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DEPARTMENT OF EDUCATION

Applications for New Awards; Providing High-Quality Career and Technical Education Programs for Underserved, High-Need Youth through a Pay For Success Model

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

ACTION: Notice.

Overview Information:

Providing High-Quality Career and Technical Education (CTE) Programs for Underserved, High-Need Youth through technical assistance on Pay For Success Models (CTE PFS TA Program) Notice inviting applications for a new award in fiscal year (FY) 2016.

Catalog of Federal Domestic Assistance (CFDA) Number:

84.051

Dates:

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

Date of Pre-Application Meeting: August 2, 2016.

Deadline for Transmittal of Applications: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Full Text of Announcement

I. Funding Opportunity Description

Purpose of the program: The purpose of this program is to support the development of a financing model, High-Quality Pay for Success (PFS),¹ to implement new or scale up existing high-quality career and technical education (CTE) projects for Underserved, High-Need Youth (CTE PFS Project). To this end, the Department will award a grant to an Intermediary to provide technical assistance for the first two of three phases of a PFS financing model. In phase one, the Intermediary will complete Feasibility Studies in four Local CTE Sites. In phase two, the Intermediary will provide or support transaction structuring, based on the limited funding level, for up to three out of the previously identified four local sites to the extent that the local site's CTE PFS project is determined to be feasible. While it is our intent that all of the selected local CTE PFS projects will result in a fully-structured PFS project ready to launch, each program may have different challenges that might result in not all projects completing these first two phases by the end of the grant period. The ultimate aim of the CTE PFS TA

¹ Defined terms are used throughout the notice and are indicated by capitalization.

Program is to improve outcomes for Underserved, High-Need Youth through fully-structured High-Quality PFS Projects ready to be implemented in the Local CTE Sites using High-Quality CTE programs.

Background: Section 114(c)(1) of the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) authorizes the Office of Career, Technical, and Adult Education (OCTAE) to provide support directly or through grants, contracts, or cooperative agreements, for research, development, demonstration, evaluation, assessment, capacity-building, and technical assistance activities aimed at improving the quality and effectiveness of CTE programs authorized under Perkins IV.

PFS financing models offer a way for the Federal government to support the development and scaling up of effective, evidence-based programs for Underserved, High-Need Youth and to test new, innovative programs. There is a small but growing body of evidence about CTE program models that have been shown to produce positive outcomes for Underserved, High-Need Youth. The following program models, including career academies and early college high schools, are examples of the kinds of strong CTE program

models that may be used by CTE sites that are testing PFS financing models.

Career academies restructure large high schools into smaller learning communities. They offer courses and activities connected to career or occupational themes and typically require all students to complete a work-based learning experience. A randomized controlled trial, over a 12-year period, found that career academies result in positive effects on labor market outcomes.² Students in career academies have been shown to have earned, on average, 11 percent (\$2,088) more per year than did students in the non-career academies group, an increase of \$16,704 (in 2006 dollars) in total earning over the eight years following high school.³

Early college high schools (ECHS) provide students with exposure to college and the opportunity to take college courses while they are in high school. ECHS partner with colleges and universities to offer all students an opportunity to earn an Associate's degree or up to two years of college credit toward an Associate's or

² Kemple, James and Cynthia Willner. 2008. *Career Academies: Long-Term Impacts on Labor Market Outcomes, Educational Attainment, and Transitions to Adulthood*. New York, NY: MDRC. p.42. Retrieved from http://www.mdrc.org/sites/default/files/full_50.pdf

³ Ibid. p. 12

Bachelor's degree during high school at no or low cost to students. ECHS often have a CTE focus, such as health, life sciences, or information technology. A randomized controlled trial conducted over an eight-year period found that ECHS students graduated from high school at a higher rate than non-ECHS students (86 percent versus 81 percent).⁴ Researchers also found that ECHS students had higher postsecondary enrollment rates compared to non-ECHS students (80 percent versus 71 percent).⁵ Additionally, 22 percent of ECHS students earned a postsecondary degree during the study period versus two percent of comparison students.⁶

Other CTE models that have some evidence of similar positive outcomes for youth include: (1) CTE-focused high schools in Philadelphia had higher on-time graduation rates compared to traditional public high schools in the district;⁷ (2) Project Lead the Way, a project/problem-based

⁴ Berger, A., Turk-Bicakci, L., Garet, M., Song, M., Knudson, J., Haxton, C., Zeiser, K., Hoshen, G., Ford, J., Stephan, J., Keating, K., & Cassidy, L. (2013). *Early college, early success: Early College High School Initiative Impact Study*. Washington, DC: American Institutes for Research. p. 31. Retrieved from <http://www.air.org/resource/early-college-early-success-early-college-high-school-initiative-impact-study-2013>.

⁵ Ibid. p. 29

⁶ Ibid. p. 33

⁷ Neild, Ruth Curran, Christopher Boccanfuso, and Vaughan Byrnes. 2013. *The Academic Impacts of Career and Technical Schools: A Case Study of a Large Urban School District*. Baltimore, MD: Johns Hopkins University, Center for Social Organization of Schools. Retrieved from

approach to STEM⁸ education that is aligned with Common Core State Standards in math and English, and Next Generation Science Standards resulted in students increasing their in-demand knowledge and transferable job skills;⁹ (3) Linked Learning, - an educational approach that not only integrates academic and high-quality career and technical education but is also sequenced to support students transitioning from middle school through high school and postsecondary education, - resulted in students earning more credits in the first three years compared to their peers in traditional high school programs (1.8 credits more at the end of 11th grade), and being more likely to stay in their school district through 12th grade compared to similar students in traditional programs (five percentage points more);^{10 11 12} and (4) CTE-focused Smaller Learning Communities - a school restructuring strategy that involves

<http://new.every1graduates.org/wp-content/uploads/2013/02/The-Academic-Impacts-of-Career-and-Technical-Schools.pdf>

⁸ STEM is the abbreviation for "Science, Technology, Engineering and Mathematics."

