DEPARTMENT OF EDUCATION

Applications for Selection as a Performance Partnership Pilot; Performance Partnership Pilots for Disconnected Youth

AGENCY: Office of Career, Technical, and Adult Education, Department of Education.

ACTION: Notice.

SUMMARY: The Department of Education (ED or Department) is issuing a notice inviting applications for selection of up to 10 performance partnership pilots for fiscal year (FY) 2018 and up to 10 performance partnership pilots for FY 2019 under the Performance Partnership Pilots for Disconnected Youth authority.

DATES:

Deadline for Notice of Intent to Apply: [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Note: Submission of a notice of intent to apply is optional.

Deadline for Transmittal of Applications: [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Deadline for Intergovernmental Review: [INSERT DATE 150 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].


If you use a telecommunications device for the deaf (TDD) or a text telephone (TTY), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

SUPPLEMENTARY INFORMATION:

Full Text of Announcement

I. Pilot Opportunity Description

Purpose of Program: Performance Partnership Pilots for Disconnected Youth (P3) was first authorized by Congress in FY 2014 by the Consolidated Appropriations Act, 2014 (2014 Act), and the authority has been included by Congress in
appropriations acts each year since FY 2014. The P3 authority enables pilot sites to blend FY 2018 and FY 2019 Federal funds and obtain waivers of program requirements, including statutory, regulatory, and administrative requirements that are barriers to achieving improved outcomes for youth-serving programs included in the authority. Under P3, pilots can test innovative, outcome-focused strategies to achieve significant improvements in educational, employment, and other key outcomes for disconnected youth using the flexibility provided by P3.

**Background:**

P3 aligns with the Administration’s priorities of relieving burden, breaking down “silos,” increasing flexibility, and providing State, local, and Tribal governments greater freedom to innovate. P3 gives ED; the Departments of Labor (DOL), Health and Human Services (HHS), Housing and Urban Development (HUD),¹ and Justice (DOJ);² the Corporation for National and Community Service (CNCS); and the Institute of Museum and Library Services (IMLS) (collectively, the Agencies) authority, provided

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¹ HUD was first authorized to enter into performance agreements with respect to Homeless Assistance Grants by the Consolidated Appropriations Act, 2016.
² DOJ’s Office of Justice Programs was first authorized to enter into performance agreements by the Consolidated and Further Continuing Appropriations Act, 2015.
certain conditions and requirements are met, to waive Federal statutory and regulatory requirements that inhibit effective service delivery for disconnected youth. The authority also advances the Principles of Economic Mobility articulated in Executive Order 13828, Reducing Poverty in America by Promoting Opportunity and Economic Mobility. These principles include: balancing flexibility and accountability in Federal poverty programs; addressing the challenges of high-need special populations; reducing the size of bureaucracy and streamlining services; and empowering the private sector and local communities to develop and apply locally based solutions to poverty.³

P3 authorizes the Agencies to enter into Performance Partnership Agreements (performance agreements) with State, local, or Tribal governments. The performance agreements provide pilots with additional flexibility in the use of certain of the Agencies’ discretionary funds,⁴ including competitive and formula grant funds. Pilots must include

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³ E.O. 13828 of Apr 10, 2018, Federal Register, April 13, 2018, 83 FR 15941.
⁴ For the purposes of P3, discretionary funds are funds that Congress appropriates on an annual basis, rather than through a standing authorization. They exclude “entitlement” (or mandatory) programs such as Social Security, Medicare, Medicaid, most Foster Care IV-E programs, Vocational Rehabilitation State Grants, and Temporary Assistance to Needy Families (TANF). Discretionary programs administered by the Agencies support a broad set of public services, including education, job training, health and mental health, and other low-income assistance programs.
two or more Federal programs (at least one of which is administered in whole or in part by a State, local, or Tribal government) that are targeted on disconnected youth, or designed to prevent youth from disconnecting from school or work, and that provide education, training, employment, and other related social services. Entities that seek to participate in these pilots will be required to commit to achieving significant improvements in outcomes for disconnected youth in exchange for flexibility permitted under P3. The authorizing statute states that “[t]o improve outcomes for disconnected youth’ means to increase the rate at which individuals between the ages of 14 and 24 (who are low-income and either homeless, in foster care, involved in the juvenile justice system, unemployed, or not enrolled in or at risk of dropping out of an educational institution) achieve success in meeting educational, employment, or other key goals.”

This notice invites applications for selection as FY 2018 and 2019 pilots. Unlike previous rounds, ED will not award start-up funds to selected pilots, because the Agencies want to encourage potential pilots to create cost-neutral innovations in service delivery. However, the flexibilities available under P3 can generate significant cost savings for pilots by relieving them of some
burdensome requirements, as well as enabling them to use Federal dollars more effectively to serve disconnected youth.

