicant's budget.

Project Period: Up to 30 months.

### III. Eligibility Information

1. Eligible Applicants: An applicant must be a State, Local Government, or Tribal Government.
2. Cost Sharing or Matching: This competition does not require cost sharing or matching.

### IV. Application and Submission Information

1. Address to Request Application Package: You can obtain an application package via the Internet or from the Education Publications Center (ED Pubs).

To obtain a copy via the Internet, use the following address:

<http://www2.ed.gov/programs/preschooldevelopmentgrants/index.html>.

To obtain a copy from ED Pubs, write, fax, or call: ED Pubs, U.S. Department of Education, P.O. Box 22207, Alexandria, VA 22304. Telephone, toll free: 1-877-433-

7827. FAX: (703) 605-6794. If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call, toll free: 1-877-576-7734.

You can contact ED Pubs at its Web site, also: [www.EDPubs.gov](http://www.EDPubs.gov) or at its email address: [edpubs@inet.ed.gov](mailto:edpubs@inet.ed.gov).

If you request an application package from ED Pubs, be sure to identify this program or competition as follows: CFDA number 84.419C.

Individuals with disabilities can obtain a copy of the application package in an accessible format (e.g., braille, large print, audiotape, or compact disc) by contacting the person listed under Accessible Format in section VIII of this notice.

2. a. Content and Form of Application Submission: Requirements concerning the content of an application, together with the forms you must submit, are in the application package for this program.

b. Submission of Proprietary Information: Given the types of projects that may be proposed in applications for the Preschool PFS Feasibility Pilot, your application may include business information that you consider proprietary. In 34 CFR 5.11 we define “business information” and describe the process we use in determining whether any of that information is proprietary and, thus, protected from disclosure under Exemption 4 of the Freedom of Information Act (5 U.S.C. §552, as amended). Applicants may wish to request confidentiality of business information as we plan to make successful applications available to the public on our Preschool PFS Feasibility Pilot Web site.

Consistent with Executive Order 12600, please designate in your application any information that you believe is exempt from disclosure under Exemption 4. In the appropriate Appendix section of your application, under “Other Attachments Form,”

please list the page number or numbers on which we can find this information. For additional information please see 34 CFR 5.11(c).

3. Submission Dates and Times:

Applications Available: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Notice of Intent to Apply: [INSERT DATE 20 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Transmittal of Applications: [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applications for grants under this program must be submitted electronically using the Grants.gov site (Grants.gov). For information (including dates and times) about how to submit your application electronically, or in paper format by mail or hand delivery if you qualify for an exception to the electronic submission requirement, please refer to Other Submission Requirements in section IV of this notice.

We do not consider an application that does not comply with the deadline requirements.

Individuals with disabilities who need an accommodation or auxiliary aid in connection with the application process should contact the person listed under For Further Information Contact in section VII of this notice. If the Department provides an accommodation or auxiliary aid to an individual with a disability in connection with the application process, the individual's application remains subject to all other requirements and limitations in this notice.

4. Intergovernmental Review: This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. However, under 34 CFR 79.8(a), we waive intergovernmental review in order to make awards before the funding lapses.

5. Funding Restrictions: We reference regulations outlining funding restrictions in the Applicable Regulations section of this notice.

6. Data Universal Numbering System Number, Taxpayer Identification Number, and System for Award Management: To do business with the Department of Education, you must--

a. Have a Data Universal Numbering System (DUNS) number and a Taxpayer Identification Number (TIN);

b. Register both your DUNS number and TIN with the System for Award Management (SAM) (formerly the Central Contractor Registry), the Government's primary registrant database;

c. Provide your DUNS number and TIN on your application; and

d. Maintain an active SAM registration with current information while your application is under review by the Department and, if you are awarded a grant, during the project period.

You can obtain a DUNS number from Dun and Bradstreet at the following Web site: <http://fedgov.dnb.com/webform>. A DUNS number can be created within one to two business days.