⁹ Starobin, S. S., Schenk, T. Jr., Laanan, F. S., Retwisch, D., Kollasch, A., Chen, Y., & Baul, T. (2013). Evaluation research of the Iowa Project Lead the Way: Final project report, June 2013. Prepared for the Kern Family Foundation. Retrieved from

<http://www.cclp.hs.iastate.edu/research/rbriefs/PLTWReport2013-Final>.

¹⁰ Guha, R., K. Caspary, R. Stites, C. Padilla, N. Arshan, C. Park, V. Tse, S. Astudillo, A. Black, & N. Adelman. (2014). *Taking Stock of the California Linked Learning District Initiative. Fifth-Year Evaluation Report*. Menlo Park, CA: SRI International. Retrieved from

<http://www.connectedcalifornia.org/direct/files/resources/year5linkedlearningevaluationreportdec2014.pdf>

¹¹ Ibid p.A-26

¹² Ibid p.56

smaller, personalized learning environments that are often focused on a specific career theme - resulted in increased four-year graduation rates for participating students (70.4 percent for smaller learning community enrollees compared to 60.9 percent for their control group counterparts).^{13 14}

PFS includes innovative contracting and financing models that test and advance promising and proven interventions while paying only for successful 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

¹³ Bloom, Howard and Rebecca Unterman. 2013. *Sustained Progress: New Findings about the Effectiveness and Operation of Small Public High Schools of Choice in New York City*. New York: MDRC. Retrieved from http://www.mdrc.org/sites/default/files/sustained_progress_FR_0.pdf

¹⁴ Ibid pp. 5-6

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. 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 the government or other payor based on the achievement of better outcomes than would otherwise have occurred.

PFS contracting and financing require partnerships among multiple stakeholders. Partners typically include:

- One or more outcomes "payors," generally Federal, State, Local, 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(s) intended to achieve the outcomes;
- Investor(s), which cover the upfront cost of implementing the intervention and at times other associated

costs through PFS financing and may receive a return on investment if the outcomes are achieved; and

- Independent Evaluator, which determines, through a Rigorous Evaluation, whether the intervention achieved the Outcome Measure(s) sought.

Many PFS projects in the United States to date have also included a project coordinator or intermediary, an entity that facilitates and manages the PFS project and contracting process implementation.

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

The first stage, Feasibility Study, includes the following activities:

- Identification of outcome(s) sought;
- 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; and
- 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.

The second stage, transaction structuring, includes, but is not limited to, the following activities:

- Providing overall PFS coordination and support;
- Raising capital and developing capital structure;
- Mediating and facilitating agreements between each of the parties to the project;
- Aligning project design and evaluation;
- Tracking the impact of achieving the Outcome Measures on government funding streams in terms of cost savings and avoidance.
- Finalizing the PFS project and preparing for post-closing activities and allowing for transition of critical information to those implementing the third stage; and
- Supporting ramp-up activities.

The third stage, contract implementation, involves the implementation of the PFS project, whereby the intervention is delivered by the service provider, an evaluation is conducted, and performance is monitored. If the third-party evaluator confirms that outcome milestones have been reached, the outcomes payor makes Outcomes Payments to PFS Investors.

This CTE PFS TA program will focus on the first two stages of a PFS Project, Feasibility Study and transaction structuring, and aims to:

- Provide selected Local CTE Sites with the resources and expertise needed to effectively determine their ability to utilize a PFS financing model to implement new, or scale up existing, High-Quality CTE Programs for Underserved, High-Need Youth and the appropriateness of a PFS financing approach;
- Increase the capacity of the Local CTE Sites to identify, assess, support and scale evidence-based solutions for CTE programs;
 - Increase the pipeline of CTE PFS projects;
 - Increase awareness in the CTE field about how to successfully structure PFS financing transactions; and

- Identify the appropriate Rigorous Evaluation for evaluating a PFS-financed CTE program, the metrics for determining whether the program is successful based on the evaluation, and build understanding of how to align the processes of designing the project and the evaluation.

Purpose of the Competition: The purpose of this competition is to award a grant through a cooperative agreement to an Intermediary to select four Local CTE Sites and provide technical assistance to the four Local CTE Sites to implement new, or scale up existing, High-Quality CTE Programs for Underserved, High-Need Youth through a PFS model during the Feasibility Study phase and transaction structuring phase, with the ultimate aim of improving outcomes through a High-Quality PFS Project. This Intermediary must:

(a) Select four Local CTE Sites based on at least the selection criteria in section (a) (1) of the Program Requirements in this notice;

(b) Provide technical assistance:

(1) To the four selected Local CTE Sites throughout the Feasibility Study phase, including by completing four Feasibility Studies;

(2) To up to three of the four Local CTE Sites, as applicable, throughout the transaction structuring phase; and

(3) Including to:

(i) Develop PFS financing models as a basis for implementing new, or scaling up existing, High-Quality CTE Programs for Underserved, High-Need Youth;

(ii) Develop CTE PFS Projects that have the potential to improve the subsequent education, credentialing, employment, earnings, and other outcomes for Underserved, High-Need Youth;

(iii) Where feasible, develop fully-structured CTE PFS Agreements for the Local CTE Sites that will ultimately allow them to implement the CTE PFS Project and related evaluations; and

(4) Document the lessons learned from the CTE PFS Projects in a format and manner that the Department and four Local CTE Sites may disseminate to the CTE field and other key stakeholders to inform future CTE investments.