**Flexibilities Available Under P3**

P3 provides important opportunities for flexibility and burden reduction. The Agencies have published on Youth.gov a list of the waivers previously granted to pilots under the prior three rounds of P3. These waivers were helpful to the pilots that received them, and, in this fourth round, the Agencies hope that applicants propose even more ambitious and bold efforts to remove Federal constraints on effective and innovative service delivery for disconnected youth. We provide several examples below.

We note that these examples are provided for illustrative purposes only, and that the allowability of specific proposals will depend on the unique circumstances of individual applicants. Any waivers must be consistent with the statutory safeguards that apply to P3, discussed below, and the Agencies will consider whether the inclusion of a program in a specific pilot is consistent with, or conflicts with, other significant legal or policy considerations. Also, the Agencies will review the

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5 The list of previously granted waivers is available at https://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots.
blending of competitive grants on a case-by-case basis in order to consider how the scope, objectives, and target populations of the existing award align with the proposed pilot. Any changes in terms and conditions of the existing competitive grant awards required for pilot purposes must be justified by the applicant. In addition, the Agencies can only waive Federal statutory or regulatory requirements. The Agencies encourage applicants to analyze whether their request also requires State or local rule changes to implement as those rules are not under the jurisdiction of the Agencies to waive for P3.

Example A: P3 waivers can help a State, local, or Tribal government use funds from multiple competitive and formula grants more cohesively and effectively and relieve some of the paperwork or reporting requirements associated with these grants. For example, an Alaska Native village that is the recipient of a Social and Economic Development Strategies grant from the Administration for Native Americans in HHS, an Alaska Native Education program grant and a Native American Career and Technical Education grant from ED, and an Indian and Native American Program Employment and Training Grant from DOL, might obtain P3 waivers and other flexibilities that would enable it to blend these funds to carry out an apprenticeship program
for Alaska Native youth. Through P3, it also might replace the reporting requirements associated with each of these grants with a single set of outcome goals that the village deems most critical for its youth.

Example B: A number of Federal grant programs that award funds by formula to States, such as Student Support and Academic Enrichment Grants (SSAE) under Title IV of the Elementary and Secondary Education Act of 1965 and Part B of the Individuals with Disabilities Education Act (IDEA), require or allow States to set aside funds for State-level activities. In most cases, program statutes specify through a list of authorized or required activities how States may or must use funds reserved for State-level activities. A State might request a waiver that would allow it to use State-level funds to support an activity that goes beyond the required and permissive activities set out in the relevant program statute. More specifically, a State might propose to use funds for an activity that, while not clearly included as an allowable use of funds under the relevant statutory list of authorized activities, is designed to improve outcomes for disconnected youth and is consistent with the statutory purposes of the program. For example, section 611(e)(2)(C) of Part B of the IDEA contains a list of allowable activities that States may use
State-level set-aside funds to support. Through P3, a State might seek a waiver to allow it to use State-level IDEA Part B set-aside funds to support an activity that is designed to improve the efficiency and effectiveness of special education and related services offered to disconnected youth with disabilities, even though that activity is not specifically included as an authorized activity under section 611(e)(2)(C). To expand educational options through a school choice initiative, a State could, for example, propose to use State-level IDEA Part B funds to provide additional IDEA Part B funds beyond the minimum required proportionate share that must be expended by local educational agencies on the provision of special education and related services (i.e., equitable services) to eligible parentally-placed private school children with disabilities, to cover the cost of equitable services for disconnected youth who are parentally placed private school children with disabilities. These funds could be blended with, and supplemented by, State-level SSAE funds.

Example C: Many Federal programs contain statutory or regulatory requirements that limit eligibility to individuals based on age or other requirements. A P3 applicant could seek flexibility to waive eligibility requirements to broaden the target population. For
example, the WIOA Title I Youth program limits eligibility for services to out-of-school youth between the ages of 16 and 24, while the Adult Education and Family Literacy Act (AEFLA), Title II of WIOA, limits eligibility to individuals age 16 and older who are not enrolled or required to be enrolled in secondary school under State law. A State could seek a waiver of these eligibility requirements to create an education and employment program for disconnected youth as young as age 14 and use the P3 authority to blend WIOA Title I Youth and AEFLA State-level funds to implement the program.