If you are a corporate entity, agency, institution, or organization, you can obtain a TIN from the Internal Revenue Service. If you are an individual, you can obtain a TIN

from the Internal Revenue Service or the Social Security Administration. If you need a new TIN, please allow two to five weeks for your TIN to become active.

The SAM registration process can take approximately seven business days, but may take upwards of several weeks, depending on the completeness and accuracy of the data you enter into the SAM database. Thus, if you think you might want to apply for Federal financial assistance under a program administered by the Department, please allow sufficient time to obtain and register your DUNS number and TIN. We strongly recommend that you register early.

Note: Once your SAM registration is active, it may be 24 to 48 hours before you can access the information in, and submit an application through, Grants.gov.

If you are currently registered with SAM, you may not need to make any changes. However, please make certain that the TIN associated with your DUNS number is correct. Also note that you will need to update your registration annually. This may take three or more business days.

Information about SAM is available at [www.SAM.gov](http://www.SAM.gov). To further assist you with obtaining and registering your DUNS number and TIN in SAM or updating your existing SAM account, we have prepared a SAM.gov Tip Sheet, which you can find at: <http://www2.ed.gov/fund/grant/apply/sam-faqs.html>.

In addition, if you are submitting your application via Grants.gov, you must (1) be designated by your organization as an Authorized Organization Representative (AOR); and (2) register yourself with Grants.gov as an AOR. Details on these steps are outlined at the following Grants.gov Web page: [www.grants.gov/web/grants/register.html](http://www.grants.gov/web/grants/register.html).

7. Other Submission Requirements: Applications for grants under this program must be submitted electronically unless you qualify for an exception to this requirement in accordance with the instructions in this section.

a. Electronic Submission of Applications.

Applications for grants under the Preschool PFS Feasibility Pilot, CFDA number 84.419C, must be submitted electronically using the Governmentwide Grants.gov Apply site at [www.Grants.gov](http://www.Grants.gov). Through this site, you will be able to download a copy of the application package, complete it offline, and then upload and submit your application. You may not email an electronic copy of a grant application to us.

We will reject your application if you submit it in paper format unless, as described elsewhere in this section, you qualify for one of the exceptions to the electronic submission requirement and submit, no later than two weeks before the application deadline date, a written statement to the Department that you qualify for one of these exceptions. Further information regarding calculation of the date that is two weeks before the application deadline date is provided later in this section under Exception to Electronic Submission Requirement.

You may access the electronic grant application for Preschool PFS Feasibility Pilot at [www.Grants.gov](http://www.Grants.gov). You must search for the downloadable application package for this program by the CFDA number. Do not include the CFDA number's alpha suffix in your search (e.g., search for 84.419, not 84.419C).

Please note the following:

- When you enter the Grants.gov site, you will find information about submitting an application electronically through the site, as well as the hours of operation.

- Applications received by Grants.gov are date and time stamped. Your application must be fully uploaded and submitted and must be date and time stamped by the Grants.gov system no later than 4:30:00 p.m., Washington, DC time, on the application deadline date. Except as otherwise noted in this section, we will not accept your application if it is received--that is, date and time stamped by the Grants.gov system--after 4:30:00 p.m., Washington, DC time, on the application deadline date. We do not consider an application that does not comply with the deadline requirements. When we retrieve your application from Grants.gov, we will notify you if we are rejecting your application because it was date and time stamped by the Grants.gov system after 4:30:00 p.m., Washington, DC time, on the application deadline date.

- The amount of time it can take to upload an application will vary depending on a variety of factors, including the size of the application and the speed of your Internet connection. Therefore, we strongly recommend that you do not wait until the application deadline date to begin the submission process through Grants.gov.

- You should review and follow the Education Submission Procedures for submitting an application through Grants.gov that are included in the application package for this program to ensure that you submit your application in a timely manner to the Grants.gov system. You can also find the Education Submission Procedures pertaining to Grants.gov under News and Events on the Department of Education's G5 system home page at [www.G5.gov](http://www.G5.gov). In addition, for specific guidance and procedures for submitting an application through Grants.gov, please refer to the Grants.gov Web site at: [www.grants.gov/web/grants/applicants/apply-for-grants.html](http://www.grants.gov/web/grants/applicants/apply-for-grants.html).