Program Requirements: We are establishing these requirements for the FY 2016 grant competition and any subsequent year in which we make awards from the list of unfunded applications from this competition, in accordance

with section 437(d)(1) of the General Education Provisions Act (GEPA), 20 U.S.C. 1232(d)(1). The Secretary intends to make a grant through a cooperative agreement for the CTE PFS TA Program that includes two stages of work:

(a) Feasibility Study: The Intermediary will identify and provide technical assistance for up to four Local CTE Sites, including a completed PFS Feasibility Study for each Local CTE Site to determine if PFS is feasible to meet the needs of Underserved, High-Need students at those sites. Appropriate technical assistance may include, but is not limited, to:

(1) Identifying local CTE programs that could benefit from PFS technical assistance. In coordination with OCTAE, the Intermediary will design, finalize and implement an Open and Fair Competition to select the four Local CTE Sites. In order to ensure an Open and Fair Competition, the Intermediary or their agents that develop or draft specifications, requirements, statements of work, and invitations for application shall be excluded from competing. Solicitations shall clearly establish all requirements that the applicant shall fulfill for their proposal to be evaluated.

The competition conducted by the Intermediary must select four Local CTE Sites based on at least the following selection criteria:

(i) Geographic diversity (urban, suburban, and rural) of Local CTE Sites that have a significant population of Underserved, High-Need Youth who could benefit from High-Quality CTE Programs;

(ii) The extent that the Local CTE Site has the interest and capacity to implement a High Quality PFS Project;

(iii) The extent that the Local CTE Site has the capacity to work with the Intermediary to meet the requirements of the Feasibility Study and Transaction Structuring in the Requirements section of this notice;

(iv) The extent that the Local CTE Site has a high likelihood of proceeding to the transaction structuring phase of the CTE PFS Project;

(v) The extent that the Local CTE Site's work aligns or will align with local workforce demands;

(vi) The extent that the Local CTE Site is committed to or has experience using Evidenced-based Interventions;

(vii) The extent that the Local CTE Site has existing connections to local payors; and

(viii) If the Local CTE Site is a member of a consortia eligible to receive assistance under section 131 of Perkins IV or a consortium of eligible institutions eligible to receive assistance under section 132 of Perkins IV, the Intermediary must provide preference.

(2) Providing selected Local CTE Sites with technical assistance while completing a Feasibility Study during the Feasibility Study stage including the following tasks:

(i) Organizational/Programmatic Assessment:

(A) Ascertaining local needs and priority areas for CTE strategies most appropriate for a CTE PFS Project, for example: identifying possible evidence-based CTE programs, such as those described in the Background section of this notice; assessing the evidence base for different CTE interventions; assessing the likelihood of success of those CTE interventions in the local context; and assisting in determining the specific CTE intervention that will be used for the CTE PFS Project in each Local CTE Site;

(B) Assessing the strength, expertise, and capacity of an educational program to deliver the CTE intervention and achieve desired outcomes, including stakeholder and community support;

(C) Evaluating the willingness and capacity of stakeholders to implement a CTE PFS Agreement that would result in high-quality career and technical education projects for Underserved, High-Need Youth;

(D) Assessing available local, State, Federal, and administrative data, and other available evidence, data, and information relevant to carrying out potential CTE PFS Projects, including the Local CTE Sites' capacity for data matching and analysis; and

(E) Proposing a Rigorous Evaluation design to assess a CTE PFS Project's success.

(ii) Budgetary/Financial Analysis:

(A) Developing a framework and conducting analyses for estimating public sector savings and Benefits, and potential costs and performance-based payments for potential CTE PFS Projects in order to inform decision-making;

(B) Identifying and estimating potential costs and savings at each level of government and for each program; and

(C) Developing a budget estimating the costs needed for the transaction structuring phase, for ramp-up costs (if applicable), and implementation.

(iii) Legal/Regulatory Review:

(A) Identifying statutory, regulatory, fiscal, and programmatic barriers to implementation of CTE PFS Projects and recommending the necessary steps to remove these barriers; and

(B) Assessing and addressing appropriate risks (e.g., the risk that the relevant entity may not be able to make future Outcomes Payments).

(iv) Data Capacity:

(A) Assessing the capacity of the Local CTE Sites to collect and analyze data pertaining to implementation and outcomes of the PFS Projects;

(B) Assisting sites to identify and gain access to relevant administrative data systems such as, but not limited to, Unemployment Insurance records, State Longitudinal Data Systems, Wage Record Interchange System, Federal Employment Data Exchange, and the National Student Clearinghouse, consistent with the Family Educational Rights and Privacy Act (20 U.S.C. 1232g; 34 CFR Part 99) and other applicable Federal, State and local privacy laws; and

(C) Increasing capacity of Local CTE Sites to leverage administrative data to monitor progress on short- and long-term outcomes.

(v) Procurement:

(A) Designing and implementing a process for collecting relevant information from the public or key audiences to inform potential PFS activities for the Local CTE Sites, including priorities, service delivery, transaction structuring, evaluation, or other relevant issues, priorities, concepts and strategies;

(B) Designing and publicizing requests for proposals, notices of funding availability, or other relevant funding announcements/proposal solicitations for release by government entities or other payors to solicit the services of coordinators, service providers, or evaluators; and

(C) Assessing solicited proposals, including respondents' organizational capacity, past performance, operating model, strength of outcomes, efficiency, quality of management team, and suitability for PFS financing.

(3) Submitting to the Department the results of the Feasibility Study for each of the four Local CTE Sites that include, at a minimum:

(i) A description of the proposed evidence-based CTE intervention that includes, at a minimum, how the intervention is likely to improve student outcomes, based on quantitative, qualitative, or theoretical evidence; the goals, objectives, and outcomes to be achieved by the proposed CTE program which are clearly specified and measurable and will demonstrate student success; and how the intervention is appropriate to, and will successfully address, the needs of Underserved, High-Need Youth;

(ii) Identification of one or more clearly specified and measurable Outcome Measures related to education and employment;

(iii) A Cost-Benefit Analysis that accounts for, among other things, costs, savings and other benefits across programs and levels of government;

(iv) Identification of any statutory or legal barriers to implementing a CTE PFS Project and how they will be addressed.

(v) Identification of potential source(s) of Outcomes Payments from public or private entity(ies).