Example D: P3 authority can also be used by applicants to propose changes to projects funded under multiple Federal grants that are each, separately, intended to support programs designed to help disconnected youth achieve greater success in meeting their educational and employment goals. A public college or university that is considered a unit of State or local government might obtain waivers to blend discretionary, non-entitlement student aid funds under Title IV of the Higher Education Act of 1965, dollars received through various Federal formula programs, and competitive grant funds in ways that would achieve better outcomes for disconnected youth. For example, a public college or university might propose to increase the
share of the Federal Work Study (FWS) program funds available for Job Location and Development programs and waive the 25 percent cap on the amount of the school’s allocation that may be used to pay wages to students employed with private, for-profit organizations so that it could use all or more than 25 percent of its FWS funds to provide students who are at risk of dropping out subsidized career internships in the private sector that are aligned with students’ educational and career goals. If the public college or university receives a Federal TRIO or Gaining Early Awareness and Readiness for Undergraduate Programs grant, it might also propose to blend funds available under these competitive grant programs (e.g., TRIO Student Support Services) to provide career counseling and mentoring to the students participating in these career internships. Similarly, a community college might obtain waivers to blend and use a portion of a TRIO Educational Opportunity Center grant and its WIOA Title II AEFLA program subgrant to implement an intensive integrated education and training program for young adults who lack a high school credential.

Although the P3 authority provides broad waiver authority to increase flexibility and relieve burden in order to improve the effectiveness of Federal funding for
disconnected youth, it is important to note that there are some limitations on the waivers. In particular, as stated in the original statutory authority for P3, the P3 waivers—

- May not involve any requirement related to nondiscrimination, wage and labor standards, or the allocation of funds to State and sub-State levels;
- Must be consistent with the statutory purposes of the Federal program for which such discretionary funds were appropriated;
- May not result in denying or restricting the eligibility of any individual for any of the services that (in whole or in part) are funded by the agency's programs and Federal discretionary funds that are involved in the pilot;
- Based on the best available information, may not otherwise adversely affect vulnerable populations that are the recipients of such services;
- Must be necessary to achieve the outcomes of the pilot as specified in the performance agreement, and no broader in scope than is necessary to achieve such outcomes; and
• Must result in either (a) realizing efficiencies by simplifying reporting burdens or reducing administrative barriers with respect to such discretionary funds; or (b) increasing the ability of individuals to obtain access to services that are provided by the discretionary funds.

FY 2018 and FY 2019

P3 was reauthorized for FY 2018 for programs administered by all of the seven Agencies, and the Agencies may select up to ten pilots. As of the date of this notice, P3 has been reauthorized for FY 2019 for programs administered by ED, HHS, DOL, CNCS, and IMLS, and these five agencies may select up to ten pilots involving programs they administer. Legislation pending in Congress would authorize the inclusion of FY 2019 funds for HUD Homeless Assistance Grants and programs administered by DOJ’s Office of Justice programs. We are inviting applications for pilots under both the FY 2018 and FY 2019 authorities. Applicants must indicate in their applications whether they are applying as a FY 2018 or a FY 2019 pilot.

FY 2018 Pilots: An applicant applying as a FY 2018 pilot must propose to include FY 2018 funds from at least one of the seven Federal Agencies, and may choose to include FY 2019 funds from ED, HHS, DOL, CNCS, and IMLS
programs. If the pending legislation described above is enacted before the application deadline announced by this notice, applicants may also propose to include FY 2019 Homeless Assistance Grants and Office of Justice Programs in their applications.⁶

**FY 2019 Pilots:** An applicant applying as a FY 2019 pilot must propose to include only FY 2019 funds from ED, HHS, DOL, CNCS, or IMLS programs. If the pending legislation described above is enacted before the application deadline announced by this notice, applicants may also propose to include FY 2019 Homeless Assistance Grants and Office of Justice Programs in their applications in addition to or instead of funds from ED, HHS, DOL, CNCS, and IMLS.

If Congress extends the P3 authority in future years, pilots selected under either authority may propose to expand the number of Federal programs supporting pilot activities using future funding appropriated. However, authority for pilots to expand in future years is subject to Congressional action as well as agency discretion.

Absolute Priorities

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⁶ Regular updates on the status of this legislation will be posted on Youth.gov.
For the purposes of this competition, absolute priorities create separate categories for scoring and considering applications. Applicants must address one of two absolute priorities.

As in the third round of P3, the statutory authorities for FY 2018 and FY 2019 direct the Agencies to include communities that have experienced civil unrest among the P3 pilots that are designated for FY 2018 and FY 2019. Consequently, we are including an absolute priority for pilots involving such communities (Absolute Priority 1). Some communities struggle with high youth unemployment, low graduation rates, drug abuse, and crime. These and other continuing challenges can manifest in different instances of civil unrest, such as violent protests, increases in interpersonal violence in concentrated areas, or civil disorder. We believe that P3 flexibilities, including waivers and the blending of funds, will help empower communities to improve educational and employment outcomes for disconnected youth in these communities. The second absolute priority we have included (Absolute Priority 2) in this round is for all other proposed pilots that serve disconnected youth.

