# [***80 FR 32210***](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5G4Y-KPR0-006W-80MN-00000-00&context=)

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Rules and Regulations

**Reporter**

80 FR 32210 \*

***Federal Register* > *2015* > *June* > *Friday, June 5, 2015* > *Rules and Regulations* > *DEPARTMENT OF EDUCATION -- Office of Innovation and Improvement***

**Title:** **Final Priority--Investing in Innovation Fund**

**Action:**  Final priority.

**Agency**

DEPARTMENT OF EDUCATION > Office of Innovation and Improvement

**Identifier:** **Docket ID ED-2015-OII-0006**  > **RIN 1855-ZA10**

**Administrative Code Citation**

**34 CFR Subtitle A**

**Synopsis**

Catalog of Federal Domestic Assistance (CFDA) Numbers: 84.411A (Scale-up grants), 84.411B (Validation grants), and 84.411C (Development grants)

**SUMMARY:** The Assistant Deputy Secretary for Innovation and Improvement announces a priority under the Investing in Innovation Fund (i3). The Assistant Deputy Secretary may use this priority for ***competitions*** in fiscal year (FY) 2015 and later years. The priority does not repeal or replace previously established priorities for this program.

**Text**

**SUPPLEMENTARY INFORMATION:** Summary of the Major Provisions of This Regulatory Action: In this document, the Department announces a priority for the i3 program that promotes the implementation of comprehensive high school reform and redesign strategies. This priority may be used in the Development, Validation, or Scale-up tier of the i3 program in FY 2015 and future years, as appropriate. We have made one change from the priority proposed in the **Federal Register** on March 17, 2015 [*(80 FR 13803).*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5FHX-T080-006W-81B7-00000-00&context=) The priority announced in this document includes language that expands the types of schools in which applicants may propose to implement comprehensive high school reform strategies. We make this change in response to comments received from the public and in an effort to ensure that the priority is designed to support high schools that are most in need of comprehensive reform.

*Costs and Benefits:* The Assistant Deputy Secretary believes that the priority does not impose significant costs on eligible applicants seeking assistance through the i3 program.

The priority is designed to be used in conjunction with several priorities that have already been established under the i3 program, and no priority, whether it is used as an absolute or ***competitive*** preference priority, affects the overall amount of funding available to individual applicants in any given fiscal year.

In addition, we note that participation in this program is voluntary. Potential applicants need to consider carefully the effort that will be required to prepare a strong application, their capacity to implement a project successfully, and their chances of submitting a successful application. We believe that the costs imposed on applicants by the priority would be limited to paperwork burden related to preparing an application and that the benefits of implementing these proposals would outweigh any costs incurred by applicants. The costs of carrying out activities would be paid for with program funds and with matching funds that can be provided by private-sector partners other than the applicant. Thus, the costs of implementation need not be a burden for any eligible applicants, including small entities.

*Purpose of Program:* The i3 program addresses two related challenges. First, there are too few practices in education supported by rigorous evidence of effectiveness, despite national attention paid to finding practices that are effective in improving education outcomes in the decade since the establishment of the Department's Institute of Education Sciences. Second, there are limited incentives to expand effective practices substantially and to use those practices to serve more students across schools, districts, and States. As a result, students do not always have access to high-quality programs.

The i3 program addresses these two challenges through its multi-tier structure that links the amount of funding that an applicant may receive to the quality of the evidence supporting the efficacy of the proposed project. Applicants proposing practices supported by limited evidence can receive small grants to support the development and initial evaluation of promising practices and help to identify new solutions to pressing challenges; applicants proposing practices supported by evidence from rigorous evaluations, such as large randomized controlled trials, can receive substantially larger grants to support expansion across the Nation. This structure provides incentives for applicants to build evidence of effectiveness of their proposed projects and to address the barriers to serving more students across schools, districts, and States so that applicants can ***compete*** for more sizeable grants.

As importantly, all i3 projects are required to generate additional evidence of effectiveness. All i3 grantees must use part of their grant award to conduct independent evaluations of their projects. This ensures that projects funded under the i3 program contribute significantly to improving the information available to practitioners and policymakers about which practices work, for which types of students, and in which contexts. More information about the i3 program, including information about eligible applicants, can be found in the notice of final priorities, requirements, definitions, and selection criteria, published in the **Federal Register** on March 27, 2013 [*(78 FR 18682).*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:582B-YMT0-006W-82N6-00000-00&context=)

Program Authority:

American Recovery and Reinvestment Act of 2009 (ARRA), Division A, Section 14007, *Pub. L. 111-5*.

We published a notice of proposed priority (NPP) for this program in the **Federal Register** on March 17, 2015 [*(80 FR 13803).*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5FHX-T080-006W-81B7-00000-00&context=) That notice contained background information and our reasons for proposing the particular priority.

*Public Comment:* In response to our invitation in the NPP, 14 parties submitted comments on the proposed priority.

We group major issues according to subject. Generally, we do not address technical and other minor changes.