(b) Transaction Structuring: The Intermediary must provide support for structuring the CTE PFS agreement for

up to three Local CTE Sites with feasible CTE PFS Projects. Activities may include, but are not limited to:

(1) Providing overall PFS Project coordination and support to--

(i) Design CTE PFS Project work plan, timeline, and task list;

(ii) Coordinate planning and meetings of relevant CTE PFS Project stakeholders;

(iii) Manage all project elements to meet shared timeline of CTE PFS Project stakeholders;

(iv) Develop a plan to train and provide technical assistance for selected Local CTE Sites to provide services, including engaging and educating providers to ensure that expectations of their role in the CTE PFS Project are clear;

(v) Assess the strength, expertise, and capacity of selected Local CTE Sites to provide services, including quantitative and qualitative assessment of respondents' track records, operating models, strength of outcomes, and compatibility with the CTE PFS Project;

(vi) Address Local CTE Site performance concerns or capacity gaps;

(vii) Coordinate selection of qualified Independent Evaluator(s);

(viii) Coordinate or lead design of key project components, including detailed service provision, duration of services, outcome measures and monitoring, and PFS intervention evaluation design; and

(ix) Ensure that all data necessary to identify the target population and measure outcomes will be made available by the government entity or other entity, and shared among relevant stakeholders, including the Intermediary and Independent Evaluator on a timely basis and in accordance with all applicable confidentiality and Federal, State and local privacy laws and requirements.

(2) Raising capital and developing capital structure by:

(i) Identifying sources of funding for Outcomes Payments (including sources beyond Federal funds);

(ii) Conducting Financial Modeling of the transaction, including analysis of possible payment terms and transaction structures;

(iii) Developing an investment and structure, regarding Outcomes Payments, that mitigates relevant risks and establishes appropriate incentives;

(iv) Developing relevant documentation, such as a term sheet, that includes Outcomes Payments, pricing, payment schedules, and capital structure; and

(v) Marketing the CTE PFS Project to Investors in order to raise capital commitments necessary to fund the CTE PFS Project.

(3) Mediating and facilitating an agreement between each of the CTE PFS Partners to the transaction by:

(i) Coordinating the negotiation of all parties around economic and contract terms;

(ii) Developing and finalizing all contracts and supplementary documentation, including offering or loan documents that may be relevant and working with legal counsel as appropriate; and

(iii) Closing the Intermediary's CTE PFS work/activities with Local CTE Sites.

(4) Proposing additional or alternative strategies under any of the above task areas which further the purposes of the CTE PFS TA Program.

(5) Documenting and disseminating lessons learned from the transaction structuring phase.

Public Use of Data and Documentation: The Intermediary and the four local CTE Sites must be willing to make data and

documentation publicly available for the purposes of transparency and knowledge sharing, including making the CTE PFS Agreements publicly available. To facilitate knowledge sharing and enable other communities to learn from the Local CTE Sites' PFS experiences, the Department intends to post publicly on its Web site Feasibility Studies, lessons learned, best practices, documents created for transactions such as contracts, and other tools created throughout the PFS phases, while adhering to the confidentiality needs of program participants as well as local, State, and Federal laws.

Participation in a Department-Sponsored Program Evaluation:

As a condition of the cooperative agreement, the Intermediary will be required to cooperate with all Department staff, contractors, or designated grantees performing research or evaluation studies funded by the Department. The Intermediary must establish any necessary agreements with the four Local CTE Sites to ensure that the Intermediary is able to completely respond to and cooperate with Department staff, contractors, or designated grantees performing research or evaluation studies funded by the Department.

Cooperative Agreement: The Secretary plans to make a grant award under the terms of a cooperative agreement to a Grantee (Intermediary) as defined in this notice. The Secretary expects to have substantial involvement with the Grantee during the performance of the funded project, including, but not limited to:

(a) Direct involvement in the review and approval of project activities;

(b) Substantial input into the final selection and approval of the Local CTE Sites;

(c) Continued and regular participation in project activities;

(d) Halting a project activity if detailed performance specifications or requirements are not met;

(e) Substantial input into the final selection and approval of the three Local CTE Sites that will receive transaction structuring TA; and

(f) Reviewing and approving one stage of work before subsequent work may begin, especially between the Feasibility Analysis and transaction structuring phases of the CTE PFS Projects.

Milestone Reporting and Documentation: Under the cooperative agreement, at a minimum, the Intermediary must

submit the following reports and documents according to the timelines noted below:

(a) Within two months of the grant award, the Intermediary's plan to implement an Open and Fair Competition to select four Local CTE Sites (selection plan) to receive Feasibility Study technical assistance for approval by the Department. This selection plan must:

(1) Include the key eligibility criteria for selecting the Local CTE Sites;

(2) Identify the acceptable level of evidence for the potential CTE PFS project's proposed intervention, given that all proposed CTE PFS projects must include interventions that have at least a preliminary level of evidence;

(3) Detail how the selection process will:

(i) Comply with requirements for an Open and Fair Competition, and

(ii) Ensure that appropriate conflict of interest policies are in place for selection of Local CTE Sites;

(4) Provide the timeline for implementing the selection plan, including milestones for releasing the Intermediary's request for proposals or other competition document and selecting local CTE Sites.

(b) At least one month in advance of releasing a competition notice for Local CTE Sites interested in implementing a Feasibility Study, the Intermediary must submit a finalized detailed plan to the U.S. Department of Education for approval containing the required information in paragraph (a) of this section.

(c) Prior to selecting the four Local CTE Sites, the Intermediary must submit a report on the Intermediary's Open and Fair Competition implementing the approved selection plan recommending four Local CTE Sites to receive feasibility technical assistance for approval by the Department. The report should include:

(1) A description of the evidence demonstrating that the Service Delivery Model is likely to achieve the stated outcomes; and

(2) A summary of the experience of the Local CTE Site delivering the proposed intervention or a similar intervention, or other contracted intervention initiated by the Local CTE Site, or other evidence demonstrating the service provider has the expertise necessary to deliver the proposed intervention.

(d) Provide a plan and timeline, including milestones, for completing the Feasibility Studies for the

four Local CTE Sites within 24 months of the grant award identifying each of the critical steps for approval by the Department.