Competitive Preference Priority
This competition includes one competitive preference priority under which we will award up to 15 points to an application, depending on how well that application proposes to align Federal, State, or local funding streams to promote the economic mobility of low-income individuals (as defined under section 312(g) of the Higher Education Act of 1965, as amended). We believe the flexibilities available through P3 hold great potential for improving economic opportunity and mobility in economically distressed communities, such as communities with one or more Qualified Opportunity Zones established under the Tax Cuts and Jobs Act (P.L. 115-97). Created to spur long-term private investment in low-income urban and rural areas of the country, Qualified Opportunity Zones are low-income communities that have been nominated by the governor of each State and Chief Executive Officer of United States territories and the District of Columbia and that have been certified by the U.S. Secretary of the Treasury. Disconnected youth are highly concentrated in impoverished communities like those designated as Qualified Opportunity Zones; in high-poverty neighborhoods with a poverty rate above 21 percent, one in five young people are
Effectively addressing the education and skill needs of these youth is central to improving the economic circumstances of these communities and promoting economic mobility among their residents. Skill-building also is essential to maximizing the impact of the new investment that will be flowing into these communities and ensuring that Qualified Opportunity Zone residents are trained and ready to assume the new jobs that will be created by the infusion of capital. Without complementary actions to boost the education and skills of youth and adults in Qualified Opportunity Zones, many of the new jobs will be filled by individuals who reside elsewhere—or they will go unfilled altogether, throttling economic growth.

P3 can make possible bold and creative interventions by State, local, and tribal governments to help disconnected youth, such as those in Qualified Opportunity Zones reengage, succeed in education and training, and prosper in the job market.

Priorities: This competition includes two absolute priorities and one competitive preference priority.

Absolute Priority 1 is from the Consolidated Appropriations Act, 2018 (Public Law 115-141) and the Departments of

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Labor, Health and Human Services, and Education, and Related Agencies Appropriations Acts, 2019 (Public Law 115-245) and Absolute Priority 2 is from the notice of final priorities, requirements, definitions, and selection criteria for this program published on April 28, 2016, in the Federal Register (81 FR 25339) (P3 NFP). The competitive preference priority is from the Secretary's Final Supplemental Priorities and Definitions for Discretionary Grant Programs, published in the Federal Register on March 2, 2018 (83 FR 9096).

**Absolute Priorities**: For this competition and any subsequent year in which we make pilot designations from the list of applications from this competition, these priorities are absolute priorities. Under 34 CFR 75.105(c)(3) we consider only applications that meet Absolute Priority 1 or 2.

**Note**: Applicants must indicate whether they are applying under Absolute Priority 1 or Absolute Priority 2. An applicant that applies under Absolute Priority 1, but is not eligible under that absolute priority, will be considered under Absolute Priority 2.

These priorities are:
Absolute Priority 1--Improving Outcomes for Disconnected Youth in Communities that Have Experienced Civil Unrest.

To meet this priority, an applicant must propose a pilot that is designed to improve outcomes for disconnected youth in one or more communities that have experienced civil unrest. In response to the priority, an applicant should describe the instance(s) of civil unrest, including (1) a description of the civil unrest that occurred or is occurring in the community or communities it intends to serve; and (2) the date or dates of the civil unrest.

Absolute Priority 2--Improving Outcomes for Disconnected Youth.

To meet this priority, an applicant must propose a pilot that is designed to improve outcomes for disconnected youth.

Competitive Preference Priority: For this competition and any subsequent year in which we make pilot designations from the list of applications from this competition, this priority is a competitive preference priority. Under 34 CFR 75.105(c)(2)(i), we will award up to an additional 15 points to an application, depending on how well the application meets this priority. This priority is:

Promoting Economic Opportunity
Projects designed to increase educational opportunities by reducing academic or nonacademic barriers to economic mobility by aligning Federal, State, or local funding streams to promote economic mobility of low-income individuals (as defined under section 312(g) of the Higher Education Act of 1965, as amended).

Application Requirements:

The application requirements for this competition are from the P3 NFP and are as follows:

(a) Executive summary. The applicant must provide an executive summary that briefly describes the proposed pilot, the flexibilities being sought, and the interventions or systems changes that would be implemented by the applicant and its partners to improve outcomes for disconnected youth.

(b) Target population. The applicant must complete Table 1, specifying the target population(s) for the pilot, including the age range of youth who will be served and the estimated number of youth who will be served over the course of the pilot.