*Analysis of the Comments and Changes:* An analysis of the comments and of any changes in the priority since publication of the NPP follows.

*Comment:* Several commenters generally approved of the priority, but expressed concerns that the priority's requirement that applicants serve schools that are eligible to operate Title I schoolwide assistance programs under section 1114 of the Elementary and Secondary Education Act of 1965 (ESEA), as amended, was problematic. One commenter noted that including such language in the priority would exclude projects that are designed to serve high school students who are participating in regionally benefical district-wide reform efforts. One commenter echoed this concern, and requested that we allow applicants to determine that not less than 40 percent of the students served by the project will be from low-income families by aggregating the students across all schools that will be served. Another **[\*32211]** commenter indicated that, if we do intend to require that projects designed to address this priority support the above-referenced schools, we must take steps to ensure that applicants are aware of the different ways in which a school may qualify to operate Title I schoolwide assistance programs. The commenter explained that high school students do not often identify themselves as being eligible for free- and reduced-priced lunch, even if they do qualify for such assistance. A third commenter raised similar concerns and asked that we edit the priority so that it would support projects designed to support schools where not less than 40 percent of students are from low-income families, as calculated under section 1113 of the ESEA. The commenter also asked that we clarify that applicants could demonstrate eligibility under this priority by using a feeder pattern, and noted that the Department had issued non-regulatory guidance in 2003 indicating that such an approach would be acceptable for demonstrating that a school meets Title I requirements.

*Discussion:* We thank the commenters for expressing these concerns, and note that Congress, in the Explanatory Statement of the Fiscal Year 2015 Appropriations Act, directed the Department, in making new awards with FY 2015 i3 funds, to establish a priority to support high school reform in schools where not less than 40 percent of students are from low-income families. We proposed to carry out this congressional directive through a priority to support schools eligible to operate Title I schoolwide assistance programs. However, upon review of the commenters' concerns, we have determined that revisions to the priority are necessary in order to ensure that projects designed to address this priority implement high school reform strategies in schools with demonstrated need. We think the revisions we have made fully reflect Congress' stated interest in supporting schools where not less than 40 percent of students are from low-income families, but allow enough flexibility to ensure that applicants have some discretion in determining which schools are most in need of comprehensive reform.

We also note that upon further review, we determined that the proposed priority may cause unintended difficulties for applicants that are not yet able to identify, at the time their proposals are due to be submitted, all of the schools that would be included in their proposed projects. With the expanded language, we ensure that applicants with plans to scale their projects could do so, but note that those applicants would still need to establish that they will serve schools that can demonstrate that not less than 40 percent of their students are from low-income families. We also note that all i3 grantees must serve high-need students.

*Changes:* We have broadened the requirements for which types of schools may be included in a project under this priority.

*Comment:* One commenter expressed support for the priority but requested clarification. Specifically, the commenter inquired whether an applicant could fully address the priority if it proposed to implement its project in a school that meets Title I schoolwide assistance eligibility criteria, but is not designated as a Title I school because needs are greater for other schools in its district.

*Discussion:* If an applicant proposes to address the priority by designing a project that would serve a school that is eligible to operate Title I schoolwide assistance programs under section 1114 of the ESEA, and the applicant provides appropriate evidence of that eligibility in its application, we would consider such a project as adequately addressing the priority even if the school in question is not currently operating such a program. We note that all i3 grantees must serve high-need students, and encourage applicants to consider carefully whether their proposed projects are reaching those students who are most in need of support. We also note that in response to concerns raised by other commenters, discussed above, we have further clarified the priority.

*Changes:* None.

*Comment:* One commenter inquired whether a "feeder-to-high school" intervention that reflects the continuous progression of instructional standards would address the priority. The commenter noted more generally that it is important we consider the learning trajectories of students, and how those trajectories may change over time.

*Discussion:* We agree that projects should be designed to adapt to changing needs of students over time in order to better ensure appropriate support.

In addition, we think that a project such as that described by the commenter could meet the priority, assuming the applicant provides a thorough and complete discussion of how its proposal is designed to increase the number and percentage of students who graduate from high school college- and career-ready and enroll in college, other postsecondary education, or other career and technical education.

*Changes:* None.

*Comment:* One commenter asked that we expand the priority to include strategies that would improve school climate, particularly relationships between students and their teachers. Another commenter noted that the priority could be strengthened by more explicitly supporting expanded learning opportunities and strategies in order to improve student engagement in school.

*Discussion:* We agree that school climate and student engagement play important roles in fostering student success and well-being, and indeed can be taken into account by an applicant when designing a comprehensive high school reform strategy. We note, however, that in 2013 *(78 FR 18681),* the i3 program established a priority that addresses low-performing schools. That priority includes areas of focus on improving school performance and culture, addressing non-academic factors that affect student achievement, and enhancing student engagement in learning. In addition, in 2014 [*(79 FR 73425)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5DT7-0130-006W-81YP-00000-00&context=) the Department established a set of supplemental priorities and definitions that may be used in any discretionary grant program, including the i3 program. These priorities include one that specifically focuses on improving school climate. As such, we believe that mechanisms for addressing the commenters' concerns already exist, and it is not necessary to change the priority.