- You will not receive additional point value because you submit your application in electronic format, nor will we penalize you if you qualify for an exception to the electronic submission requirement, as described elsewhere in this section, and submit your application in paper format.

- You must submit all documents electronically, including all information you typically provide on the following forms: the Application for Federal Assistance (SF 424), the Department of Education Supplemental Information for SF 424, Budget Information--Non-Construction Programs (ED 524), and all necessary assurances and certifications.

- You must upload any narrative sections and all other attachments to your application as files in a read-only Portable Document Format (PDF). Do not upload an interactive or fillable PDF file. If you upload a file type other than a read-only PDF (e.g., Word, Excel, WordPerfect, etc.) or submit a password-protected file, we will not review that material. Please note that this could result in your application not being considered for funding because the material in question--for example, the project narrative--is critical to a meaningful review of your proposal. For that reason it is important to allow yourself adequate time to upload all material as PDF files. The Department will not convert material from other formats to PDF.

- Your electronic application must comply with any page-limit requirements described in this notice.

- After you electronically submit your application, you will receive from Grants.gov an automatic notification of receipt that contains a Grants.gov tracking number. This notification indicates receipt by Grants.gov only, not receipt by the

Department. Grants.gov will also notify you automatically by email if your application met all the Grants.gov validation requirements or if there were any errors (such as submission of your application by someone other than a registered Authorized Organization Representative, or inclusion of an attachment with a file name that contains special characters). Once your application is successfully validated by Grants.gov, the Department will retrieve your application from Grants.gov and send you an email with a unique PR/Award number for your application.

These emails do not mean that your application is without any disqualifying errors. While your application may have been successfully validated by Grants.gov, it must also meet the Department's application requirements as specified in this notice and in the application instructions. Disqualifying errors could include, for instance, failure to upload attachments in a read-only PDF; failure to submit a required part of the application; or failure to meet applicant eligibility requirements. It is your responsibility to ensure that your submitted application has met all of the Department's requirements.

- We may request that you provide us original signatures on forms at a later date.

Application Deadline Date Extension in Case of Technical Issues with the Grants.gov

System: If you are experiencing problems submitting your application through

Grants.gov, please contact the Grants.gov Support Desk, toll free, at 1-800-518-4726.

You must obtain a Grants.gov Support Desk Case Number and must keep a record of it.

If you are prevented from electronically submitting your application on the application deadline date because of technical problems with the Grants.gov system, we will grant you an extension until 4:30:00 p.m., Washington, DC time, the following business day to enable you to transmit your application electronically or by hand

delivery. You also may mail your application by following the mailing instructions described elsewhere in this notice.

If you submit an application after 4:30:00 p.m., Washington, DC time, on the application deadline date, please contact the person listed under For Further Information Contact in section VII of this notice and provide an explanation of the technical problem you experienced with Grants.gov, along with the Grants.gov Support Desk Case Number. We will accept your application if we can confirm that a technical problem occurred with the Grants.gov system and that the problem affected your ability to submit your application by 4:30:00 p.m., Washington, DC time, on the application deadline date. We will contact you after we determine whether your application will be accepted.

Note: The extensions to which we refer in this section apply only to the unavailability of, or technical problems with, the Grants.gov system. We will not grant you an extension if you failed to fully register to submit your application to Grants.gov before the application deadline date and time or if the technical problem you experienced is unrelated to the Grants.gov system.