(e) Provide quarterly reports to the Department on the Intermediary's progress developing and completing CTE PFS Feasibility Studies for the four Local CTE Sites consistent with the approved plan, timeline and critical steps in paragraph (d).

(f) Complete, review, and disseminate the four written CTE PFS Feasibility Studies within 24 months of the grant award consistent with program requirements.

(g) Where a Feasibility Study concludes that a CTE PFS Project is not viable or appropriate, an explanation of why the project is not feasible and suggested alternatives to the CTE PFS Project or next steps to ready the Local CTE Site for the CTE PFS Project to become viable.

(h) Submit a plan to verify the results of the Feasibility Studies and outline the selection criteria that will be used to determine which entities will receive transaction structuring technical assistance.

(i) Provide a plan and timeline, including milestones, for the transaction structuring phase,

identifying each of the critical steps for approval by the Department.

(j) Provide quarterly reports to the Department on the Intermediary's progress developing and completing the transaction structuring Phase consistent with the approved timeline and critical steps in paragraph (h).

(k) A fully-structured PFS Agreement that may be used for each Local CTE Site selected to receive transaction structuring technical assistance.

(l) If development of a fully-structured PFS Agreement was not possible, a report outlining what the barriers were, what lessons were learned, and recommendations to either prepare the site for PFS implementation or viable alternatives to PFS.

Priority: This notice includes one absolute priority. We are establishing this priority for the FY 2016 grant competition, and any subsequent year in which we make awards from the list of unfunded applications from this competition, 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) (2) (i), we consider only applications that meet this absolute priority.

This priority is:

Cash or In-Kind Matching: To meet this priority an applicant must provide a 10 percent Cash or In-Kind Match of the total amount of the grant. Cash or In-Kind matching will increase overall resources and enhance broad-based support for the CTE PFS TA Program. Applicants must verify that they will provide a 10 percent Cash or In-Kind Match of the total amount of the grant by submitting: (1) a letter of intent with their application; and (2) a letter of commitment that must be received no later than 4:30:00 p.m., Washington, DC time September 15, 2106 in a PDF (Portable Document) read-only, non-modifiable format submitted by email with the subject line "CTE PFS TA Program Matching Cash or In-Kind Contributions- Letter of Commitment", addressed to Len.Lintner@ed.gov.

The applicant must demonstrate matching by providing either or a combination of both:

(a) Cash toward meeting their matching costs of the total award of the CTE PFS TA Program grant, by providing the following:

(1) Documentation that the applicant's organization has either cash-on-hand or commitments from organizations for the matching funds; and

(2) A statement from the Chief Financial Officer or other relevant officer that the applicant's organization has established a reserve of committed funds for the CTE PFS Project.

(b) In-kind, non-cash contributions calculated consistent with 2 C.F.R. 200.306 toward meeting their matching costs of the total award of the CTE PFS TA Program grant by providing one or a combination of the following:

(1) Evidence of commitments in the form of equipment, supplies, and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to benefit the CTE PFS TA Program;

(2) Evidence of third-party commitments for the monetary value of time contributed by professional and technical personnel and other skilled labor directly benefiting and specifically identifiable to benefit the CTE PFS TA Program; and/or

(3) Evidence of other forms of non-cash third-party commitments directly benefiting and specifically identifiable to benefit the CTE PFS TA Program.

Application Requirements: The applicant must:

(a) Provide a Theory of Action for the CTE PFS TA Program for Underserved, High-Need Youth.

(b) Provide a statement of organizational capacity to conduct PFS Feasibility Studies and transaction structuring, and to work with CTE, including:

(1) A description of the project leadership and team, including qualifications and experience coordinating PFS programs and working with CTE; and

(2) A description of the project leadership and team's experience selecting local sites that have a high likelihood of completing the Feasibility Analysis phase and moving to the transaction structuring phase.

(c) Propose a preliminary plan for an Open and Fair Competition to select Local CTE Sites to receive technical assistance.

(d) Provide a preliminary work plan for conducting technical assistance for the Feasibility Analysis and transaction structuring phases at the four Local CTE Sites. While each Local CTE Site selected will have different needs and priorities, the applicant must describe the overall tasks and processes that will be undertaken in each

of the Feasibility Study and transaction structuring phases.

(e) Provide a budget and budget narrative for each of the two phases of the CTE PFS Project - Feasibility Study and transaction structuring, including any planned cash or in-kind match consistent with the absolute priority.

Definitions:

We are establishing these definitions for the FY 2016 grant competition and any subsequent year in which we make awards from the list of unfunded applications from this competition, in accordance with section 437(d)(1) of the General Education Provisions Act (GEPA), 20 U.S.C. 1232(d)(1). The definition of "Local Government" is from the Uniform Administrative Requirements, Cost Principles and Audit Requirements For Federal Awards at 2 CFR 200.64; the definitions of "Logic Model," "Strong Theory," and "Theory of Action" are from Education Department General Administrative Regulations (EDGAR) at 34 CFR 77.1(c); the definition of "State" is from Sec. 3(30) of Perkins IV; and the definition of "Tribal Government" is from Sec. 3 of the Alaska Native Claims Settlement Act, 43 U.S.C. 1602(c). This competition uses the following definitions for the key terms included in this notice:

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

Cost-Benefit Analysis means an analysis that compares the costs of an intervention (for example) 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 evidence-based CTE program for Underserved, High-Need Youth.

CTE Pay For Success (CTE PFS) Agreement means a multiparty agreement: (1) which, when executed, delivers or scales an innovative and Evidence-based Intervention intended to improve one or more outcomes, and in which ultimate payment to the Local CTE Site is made only if the outcome(s) is achieved at predetermined target levels, as documented by an Independent Evaluator, and (2) to which the following entities are signatories: (i) Local CTE Site(s); (ii) Outcomes Payor(s); and may include (iii)

Intermediary/project coordinator or legal entity managing this Agreement created by the Intermediary.

