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DEPARTMENT OF EDUCATION

34 CFR Chapter III

[Docket ID ED-2018-OSERS-0024]

Proposed Requirement--State Technical Assistance Projects to Improve Services and Results for Children Who Are Deaf-Blind and National Technical Assistance and Dissemination Center for Children Who Are Deaf-Blind (TA&D-DB)

Catalog of Federal Domestic Assistance (CFDA) Number:
84.326T.

AGENCY: Office of Special Education and Rehabilitative Services, Department of Education.

ACTION: Proposed requirement.

SUMMARY: The Assistant Secretary for Special Education and Rehabilitative Services proposes a requirement under the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities (TA&D) program. The Assistant Secretary may use this requirement for a competition in fiscal year (FY) 2018 and later years.

DATES: We must receive your comments on or before [INSERT DATE 21 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Submit your comments through the Federal eRulemaking Portal or via postal mail, commercial delivery,

or hand delivery. We will not accept comments submitted by fax or by email or those submitted after the comment period. To ensure that we do not receive duplicate copies, please submit your comments only once. In addition, please include the Docket ID at the top of your comments.

- Federal eRulemaking Portal: Go to www.regulations.gov to submit your comments electronically. Information on using Regulations.gov, including instructions for accessing agency documents, submitting comments, and viewing the docket, is available on the site under "How to Use Regulations.gov."

- Postal Mail, Commercial Delivery, or Hand Delivery: If you mail or deliver your comments about this proposed requirement, address them to Jo Ann McCann, U.S. Department of Education, 400 Maryland Avenue, SW., room 5162, Potomac Center Plaza, Washington, DC 20202-5076.

Privacy Note: The Department's policy is to make all comments received from members of the public available for public viewing in their entirety on the Federal eRulemaking Portal at www.regulations.gov. Therefore, commenters should be careful to include in their comments only information that they wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: Jo Ann McCann, U.S. Department of Education, 400 Maryland Avenue, SW., room

5162, Potomac Center Plaza, Washington, DC 20202-5076.

Telephone: (202) 245-7434. Email: Jo.Ann.McCann@ed.gov.

Tina Diamond, 400 Maryland Avenue, SW., room 5136, Potomac Center Plaza, Washington, DC 20202-5076. Telephone: (202) 245-6674. Email: Tina.Diamond@ed.gov.

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:

Invitation to Comment: We invite you to submit comments regarding this document. We urge you to identify clearly the specific issue that each comment addresses to ensure your comments are accurately represented in the development of the final requirements.

We invite you to assist us in complying with the specific requirements of Executive Orders 12866, 13563, and 13771 and their overall requirement of reducing regulatory burden that might result from this proposed requirement. Please let us know of any further ways we could reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about this proposed requirement by

accessing Regulations.gov. You may also inspect the comments in person in room 5145, 550 12th Street, SW., Washington, DC, between 8:30 a.m. and 4:00 p.m., Eastern Time, Monday through Friday of each week except Federal holidays. Please contact the persons listed under FOR FURTHER INFORMATION CONTACT.

Assistance to Individuals with Disabilities in Reviewing the Rulemaking Record: On request, we will provide an appropriate accommodation or auxiliary aid to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for this proposed requirement. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the persons listed under FOR FURTHER INFORMATION CONTACT.

Purpose of Program: The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance (TA), supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research.

Program Authority: 20 U.S.C. 1461, 1463, 1481, and 1482.

PROPOSED REQUIREMENT:

Background:

The Individuals with Disabilities Education Act (IDEA) requires that the Secretary reserve \$12,832,000 of IDEA Part D funds each year to address the needs of children with deaf-blindness (see section 682(d)(1)(A) of IDEA, 20 U.S.C. 1482(d)). The Office of Special Education Programs (OSEP) supports children who are deaf-blind and their families in part by funding the State Technical Assistance Projects to Improve Services and Results for Children Who Are Deaf-Blind and National Technical Assistance and Dissemination Center for Children Who Are Deaf-Blind (TA&D-DB) competition (CFDA number 84.326T). Authorized activities include providing TA on evidence-based practices to professionals and others involved in providing services that promote academic achievement and improve results for children who are deaf-blind. For purposes of this document, the term "children who are deaf-blind" refers to infants, toddlers, children, youth, and young adults (birth through 21) who are deaf-blind.