Table 1: Target Population

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<thead>
<tr>
<th>Target Population</th>
<th>Age Range</th>
<th>Estimated Number of Youth Served Over the Course of the Pilot</th>
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(c) **Flexibility, including waivers:**

(1) **Federal requests for flexibility, including waivers.** For each program to be included in a pilot, the applicant must complete Table 2, Requested Flexibility. The applicant must identify two or more discretionary Federal programs that will be included in the pilot, at least one of which must be administered (in whole or in part) by a State, local, or Tribal government. In Table 2, the applicant must identify one or more program requirements that would inhibit implementation of the pilot and request that the requirement(s) be waived in whole or in part. Examples of potential waiver requests and other requests for flexibility include, but are not limited to: blending of funds and changes to align eligibility requirements, allowable uses of funds, and performance reporting.

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8 Applicants are encouraged to consult the list of examples of programs that are potentially eligible for inclusion in pilots at https://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots.

9 Local governments that are requesting waivers of requirements in State-administered programs are strongly encouraged to consult with the State agencies that administer the programs in preparing their applications.
Table 2: Requested Flexibility

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Federal Agency</th>
<th>Program Requirements to be Waived in Whole or in Part</th>
<th>Statutory or Regulatory Citation</th>
<th>Name of Program Grantee</th>
<th>Blending Funds? (Yes/No)</th>
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Note: Please note in “Name of Program Grantee” if the grantee is a State, local, or Tribal government, or non-governmental entity.

(2) **Non-Federal flexibility, including waivers.** The applicant must provide written assurance that—

(i) The State, local, or Tribal government(s) with authority to grant any needed non-Federal flexibility, including waivers, has approved or will approve such flexibility within 60 days of an applicant’s designation as a pilot finalist;\(^{10}\) or

(ii) Non-Federal flexibility, including waivers, is not needed in order to successfully implement the pilot.\(^{11}\)

(d) **Budget and budget narrative.**

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\(^{10}\) This includes, for example, for local governments, instances in which a waiver must be agreed upon by a State. It also includes instances in which waivers may only be requested by the State on the local government’s behalf, such as waivers of the performance accountability requirements for local areas established in Title I of the Workforce Innovation and Opportunity Act.

\(^{11}\) Only top-scoring applicants notified by ED must submit this written assurance. The assurance must be transmitted to disconnectedyouth@ed.gov by no later than 21 calendar days of the applicant’s notification by ED that is a top-scoring applicant.
(1) The applicant must complete Table 3 to provide the following budget information:

(i) For each Federal program, the grantee, the amount of funds to be blended or braided (as defined in this notice), the percentage of total program funding received by the grantee that the amount to be blended or braided represents, the Federal fiscal year of the award, and whether the grant has already been awarded; and

(ii) The total amount of funds from all Federal programs that would be blended or braided, as defined in this notice, under the pilot.

Table 3: Federal Funds

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Grantee</th>
<th>Amount of Funds to be Blended</th>
<th>Blended Funds as a Percentage of Grantee’s Total Award</th>
<th>Federal Fiscal Year of Award</th>
<th>Grant Already Awarded? (Y/N)</th>
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<tr>
<th>Program Name</th>
<th>Grantee</th>
<th>Amount of Funds to be Braided as a Percentage of Federal Fiscal Year of Award</th>
<th>Grant Already Awarded?</th>
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12Applicants are encouraged to consult the list of examples of programs that are potentially eligible for inclusion in pilots available at https://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots.
Note: Applicants may propose to expand the number of Federal programs supporting pilot activities using future funding appropriated after FY 2018, which may be included in pilots if Congress extends the P3 authority.

(e) **Partnership capacity and management.** The applicant must identify the proposed partners, including any and all State, local, and Tribal entities and non-governmental organizations that would be involved in implementation of the pilot, and describe their roles in the pilot’s implementation using Table 4. Partnerships that cross programs and funding sources but are under the jurisdiction of a single agency or entity must identify the different sub-organizational units involved.

**Table 4: Pilot Partners**

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<tr>
<th>Partner</th>
<th>Type of Organization (State agency, local agency, community-based organization, business)</th>
<th>Description of Partner’s Role in the Pilot</th>
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<td>BRAIDED</td>
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Note: Any grantees mentioned in Table 3 that are not the lead applicant must be included in Table 4.

**Program Requirements:**

The program requirement for this competition is from the P3 NFP.