CTE Pay For Success (CTE PFS) Partnership includes a public or private entity that pays for outcomes; an Intermediary; and an Independent Evaluator. A CTE PFS Partnership may also include one or more Local CTE Sites and Investor(s).

Evidence-based Interventions are those which have objective levels of research support consistent with the guidelines established by the Department's What Works Clearinghouse.

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 High-Quality CTE program model to be implemented through PFS that includes, at a minimum, how the intervention is likely to improve student outcomes, based on quantitative, qualitative, or theoretical evidence; the goals, objectives, and outcomes to be achieved by the proposed CTE program which are clearly specified and measurable and will demonstrate student success; and how the intervention is appropriate

to, and will successfully address, the needs of Underserved, High-Need Youth;

(b) Identification of one or more clearly specified and measurable Outcome Measures;

(c) A Cost-Benefit Analysis;

(d) Any statutory, legal or other barriers to implementing PFS and how they will be addressed; and

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

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 implementation of the CTE PFS Project that are covered, in whole or in part, by the Investors to the amounts and timing of Outcomes Payments that are made by a government entity.

Fiscal Agent is the entity that will be fiscally responsible for the grant award. It may be the Intermediary or a partner.

Grantee refers to the Intermediary that is awarded the grant for the CTE PFS TA Program, consistent with the definition provided in this notice.

High-Quality Career and Technical (CTE) Program means

a program that—

(a) Supports career pathways in in-demand industry sectors and occupations and that provide opportunities for students to prepare for college and careers;

(b) Provides students with information about occupations in in-demand industry sectors or occupations and may offer career exploration activities as early as seventh grade;

(c) Offers a non-duplicative, structured sequence of courses that begin at the secondary level and lead, as applicable, to an industry-recognized credential (in sectors where those credentials exist and are appropriate) and to a postsecondary certificate or degree that is needed for placement in an in-demand occupation that leads to economic self-sufficiency;

(d) Provides students with the academic, employability, and technical, skills that employers require for entry into occupations in in-demand industry sectors or occupations;

(e) Offers opportunities for students to earn academic credit and postsecondary credit for completing high school career and technical education courses;

(f) Provides all participating students with work-based learning;

(g) Provides supplemental services to participating students who are members of underserved populations and provides support services to all participating students to ensure that all students have equitable access to career and technical education programs, in addition to equitable opportunities to participate and succeed in these programs; and

(h) Offers opportunities for participating students to develop leadership skills.

High-Quality Pay for Success (PFS) Project means a PFS Project that includes:

(a) A plan for addressing a well-defined problem and the needs of an associated target population;

(b) A service delivery strategy that is managed, coordinated, and guided by the Local CTE Site, 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 well-defined, achievable potential outcome target(s) and associated payments 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 public sector value (or value to other non-governmental outcomes payors), including cost savings, cost avoidance or efficiency, and societal benefit 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 any intermediary; and

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

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

Independent 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 Local CTE Site and is not involved in the design or implementation of the PFS CTE project or has a stake in the results from the evaluation.

Intermediary is a technical assistance entity that facilitates and manages the PFS TA project and contracting process. Under this program the Intermediary serves as the project facilitator between the parties in the first two phases of the PFS project, Feasibility Study and transaction structuring. Responsibilities may include but are not limited to: 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 CTE intervention delivered by the Local CTE Sites.

Local CTE Site means an eligible recipient under section 3(14) of Perkins IV. Section 3(14) defines "eligible recipient" as: "(A) a local educational agency (including a public charter school that operates as a local

educational agency), an area career and technical education school, an educational service agency, or a consortium, eligible to receive assistance under section 131; or (B) an eligible institution or consortium of eligible institutions eligible to receive assistance under section 132." The Local CTE Site is the service provider which may include other contractor interventions.

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).

Logic Model (also referred to as Theory of Action) means a well-specified conceptual framework that identifies key components of the proposed process, product, strategy, or practice (i.e., the active "ingredients" that are hypothesized to be critical to achieving the relevant outcomes) and describes the relationships among the key components and outcomes, theoretically and operationally. See EDGAR at 34 CFR 77.1(c).

Open and Fair Competition means a recruitment and selection process that is free of organizational conflicts of interest as well as noncompetitive practices among applicants that may restrict or eliminate competition or otherwise restrain trade.

Outcome Measure means an indicator of student success on which the program's impact will be calculated. It is determined using relevant program data and has defined units of measurement by which the impact can be tracked.

Outcomes Payments means, per the terms of the CTE PFS Agreement, payments that cover repayment of the principal investment and a return in the case that: (1) an Investor has covered part or all of the costs of service delivery and other associated costs, and (2) outcomes have been achieved according to an Independent Evaluator.

Payment Plan means a written plan that describes the proposed payment arrangement between the Investors, and outcomes payor and must include the timelines and payment amounts for the duration of the CTE PFS Project and the corresponding Outcome Measure that triggers the Outcomes Payment.

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.

Service Delivery Model means a CTE program and model that is evidence-based with a track record of success or supported by Strong Theory that will serve Underserved, High-Need Youth in the Local CTE Site, including the CTE

program models cited in the Background section of this notice.

State The term 'State,' unless otherwise specified, means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and each outlying area. See Sec. 3(30) of Perkins IV.

Strong Theory means a rationale for the proposed process, product, strategy, or practice that includes a Logic Model. See EDGAR at 34 CFR 77.1(c).

Theory of Action (also referred to as Logic Model) means a well-specified conceptual framework that identifies key components of the proposed process, product, strategy, or practice (i.e., the active "ingredients" that are hypothesized to be critical to achieving the relevant outcomes) and describes the relationships among the key components and outcomes, theoretically and operationally. See EDGAR at 34 CFR 77.1(c).

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 Sec. 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.