Exception to Electronic Submission Requirement: You qualify for an exception to the electronic submission requirement, and may submit your application in paper format, if: You are unable to submit an application through the Grants.gov system because you do not have access to the Internet or because you do not have the capacity to upload large documents to the Grants.gov system; and no later than two weeks before the application deadline date (14 calendar days or, if the fourteenth calendar day before the application deadline date falls on a Federal holiday, the next business day following the Federal holiday), you mail or fax a written statement to the Department, explaining which of the

two grounds for an exception prevents you from using the Internet to submit your application. If you mail your written statement to the Department, it must be postmarked no later than two weeks before the application deadline date. If you fax your written statement to the Department, we must receive the faxed statement no later than two weeks before the application deadline date.

Address and mail or fax your statement to: Miriam Lund, U.S. Department of Education, 400 Maryland Avenue, SW., room 3E334, Washington, 20202-6200.

FAX: (202)

Your paper application must be submitted in accordance with the mail or hand-delivery instructions described in this notice.

b. Submission of Paper Applications by Mail.

If you qualify for an exception to the electronic submission requirement, you may mail (through the U.S. Postal Service or a commercial carrier) your application to the Department. You must mail the original and two copies of your application, on or before the application deadline date, to the Department at the following address:

U.S. Department of Education  
Application Control Center  
Attention: (CFDA Number 84.419C)  
LBJ Basement Level 1  
400 Maryland Avenue, SW.  
Washington, DC 20202-4260

You must show proof of mailing consisting of one of the following:

- (1) A legibly dated U.S. Postal Service postmark.
- (2) A legible mail receipt with the date of mailing stamped by the U.S. Postal Service.
- (3) A dated shipping label, invoice, or receipt from a commercial carrier.

(4) Any other proof of mailing acceptable to the Secretary of the U.S.

Department of Education.

If you mail your application through the U.S. Postal Service, we do not accept either of the following as proof of mailing:

(1) A private metered postmark.

(2) A mail receipt that is not dated by the U.S. Postal Service.

Note: The U.S. Postal Service does not uniformly provide a dated postmark. Before relying on this method, you should check with your local post office.

We will not consider applications postmarked after the application deadline date.

c. Submission of Paper Applications by Hand Delivery.

If you qualify for an exception to the electronic submission requirement, you (or a courier service) may deliver your paper application to the Department by hand. You must deliver the original and two copies of your application by hand, on or before the application deadline date, to the Department at the following address:

U.S. Department of Education  
Application Control Center  
Attention: (CFDA Number 84.419C)  
550 12th Street, SW.  
Room 7039, Potomac Center Plaza  
Washington, DC 20202-4260

The Application Control Center accepts hand deliveries daily between 8:00 a.m. and 4:30:00 p.m., Washington, DC time, except Saturdays, Sundays, and Federal holidays.

Note for Mail or Hand Delivery of Paper Applications: If you mail or hand deliver your application to the Department--

(1) You must indicate on the envelope and--if not provided by the Department-- in Item 11 of the SF 424 the CFDA number, including suffix letter, if any, of the competition under which you are submitting your application; and

(2) The Application Control Center will mail to you a notification of receipt of your grant application. If you do not receive this notification within 15 business days from the application deadline date, you should call the U.S. Department of Education Application Control Center at (202) 245-6288.

#### V. Application Review Information

1. Selection Criteria: We are establishing the following selection criteria for the FY 2016 grant competition only, in accordance with section 437(d)(1) of GEPA, 20 U.S.C.1232(d)(1). Eligible applicants may receive up to 100 points based on the extent to which their applications address the selection criteria. The number of points that may be awarded for each criterion is indicated in parentheses next to the criterion.

(a) *Need for Project*. (up to 10 points). The Secretary will consider the needs of the Target Population. In determining the need for the proposed project, the Secretary will consider the magnitude of the need of the Target Population for the services to be provided by a potential PFS project. Applicants should clearly state and demonstrate the extent of the problem facing the Target Population using data and other relevant information.