**Performance agreement.** Each P3 pilot, along with other non-Federal government entities involved in the partnership, must enter into a performance agreement that will include, at a minimum, the following (as required by section 526(c)(2) of Division H of the 2014 Act):

(a) The length of the agreement;

(b) The Federal programs and federally funded services that are involved in the pilot;

(c) The Federal discretionary funds that are being used in the pilot;

(d) The non-Federal funds that are involved in the pilot, by source (which may include private funds as well as governmental funds) and by amount;

(e) The State, local, or Tribal programs that are involved in the pilot;

(f) The populations to be served by the pilot;

(g) The cost-effective Federal oversight procedures that will be used for the purpose of maintaining the
necessary level of accountability for the use of the Federal discretionary funds;

(h) The cost-effective State, local, or Tribal oversight procedures that will be used for the purpose of maintaining the necessary level of accountability for the use of the Federal discretionary funds;

(i) The outcome (or outcomes) that the pilot is designed to achieve;

(j) The appropriate, reliable, and objective outcome-measurement methodology that will be used to determine whether the pilot is achieving, and has achieved, specified outcomes;

(k) The statutory, regulatory, or administrative requirements related to Federal mandatory programs that are barriers to achieving improved outcomes of the pilot; and

(l) Criteria for determining when a pilot is not achieving the specified outcomes that it is designed to achieve and subsequent steps, including:

(1) The consequences that will result; and

(2) The corrective actions that will be taken in order to increase the likelihood that the pilot will achieve such specified outcomes.

Definitions: The following definitions are from the P3 NFP.
Blended funding is a funding and resource allocation strategy that uses multiple existing funding streams to support a single initiative or strategy. Blended funding merges two or more funding streams, or portions of multiple funding streams, to produce greater efficiency and/or effectiveness. Funds from each individual stream lose their award-specific identity, and the blended funds together become subject to a single set of reporting and other requirements, consistent with the underlying purposes of the programs for which the funds were appropriated.

Braided funding is a funding and resource allocation strategy in which entities use existing funding streams to support unified initiatives in as flexible and integrated a manner as possible while still tracking and maintaining separate accountability for each funding stream. One or more entities may coordinate several funding sources, but each individual funding stream maintains its award-specific identity. Whereas blending funds typically requires one or more waivers of associated program requirements, braiding does not. However, waivers may be used to support more effective or efficient braiding of funds.

An interim indicator is a marker of achievement that demonstrates progress toward an outcome and is measured at least annually.
Outcomes are the intended results of a program, or intervention. They are what applicants expect their projects to achieve. An outcome can be measured at the participant level (for example, changes in employment retention or earnings of disconnected youth) or at the system level (for example, improved efficiency in program operations or administration).

A waiver provides flexibility in the form of relief, in whole or in part, from specific statutory, regulatory, or administrative requirements that have hindered the ability of a State, locality, or Tribe to organize its programs and systems or provide services in ways that best meet the needs of its target populations. Under P3, waivers provide flexibility in exchange for a pilot’s commitment to improve programmatic outcomes for disconnected youth consistent with underlying statutory authorities and purposes.

Program Authority: (a) Section 217 of Division B, section 525 of Division H, and section 231 of Division L of the Consolidated Appropriations Act, 2018 (Public Law 115-141). (b) Section 524 of Division B of the Department of Defense and Labor, Health and Human Services, and Education Appropriations Acts, 2019 and Continuing Appropriations Act, 2019 (Public Law 115-245).
Applicable Regulations:  (a) The Education Department General Administrative Regulations in 34 CFR parts 75, 77, 79, 81, 82, 86, 97, 98, and 99, and such other regulations as the Agencies may apply based on the programs included in a particular pilot.  (b) The Office of Management and Budget Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR part 180, as adopted and amended as regulations of the Department 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 in 2 CFR part 3474.  (d) The P3 NFP.

II. Performance Pilot Designation Information

Type of Award:  Flexibility.

Estimated Available Funds:  None.

Estimated Number of Designations:  10 pilots under the FY 2018 authority, and 10 pilots under the FY 2019 authority.

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

Project Period:  FY 2018 pilots may operate for as long as FY 2018 appropriated funds remain available to pilots to obligate to support project activities, but not past September 30, 2022.  FY 2018 pilots may use FY 2019
appropriated funds from ED, HHS, DOL, CNCS, and IMLS programs as well, but would still be required to end by September 30, 2022. FY 2019 pilots may operate for as long as FY 2019 appropriated funds remain available to them, but not past September 30, 2023.

III. Eligibility Information

1. **Eligible Applicants**: The lead applicant must be a State, local, or Tribal government entity, represented by a chief executive, such as a governor, mayor, or other elected leader, or the head of a State, local, or Tribal agency.

2. **Cost-Sharing or Matching**: This program does not require cost-sharing or matching.

IV. Application and Submission Information

1. **Application Submission Instructions**: Applicants must submit completed applications to DisconnectedYouth@ed.gov.