Underserved, High-Need Youth refers to individuals who are at risk of educational failure or otherwise in need of special assistance and support. These individuals may include students described in section 3(29) (Special Populations) of Perkins IV, as well as students who are living in poverty, attend high-minority schools, are far below grade level, have left school before receiving a regular high school diploma, are at risk of not graduating with a diploma on time, are homeless, or have been incarcerated.

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, definitions and other requirements. Section 437(d) (1) of the General Education Provisions Act (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 section 114(c)(1) of Perkins IV (20 U.S.C. 2324(c)(1)) and therefore qualifies for this exemption. In order to ensure timely grant awards, the Secretary has decided to forgo public comment on the priority, definitions, and other requirements under section 437(d)(1) of GEPA. The priority, definitions, and other requirements will apply to the FY 2016 grant competition and any subsequent year in which we make awards from the list of unfunded applicants from this competition.

Program Authority: 20 U.S.C. 2324.

Applicable Regulations: (a) EDGAR in 34 CFR parts 75, 77, 81, 82, 84, 86, 97, 98, and 99. (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 in 2 CFR part 3474.

Note: The regulations in 34 CFR part 86 apply to institutions of higher education only.

II. Award Information

Type of Award: Discretionary grant (cooperative agreement).

Estimated Available Funds: \$2,000,000 to support technical assistance provided by an Intermediary to four Local CTE Sites during the Feasibility Analysis stage and three Local CTE Sites during the transaction structuring phase, if applicable.

Estimated Range of Awards: \$2,000,000

Estimated Average Size of Award: \$2,000,000

Estimated Number of Awards: One

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

Project Period: 48 months. Applicants under this competition are required to provide detailed budget information for each of the years of this project and for the total grant.

III. Eligibility Information

1. Eligible Applicants: Eligible applicants are:

(a) Nonprofit organizations as defined in 2 CFR 200.70;

(b) Public or private institutions of higher education as defined in section 101 of the Higher Education Act of 1965;

(c) States, Local Governments, and Tribal Governments;

(d) Consortia of the above entities; or

(e) Partnerships/consortia of the above entities and a for-profit organization.

For-profit organizations may not serve as the applicant or Fiscal Agent for the grant.

2. Cost Sharing or Matching: The program requires 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), or from the program office. To obtain a copy via the Internet, use the following address:

www.ed.gov/fund/grant/apply/grantapps/index.html. To obtain a copy from ED Pubs, write, fax, or call the following: 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 or at its email address:
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 84.051.

To obtain a copy from the program office, contact the persons listed under For Further Information Contact in section VII of this notice.

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 or team 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 competition.

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

application. You must limit the application narrative to no more than 35 pages, using 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, as well as all text in charts, tables, figures, and graphs.
- Use a font that is either 12 point or larger or no smaller than 10 pitch (characters per inch).
- Use one of the following fonts: Times New Roman, Courier, Courier New, or Arial. An application submitted in any other font (including Times Roman or Arial Narrow) will not be accepted.

The page limit does not apply to Part I, the cover sheet; Part II, the budget section, including the narrative budget justification; Part IV, the assurances and certifications; the one-page abstract, or the resumes, bibliography, letters of support, or other appendices.

Our reviewers will not read any pages of your application that exceed the page limit.

2.b. Submission of Proprietary Information: Given the types of projects that may be proposed, your application may include business information that the applicant considers proprietary. The Department's regulations define "business information" in 34 CFR 5.11.

Because we plan to make successful applications available to the public upon request, you may wish to request confidentiality of business information. Consistent with Executive Order 12600, please designate in your application any information that you feel is exempt from disclosure under Exemption 4 of the Freedom of Information Act. 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].

Date of Pre-Application Meeting: August 2, 2016.

Deadline for Transmittal of Applications: [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Applications for grants under this competition must be submitted electronically using the Grants.gov Apply 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. Information about Intergovernmental Review of Federal Programs under Executive Order 12372 is in the application

package for this program. However, under 34 CFR 79.8(a), we waive Intergovernmental Review in order to make an award by September 30, 2016.

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 (CCR)), 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 entered into the SAM database by an entity. 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, you will need to allow 24 to 48 hours for the information to be available in Grants.gov and before you can 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. 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: 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.

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 Providing High-Quality Career and Technical Education Programs for Underserved, High-Need Youth through a Pay For Success

Model, CFDA number 84.051, must be submitted electronically using the Governmentwide Grants.gov Apply site at 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 the Providing High-Quality Career and Technical Education Programs for Underserved, High-Need Youth through a Pay For Success Model at www.Grants.gov. You must search for the downloadable application package for this program by the CFDA number 84.051.

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 competition 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's G5 system home page at 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.

- 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, non-modifiable Portable Document Format (PDF). Do not upload an interactive or fillable PDF file. If you upload a file type other than a read-only, non-modifiable 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.

- Prior to submitting your electronic application, you may wish to print a copy of it for your records.

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). You will be given an opportunity to correct any errors and resubmit, but you must still meet the deadline for submission of applications.

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, non-modifiable 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 that problem affected your ability to submit your application by 4:30:00 p.m., Washington, DC time, on the application deadline date. The Department will contact you after a determination is made on 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
- 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: Len Lintner, U.S. Department of Education, 400 Maryland Avenue

SW., PCP, room 11090, Washington, DC 20202-7241. FAX:
(202) 245-7170.

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 84.051)
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. If your application is postmarked after the application deadline date, we will not consider your application.

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.