(b) *Quality of the Preschool Program Design*. (up to 25 points). The Secretary will consider the quality of the design of the proposed preschool program. In determining the quality of the design of the proposed preschool program, the Secretary will consider the extent to which the intervention strategy is likely to improve student

outcomes for the Target Population, based on quantitative, qualitative, or theoretical evidence, including the extent to which the goals, objectives, and outcomes to be achieved by the proposed project are clearly specified and measurable and will demonstrate student success. In responding to this criterion, applicants should identify clearly specified and measurable outcomes for the preschool program and explain how these outcomes can be achieved by the program. While these outcomes will inform the selection of Outcome Measures for the PFS project, they do not limit a grantee from evaluating additional Outcome Measures in the course of completing the Preschool PFS Feasibility Study.

(c) *Quality of the Preschool PFS Partnership.* (up to 25 points). The Secretary will consider the quality of the Preschool PFS Partnership. In evaluating a Preschool PFS Partnership, the Secretary will consider the following:

(1) (up to 15 points). The quality of an existing Preschool PFS Partnership, including the history of the collaboration, or, if a Preschool PFS Partnership does not exist, the quality of the plan to form a Preschool PFS Partnership.

(2) (up to 10 points). The extent to which the roles and responsibilities of members or proposed members of a Preschool PFS Partnership are clearly described and are appropriate and sufficient to successfully implement a PFS project.

(d) *Quality of the Work Plan.* (up to 25 points). The Secretary will consider the quality of the work plan. In determining the quality of the work plan, the Secretary will consider the following factors:

(1) (up to 12 points). The adequacy of the work plan to achieve the objectives of the proposed Feasibility Study project on time and within budget, including clearly

defined responsibilities, timelines, and milestones for accomplishing project tasks on time. Applicants should identify whether a contractor will conduct the Feasibility Study and, if appropriate, the extent to which the timeline for selecting and hiring the contractor is reasonable and sufficient for completing the project on time and within budget.

(2) (up to 10 points). The adequacy of procedures for ensuring stakeholder feedback in the operation of the proposed Preschool PFS Feasibility Pilot. If the Feasibility Study includes the reduction in special education placement as a Financial Benefit, the extent to which the work plan includes outreach to and involvement of the representatives from the State and local special education community or individuals with special education expertise, including groups representing families.

(3) (up to 3 points). The extent to which the time commitments of the project director and team and other key project personnel are appropriate and adequate to meet the objectives of the proposed project.

(e) *Quality of the Project Leadership and Team.* (up to 5 points). The Secretary will consider the quality of the project leadership and team. The Secretary will consider the extent to which the applicant has the project and financial management experience necessary to manage the Preschool PFS Feasibility Pilot, including:

(1) (up to 3 points). Managing and overseeing similar projects (e.g., PFS or other project related work, experience with early childhood education) with specific examples of prior accomplishments and outcomes; and

(2) (up to 2 points). Managing Federal grants, including plans for ensuring compliance with Federal guidelines.

(f) *Adequacy of Resources.* (up to 10 points). The Secretary will consider the adequacy of resources necessary to complete the Feasibility Study, including any philanthropic or other resources that may be contributed toward the project. In determining the adequacy of resources, the Secretary will consider the extent to which the budget will adequately support program activities and achieve desired outputs and outcomes.

2. Review and Selection Process: Each application will be separately screened to determine whether each application meets requirements, and will be separately reviewed and scored.

We remind potential applicants that in reviewing applications in any discretionary grant competition, the Secretary may consider, under 34 CFR 75.217(d)(3), the past performance of the applicant in carrying out a previous award, such as the applicant's use of funds, achievement of project objectives, and compliance with grant conditions. The Secretary may also consider whether the applicant failed to submit a timely performance report or submitted a report of unacceptable quality.

In addition, in making a competitive grant award, the Secretary also requires various assurances, including those applicable to Federal civil rights laws that prohibit discrimination in programs or activities receiving Federal financial assistance from the Department of Education (34 CFR 100.4, 104.5, 106.4, 108.8, and 110.23).