2. **Submission of Proprietary Information**: Given the types of projects that may be proposed in applications for the P3 competition, 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

Because we plan to make successful applications available to the public, including performance agreements, and may make all applications available, you may wish to request confidentiality of business information.

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. **Intergovernmental Review**: This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79.

4. **Recommended Page Limit**: The application narrative is where you, the applicant, provide the information specified in the application requirements and address the selection criteria that reviewers use to evaluate your application. We recommend that you (1) limit the application narrative to no more than 15 pages and (2) use the following standards:

   - A “page” is 8.5" x 11", on one side only, with 1"
margins at the top, bottom, and both sides.

- Double space (no more than three lines per vertical inch) all text in the application narrative, including titles, headings, footnotes, quotations, references, and captions.
- Use a font that is either 12 point or larger.
- Use one of the following fonts: Times New Roman, Courier, Courier New, or Arial.

5. **Notice of Intent to Apply**: The Department will be able to review applications more efficiently if we know the approximate number of applicants that intend to apply. Therefore, we strongly encourage each potential applicant to notify us of its intent to submit an application. To do so, please email DisconnectedYouth@ed.gov with the subject line “Intent to Apply,” and include the applicant's name and a contact person’s name and email address. Applicants that do not submit a notice of intent to apply may still apply for designation as a pilot; applicants that do submit a notice of intent to apply are not bound to apply or bound by the information provided.

6. **Other Submission Requirements**: Applications under this competition 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 pilots under the P3 competition must be submitted via email to DisconnectedYouth@ed.gov.

Please note the following:

- The Department is not publishing an application package for this program. To submit an application, follow the instructions listed above to provide all of the information specified in the application requirements, absolute priorities, and selection criteria. Additionally, complete and submit Standard Form 424B, Assurances for Non-Construction Programs (available at www2.ed.gov/fund/grant/apply/appforms/appforms.html) with your application.

- The Department must receive your application by 11:59 P.M. Eastern Standard Time on [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]. We will notify you if we are rejecting your application because it was received after the application deadline date.

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

V. Application Review Information
1. **Selection Criteria:** The selection criteria for this competition and any subsequent year for which we make pilot designations from the list of applications from this competition are from the P3 NFP.

The points assigned to each criterion are indicated in the parentheses next to the criterion. An applicant may earn up to 100 points based on the selection criteria.

(a) **Need for Project.** In determining the need for the proposed project, we will consider the magnitude of the need of the target population, as evidenced by the applicant’s analysis of data, including data from a comprehensive needs assessment conducted or updated in the past three years, using representative data on youth from the jurisdiction(s) proposing the pilot, that demonstrates how the target population lags behind other groups in achieving positive outcomes and the specific risk factors for this population (35 points).

Note: Applicants are encouraged to disaggregate these data according to relevant demographic factors such as race, ethnicity, gender, age, disability status, involvement in systems such as foster care or juvenile justice, status as pregnant or parenting, and other key factors selected by the applicant. If disaggregated data specific to the local population are not available,
applicants may refer to disaggregated data available through research, studies, or other sources that describe similarly situated populations as the one the applicant is targeting with its pilot.

Note: Applicants do not need to include a copy of the needs assessment but should identify when it was conducted or updated.

(b) Need for Requested Flexibility, Including Blending of Funds and Other Waivers. In determining the need for the requested flexibility, including blending of funds and other waivers, we will consider:

(1) The strength and clarity of the applicant’s justification that each of the specified Federal requirements identified in Table 2 for which the applicant is seeking flexibility hinders implementation of the proposed pilot (30 points); and

(2) The strength and quality of the applicant’s justification of how each request for flexibility identified in Table 2 (i.e., blending funds and waivers) will increase efficiency or access to services and produce significantly better outcomes for the target population(s) (35 points).

2. Review and Selection Process:
The Department will screen applications that are submitted in accordance with the requirements in this notice and will determine which applications are eligible to be read based on whether they have met the eligibility and application requirements established by this notice.

The Department will use reviewers with knowledge and expertise on issues related to improving outcomes for disconnected youth to score the selection criteria. The Department will thoroughly screen all reviewers for conflicts of interest to ensure a fair and competitive review.

Reviewers will read, prepare a written evaluation of, and score the assigned applications, based on the selection criteria.

The Secretary of Education (Secretary) will also consider compliance with assurances including those applicable to Federal civil rights laws that prohibit discrimination in programs or activities receiving Federal financial assistance (such as, for ED programs, 34 CFR 100.4, 104.5, 106.4, 108.8, and 110.23).

**Technical scoring.** Reviewers will read, prepare a written evaluation, and assign a technical score to the applications assigned for their review, using the selection criteria.
ED will then prepare a rank order of applications based on their technical scores.