To ensure that children who are deaf-blind and their families receive appropriate supports to address their specific needs, we propose a requirement that would limit

the recovery of indirect costs by State Technical Assistance Projects to Improve Services and Results for Children Who Are Deaf-Blind (CFDA number 84.326T) grantees under this grant competition. The National Technical Assistance and Dissemination Center for Children Who Are Deaf-Blind (CFDA number 84.326T) (National Center) would not be subject to this limitation on recovery of indirect costs. The National Center's burden for indirect costs is different from the burden for State Technical Assistance Projects because the National Center does not provide TA directly to professionals who serve deaf-blind children.

The purpose of this requirement is to ensure that more Federal funding flows through to meet the needs of children who are deaf-blind. We are proposing this requirement based on 2 CFR 200.414(c)(1), which allows a Federal awarding agency to use an indirect cost rate different from the negotiated rate when required by Federal statute or regulation. Federal discretionary grantees have historically been reimbursed for indirect costs at the rate that the grantee has negotiated with its cognizant agency, and we believe that use of the negotiated rate is appropriate for most grants in most circumstances. However, grantees under the State Technical Assistance Projects to Improve Services and Results for Children Who

Are Deaf-Blind program (CFDA number 84.326T), provide TA to professionals and others who provide direct services to children who are deaf-blind. Therefore, we believe most of these grants do not carry the same burden of overhead or administrative costs as do many other federally funded projects.

We analyzed historical grantee data for grants previously awarded under CFDA number 84.326T and found a wide range of indirect cost rate agreements in place. Over the past five years, indirect cost rate agreements for grantees under CFDA number 84.326T have ranged from 0 percent to 65 percent, with a median of 9 percent for 49 grantees examined. However, our analysis indicates that 28 grantees--approximately 60 percent--currently funded under this program operate grants with an indirect cost rate of 10 percent or less. Because a majority of current grantees are able to run programs using 90 percent or more of their grant funds to provide direct services, we believe it is reasonable to set a cap of 10 percent on the indirect costs for future grantees.

Proposed Requirement:

Allowable indirect costs.

A grantee may recover the lesser of (a) its actual indirect costs as determined by the grantee's negotiated

indirect cost rate agreement and (b) 10 percent of its modified total direct costs. If a grantee's allocable indirect costs exceed 10 percent of its modified total direct costs, the grantee may not recoup the excess by shifting the cost to other grants or contracts with the U.S. Government, unless specifically authorized by legislation. The grantee must use non-Federal revenue sources to pay for such unrecovered costs.

Directed Question:

The Department seeks additional comment on this question: If the Department required grantees to justify all indirect costs that exceed 10 percent, what circumstances could justify higher indirect costs? The Department is seeking comment on the circumstances that grantees may encounter that could result in indirect costs that exceed 10 percent.

Final Requirement:

We will announce the final requirement for the State Technical Assistance Projects to Improve Services and Results for Children Who Are Deaf-Blind and National Technical Assistance and Dissemination Center for Children Who Are Deaf-Blind (TA&D-DB) competition (CFDA Number: 84.326T) in a document in the *Federal Register*. We will determine the final requirement after considering public

comments on the proposed requirement and other information available to the Department. This document does not preclude us from proposing additional priorities, requirements, definitions, or selection criteria, subject to meeting applicable rulemaking requirements.

This document does not solicit applications. In any year in which we choose to use this proposed requirement, we invite applications through a notice in the *Federal Register*.