3. Risk Assessment and Special Conditions: Consistent with 2 CFR 200.205, before awarding grants under this program the Department will conduct a review of the risks posed by applicants. Under 2 CFR 3474.10, the Secretary may impose special conditions and, in appropriate circumstances, high-risk conditions on a grant if the

applicant or grantee is not financially stable; has a history of unsatisfactory performance; has a financial or other management system that does not meet the standards in 2 CFR part 200, subpart D; has not fulfilled the conditions of a prior grant; or is otherwise not responsible.

## VI. Award Administration Information

1. Award Notices: If your application is successful, we notify your U.S. Representative and U.S. Senators and send you a Grant Award Notification (GAN); or we may send you an email containing a link to access an electronic version of your GAN. We may notify you informally, also.

If your application is not evaluated or not selected for funding, we notify you.

2. Administrative and National Policy Requirements: We identify administrative and national policy requirements in the application package and reference these and other requirements in the Applicable Regulations section of this notice.

We reference the regulations outlining the terms and conditions of an award in the Applicable Regulations section of this notice and include these and other specific conditions in the GAN. The GAN also incorporates your approved application as part of your binding commitments under the grant.

3. Reporting: (a) If you apply for a grant under this competition, you must ensure that you have in place the necessary processes and systems to comply with the reporting requirements in 2 CFR part 170 should you receive funding under the competition. This does not apply if you have an exception under 2 CFR 170.110(b).

(b) At the end of your project period, you must submit a final performance report, including financial information, as directed by the Secretary. If you receive a multiyear

award, you must submit annual performance reports that provide the most current performance and financial expenditure information as directed by the Secretary under 34 CFR 75.118. The Secretary may also require more frequent performance reports under 34 CFR 75.720(c). For specific requirements on reporting, please go to [www.ed.gov/fund/grant/apply/appforms/appforms.html](http://www.ed.gov/fund/grant/apply/appforms/appforms.html).

4. Performance Measures: The Department has established the following Government Performance and Results Act of 1993 (GPRA) performance measures for the Preschool PFS Feasibility Pilot:

1. Number and percentage of grantees that complete a Feasibility Study within the project period.

2. Number and percentage of Feasibility Studies that conclude that PFS approaches for Preschool expansion or improvement are viable.

3. Number and percentage of Feasibility Studies that identify feasible alternatives if PFS is not viable (e.g. alternative funding strategies and mechanisms such as pay for performance, identifying additional outcome measures).

These measures constitute the Department's indicators of success for this program. Consequently, we advise an applicant for a grant under this program to give careful consideration to these measures in conceptualizing the approach and evaluation for its proposed project. Each grantee will be required to provide, in its annual performance and final reports, data about its progress in meeting these measures.

## VII. Agency Contacts

For Further Information Contact: Miriam Lund, U.S. Department of Education, 400 Maryland Avenue, SW., room 3E334, Washington, DC 20202-6200. Telephone: (202)

401-2871 or by email: PFS@ed.gov; or Mary Moran, U.S. Department of Education, 400 Maryland Avenue, SW., room 3E342, Washington, DC 20202-6200. Telephone: (202) 260-0940 or by email: PFS@ed.gov.

If you use a TDD or a TTY, call the FRS, toll free, at 1-800-877-8339.

#### VIII. Other Information

Accessible Format: Individuals with disabilities can obtain this document and a copy of the application package in an accessible format (e.g., braille, large print, audiotape, or compact disc) on request to the program contact person listed under For Further Information Contact in section VII of this notice.

Electronic Access to This Document: 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 via the Federal Digital System at: [www.gpo.gov/fdsys](http://www.gpo.gov/fdsys). At this site you can view this document, as well as all other documents of this Department published in the Federal Register, in text or PDF. To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the Federal Register by using the article search feature at: [www.federalregister.gov](http://www.federalregister.gov). Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: August 17, 2016

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Ann Whalen,  
Senior Advisor to the Secretary Delegated the Duties of  
Assistant Secretary for Elementary and Secondary  
Education.

[FR Doc. 2016-20021 Filed: 8/19/2016 8:45 am; Publication Date: 8/22/2016]