**Flexibility, including blending of funds and other waivers.** Using this rank order, representatives of the Agencies that administer programs under which flexibility in Federal requirements is sought will evaluate whether the flexibility, including blending of funds and other waivers, requested by top-scoring applicants meets the statutory requirements for P3 and is otherwise appropriate. For example, if an applicant is seeking flexibility under programs administered by HHS and DOL, its requests for flexibility will be reviewed by HHS and DOL officials. Applicants may be asked to participate in telephone calls at this point in the process in order to clarify requests for flexibility and other aspects of their proposals.

If 25 or fewer eligible applications are received, the technical scoring and reviews of flexibility requests may be conducted concurrently.

**Selecting finalists.** Agency officials may recommend the selection of up to 20 projects as Performance Partnership Pilots (up to 10 projects under the FY 2018 authority, and up to 10 under the FY 2019 authority). In consultation with the other Agencies, the Secretary will select finalists after considering the rank ordering, the
recommendations of the Agencies that administer the programs for which the applicants are seeking flexibility, and other information including an applicant’s performance and use of funds and compliance history under a previous award under any agency program. In selecting pilots, the Secretary may consider high-ranking applications meeting Absolute Priority 1 and Absolute Priority 2 separately to address the statutory requirement that designated pilots include communities that have experienced civil unrest. In addition, as required by appropriations acts authorizing P3, each pilot must meet all statutory criteria.

Consistent with Application Requirement (f) in the P3 NFP, each finalist must propose to ED and any other Agencies implicated in the pilot a performance agreement that includes outcome measures and interim indicators to gauge pilot performance. At least one outcome measure must be in the domain of education, and at least one outcome measure must be in the domain of employment. Finalists may specify additional employment and education outcome measures, as well as outcome measures in other domains of well-being, such as criminal justice, physical and mental health, and housing. Regardless of the outcome domain, finalists must identify at least one interim indicator for each proposed outcome measure. Finalists may apply one
interim indicator to multiple outcome measures, if appropriate.

Examples of outcome measures and interim indicators follow. Pilots may choose from this menu or may propose alternative indicators and outcome measures if they describe why their alternatives are more appropriate for their proposed projects.

<table>
<thead>
<tr>
<th>Education Domain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome Measure</strong></td>
</tr>
<tr>
<td><strong>Interim Indicator</strong></td>
</tr>
<tr>
<td>High school diploma or</td>
</tr>
<tr>
<td>equivalency attainment</td>
</tr>
<tr>
<td>• High school enrollment</td>
</tr>
<tr>
<td>• Reduction in chronic</td>
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<tr>
<td>absenteeism</td>
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<tr>
<td>• Grade promotion</td>
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<tr>
<td>• Performance on</td>
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<tr>
<td>standardized assessments</td>
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<tr>
<td>• Grade point average</td>
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<tr>
<td>• Credit accumulation</td>
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<tr>
<td>College completion</td>
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<tr>
<td>• Enrollment</td>
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<tr>
<td>• Course attendance</td>
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<tr>
<td>• Credit accumulation</td>
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<tr>
<td>• Retention</td>
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<table>
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<tr>
<th>Employment Domain</th>
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</thead>
<tbody>
<tr>
<td><strong>Outcome Measure</strong></td>
</tr>
<tr>
<td><strong>Interim Indicator</strong></td>
</tr>
<tr>
<td>Sustained Employment</td>
</tr>
<tr>
<td>• Unsubsidized employment at time periods after exit from the program</td>
</tr>
<tr>
<td>• Median earnings at time periods after exit from the program</td>
</tr>
</tbody>
</table>

For each finalist, ED and any other Agencies implicated in the pilot will negotiate the performance
agreement. If a performance agreement cannot be finalized for an applicant, an alternative applicant may be selected as a finalist instead. The recommended projects will be considered finalists until performance agreements are signed by all parties, and pilot designation will be awarded only after finalization and approval of each finalist’s performance agreement.

VI. Designation Administration Information

1. Designation Notices: If your application is successful, we notify your U.S. Representative(s) and U.S. Senators and send you a letter notification of your selection as a pilot. We may notify you informally, also.

If your application is not evaluated or not selected as a pilot, we notify you.

2. Performance Measures: As described earlier in this notice, the performance agreement for each pilot will include outcome measures, interim indicators, and targets.

VII. Other Information

Accessible Format: Individuals with disabilities can obtain this document 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.
Electronic Access to This Document: The official version of this document is the document published in the Federal Register. You may access the official edition of the Federal Register and the Code of Federal Regulations at: www.govinfo.gov. 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 Portable Document Format (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. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: January 22, 2019.

______________________________________________
Scott Stump,
Assistant Secretary for Career, Technical, and Adult Education.

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