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 84.051)
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: The maximum score for all the selection criteria is 160 points. In addressing the criteria, applicants are encouraged to make explicit connections to the absolute priority and the program

requirements and application requirements listed elsewhere in this notice. The selection criteria are as follows:

(a) Need for project. (Up to a total of 20 points)

The Secretary considers the need for the proposed project. In determining the need, the Secretary considers--

(1) The magnitude of the need for the services to be provided or the activities to be carried out by the Intermediary to ensure Underserved, High-Need Youth are served by the Local CTE Sites (up to 10 points); and

(2) The likelihood that the proposed project will result in system change or improvement (up to 10 points);

(b) Quality of the Proposed Local CTE Site Selection Process. (Up to a total of 30 points) The Secretary considers the quality of the selection process for Local CTE Sites that will receive technical assistance from the Intermediary. In determining the quality of the selection process, the Secretary considers:

(1) The extent to which the selection process is open and fair (up to 5 points);

(2) The extent to which the applicant clearly defines the goals and objectives of the competition and the subsequent delivery of services (up to 5 points);

(3) The extent to which the selection criteria for the competition is expected to result in Local CTE Sites from a mix of geographic locations—urban, suburban, and rural (up to 5 points);

(4) The extent to which the selection criteria for the competition is expected to enhance the likelihood that the Local CTE Sites will proceed from Feasibility Study to transaction structuring (up to 5 points); and

(5) The extent to which the selection criteria for the competition identifies and prioritizes addressing specific gaps or weaknesses in CTE services, infrastructure, or opportunities that have been identified and will be addressed by the proposed project, including the nature and magnitude of those gaps or weaknesses (up to 10 points).

(c) Quality of the Proposed Work Plan for Feasibility Study and Transaction Structuring. (Up to a total of 30 points) The Secretary considers the quality of the work plan for the proposed project. In determining the quality of the work plan for the proposed project, the Secretary considers--

(1) The adequacy of the work plan to achieve the purposes of the proposed project on time and within budget,

including clearly defined responsibilities, timelines, and milestones for accomplishing project tasks (up to 15 points); and

(2) The extent to which the time commitments of the project director and other key project personnel are appropriate and adequate to meet the objectives of the proposed project (up to 15 points).

(d) Adequacy of Resources. (Up to 10 points) The Secretary considers the adequacy of resources for the proposed project. In determining the adequacy of resources for the proposed project, the Secretary considers the extent to which the costs are reasonable in relation to the objectives, design, and potential significance for the proposed project including resources committed to the Feasibility Study and transaction structuring phases, and all project deliverables;

(e) Organization Capacity and Experience. (up to a total of 70 points) The Secretary considers the organizational capacity and experience of the applicant. In determining the organizational capacity and experience of the applicant, the Secretary considers:

(1) The extent to which the applicant demonstrates recent and ongoing experience in performing the same or

similar PFS activities as those required in this competition(the applicant may provide brief examples of PFS technical assistance or negotiations facilitated by the applicant) (up to 10 points);

(2) The extent to which the applicant can demonstrate its technical ability carrying out prior Feasibility Studies and transaction structuring activities(up to 5 points);

(3) The extent to which the applicant demonstrates experience in holding Open and Fair Competitions to select local sites for technical assistance (up to 5 points);

(4) The extent to which the applicant demonstrates experience in choosing local sites for a Feasibility Study that have subsequently progressed to transaction structuring (up to 5 points);

(5) The extent to which the applicant demonstrates its experience with coordinating and managing PFS contracts, Financial Modeling and estimation of return on investment and Cost-Benefit Analysis, marketing PFS contracts to potential Investors, raising capital, and developing contracts and related supplementary documentation (up to 5 points);

(6) The extent to which the applicant has experience with selecting, coordinating, and managing a third-party evaluator of a PFS project, including coordinating between an evaluator and other project stakeholders to ensure that the evaluation and service delivery designs are compatible (up to 5 points);

(7) The extent to which the applicant has knowledge about CTE programs, and experience in providing technical assistance on effective CTE programs (up to 5 points);

(8) The extent to which the applicant presents a qualified roster of staff members, including management staff, board members, and partners that have demonstrated experience, capacity and a track record to effectively implement the proposed project, including at least one staff member with experience in developing and implementing evidence-based CTE programs (up to 5 points);

(9) The extent to which the applicant describes the roles and responsibilities of each team member, ensuring all key facets of the project have clear owners with appropriate experience (up to 5 points);

(10) The extent to which the applicant identifies the proposed project lead(s) and demonstrates their expertise,

based on past experience in PFS or similar social financing projects (up to 5 points); and

(11) The extent to which the applicant has experience with financial and project management (up to 5 points).

(13) The extent to which the applicant has experience evaluating evidence and selecting evidence-based strategies (up to 5 points).

(14) The extent to which the applicant has experience providing TA for carrying out quality data collection/matching and developing relevant, high-quality metrics for success (up to 5 points).

2. Review and Selection Process: 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 competition the Department conducts 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 multi-year award, you must submit an annual performance

report that provides 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.

(c) Under 34 CFR 75.250(b), the Secretary may provide a grantee with additional funding for data collection analysis and reporting. In this case the Secretary establishes a data collection period.

4. Performance Measures: The Department has established the following Government Performance and Results Act of 1993 (GPRA) performance for the CTE PFS Project. Under GPRA, Federal departments and agencies must clearly describe the goals and objectives of their programs, identify resources and actions needed to accomplish these goals and objectives, develop a means of measuring progress made, and regularly report on their achievement. One important source of program information is the annual project evaluation conducted under individual grants. To determine the overall effectiveness of projects funded under this competition, the Grantee must be prepared

to measure and report on the following measures of effectiveness:

(a) The number and percentage of Local CTE Sites that have a complete Feasibility Study within 24 months of the project period.

(b) The number and percentage of Feasibility Studies that conclude that CTE PFS approaches are viable or that identify feasible alternatives if PFS is not viable.

(c) The number and percentage of successfully completed structured transactions within the project period that are ready to move to project implementation.

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. The Grantee will be required to provide, in its annual performance and final reports, data about its progress in meeting these measures.

VII. Agency Contact

For Further Information Contact: Len Lintner, U.S.

Department of Education, 400 Maryland Avenue, SW., room

PCP-11090, Washington, DC 20202. Telephone: (202) 245-7741 or by email: Len.Lintner@ed.gov.

If you use a TDD or 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. 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 Adobe Portable Document Format (PDF). To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

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Johan E. Uvin,
Deputy Assistant Secretary
Delegated the Duties of the
Assistant Secretary for
Career, Technical, and Adult
Education.

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