Executive Orders 12866, 13563, and 13771

Regulatory Impact Analysis

Under Executive Order 12866, the Secretary must determine whether this regulatory action is "significant" and, therefore, subject to the requirements of the Executive order and subject to review by the Office of Management and Budget (OMB). Section 3(f) of Executive Order 12866 defines a "significant regulatory action" as an action likely to result in a rule that may--

(1) Have an annual effect on the economy of \$100 million or more, or adversely affect a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local or Tribal governments or communities in a material way (also referred to as an "economically significant" rule);

(2) Create serious inconsistency or otherwise interfere with an action taken or planned by another agency;

(3) Materially alter the budgetary impacts of entitlement grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(4) Raise novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles stated in the Executive order.

This proposed regulatory action is not a significant regulatory action subject to review by OMB under section 3(f) of Executive Order 12866.

Under Executive Order 13771, for each new regulation that the Department proposes for notice and comment or otherwise promulgates that is a significant regulatory action under Executive Order 12866 and that imposes total costs greater than zero, it must identify two deregulatory actions. For Fiscal Year 2018, any new incremental costs associated with a new regulation must be fully offset by the elimination of existing costs through deregulatory actions. However, Executive Order 13771 does not apply to "transfer rules" that cause only income transfers between taxpayers and program beneficiaries, such as those regarding discretionary grant programs. The proposed

requirement would be utilized in connection with a discretionary grant program and, therefore, Executive Order 13771 is not applicable.

We have also reviewed this proposed regulatory action under Executive Order 13563, which supplements and explicitly reaffirms the principles, structures, and definitions governing regulatory review established in Executive Order 12866. To the extent permitted by law, Executive Order 13563 requires that an agency--

(1) Propose or adopt regulations only upon a reasoned determination that their benefits justify their costs (recognizing that some benefits and costs are difficult to quantify);

(2) Tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives and taking into account--among other things and to the extent practicable--the costs of cumulative regulations;

(3) In choosing among alternative regulatory approaches, select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity);

(4) To the extent feasible, specify performance objectives, rather than the behavior or manner of compliance a regulated entity must adopt; and

(5) Identify and assess available alternatives to direct regulation, including economic incentives--such as user fees or marketable permits--to encourage the desired behavior, or provide information that enables the public to make choices.

Executive Order 13563 also requires an agency "to use the best available techniques to quantify anticipated present and future benefits and costs as accurately as possible." The Office of Information and Regulatory Affairs of OMB has emphasized that these techniques may include "identifying changing future compliance costs that might result from technological innovation or anticipated behavioral changes."

We are issuing this proposed requirement based on a reasoned determination that the benefits would justify the costs. In choosing among alternative regulatory approaches, we selected this approach to maximize net benefits. Based on the analysis that follows, the Department believes that this regulatory action is consistent with the principles in Executive Order 13563.

We also have determined that this regulatory action would not unduly interfere with State, local, and Tribal governments in the exercise of their governmental functions.

In accordance with both Executive orders, the Department has assessed the potential costs and benefits, both quantitative and qualitative, of this regulatory action. This regulatory action may result in a subset of grantees under this program recovering less funds for indirect costs than they would otherwise have recovered prior to this proposed new maximum indirect cost rate, which could impact their operations. Further, it could result in particular entities not seeking funding under this program because of an inability to operate under this proposed new maximum indirect cost rate. However, we believe that the benefits to program beneficiaries of utilizing a higher percentage of program funds for direct services outweigh these costs.

Paperwork Reduction Act of 1995

This document does not contain Paperwork Reduction Act requirements. The Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program has been approved by OMB to collect

data under OMB 1820-0028. The proposed requirement would not impact the approved and active data collection.

Intergovernmental Review: This program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive order is to foster an intergovernmental partnership and a strengthened federalism. The Executive order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance. This document provides early notification of our specific plans and actions for this program.

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 persons 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 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 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: June 15, 2018.

Johnny W. Collett,
*Assistant Secretary for Special
Education and Rehabilitative
Services.*

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