*Changes:* None.

*Comment:* One commenter requested that we more specifically promote early college high schools and dual enrollment as strategies that would be supported by the priority. A second commenter suggested that we explicitly promote small schools of choice models, and noted that such strategies are supported by evidence that meets the What Works Clearinghouse Evidence Standards. Another commenter suggested that we revise the priority to include a specific focus on ***competency***-based learning models. The commenter also requested that we encourage applicants to embed strategies for collecting and sharing data effectively into their proposed projects; specifically, the commenter suggested that projects designed to address this priority make teacher effectiveness and student postsecondary enrollment data publicly available.

*Discussion:* While we agree that a proposed project that utilizes such strategies could address the priority, assuming the project meets all other necessary requirements, we decline to prescribe specific strategies to applicants. We think that applicants are best-suited to determine the most appropriate strategies for their communities, and encourage applicants **[\*32212]** to consider several factors, including the extent of available research on possible strategies, when designing their proposed projects. We generally encourage applicants to use data to make informed decisions, and note that any data that are shared publicly must be done so in accordance with applicable privacy laws.

*Changes:* None.

*Comment:* One commenter asked that we revise the priority to focus more clearly on comprehensive academic support that could be achieved through partnerships with postsecondary institutions or through extracurricular programs. The commenter also noted that students can improve their college- and career-readiness through study of the social sciences, in addition to science, technology, engineering, and mathematics (STEM).

*Discussion:* We agree with the commenter that efforts to improve comprehensive academic support, through partnerships with postsecondary institutions, extracurricular programs, or other means could be important aspects of a project designed to meet this priority. We note that such projects, assuming they are designed to be implemented in the appropriate school settings, would address this priority. However, we decline to prescribe specific strategies to applicants because we think that applicants are best-suited to determine the most appropriate strategies for their communities.

We also agree that students can improve their college- and career-ready skills through the study of a wide variety of subjects that encompass the social sciences as well as STEM-related fields. We note that the second paragraph of the priority provides illustrative examples for applicants to consider when preparing an application; we will not disqualify an applicant that proposes a project designed to improve social studies education so long as that project meets the requirements outlined in the first paragraph of the priority and meets all relevant eligibility requirements.

*Changes:* None.

*Comment:* One commenter expressed support for the priority and encouraged us to use it, in FY 2015 and in future years, in conjunction with a priority focused on improving principal effectiveness, which was published in the **Federal Register**, along with 14 other supplemental priorities for discretionary grant programs, on December 10, 2014 [*(79 FR 73425).*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5DT7-0130-006W-81YP-00000-00&context=) Another commenter expanded on this suggestion, requesting that we revise the priority to reflect the need for meaningful professional development for teachers and principals in any comprehensive high school reform strategy.

*Discussion:* We thank the commenter for the suggested use of the priority in this and future ***competitions*** and recognize that such a combination would be possible. We also note that on March 30, 2015, we published in the **Federal Register** a notice inviting applications for i3 Development awards *(80 FR 16648),* and in that document we include the above-referenced principal effectiveness priority as an absolute priority.

We agree with the commenter that teachers and principals who are supported to be effective are integral parts of any comprehensive high school reform strategy. We encourage applicants to consider carefully the needs of their schools, including their schools' staff, when designing a project to address this priority. We do not think it is necessary to revise the priority in order to specifically mention meaningful professional development for teachers and principals. We want toprovide an applicant that is responding to this priority with the flexibility to decide whether to address this concern.

*Changes:* None.

*Comment:* One commenter suggested that we revise the priority to include a focus on cultivating partnerships with external organizations, noting that such strategic partnerships can help a grantee to maximize the impact of school improvement efforts.

*Discussion:* We agree that building relationships with community and other partners is a useful strategy to ensure maximum impact, and long-term sustainability, of a project. We note that all LEA i3 grantees are required to establish partnerships with private sector entities and all i3 grantees are required to secure private sector matching funds before receiving their i3 grant. We expect that a private sector entity with which a grantee chooses to partner will be a key stakeholder in the project with a vested interest in ensuring its ultimate success. Because we already require grantees to secure private sector matching funds to further support their i3 projects, we do not think think further revisions to the priority are necessary.

*Changes:* None.

*Comment:* One commenter generally approved of the priority, but suggested that we revise the priority to allow applicants to focus on students of highest need as part of their proposed comprehensive high school reform strategy. The commenter suggested this revision in order to ensure that funded projects ensure equitable outcomes for all students.

*Discussion:* All 13 grantees are required to implement practices that are designed to improve student achievement or student growth, close achievement gaps, decrease dropout rates, increase high school graduation rates, or increase college enrollment and completion rates for high-need students. We agree with the commenter that projects designed to address this priority would need to propose strategies that are comprehensive, but we note that applicants should consider carefully the needs in their schools. We think the applicant is best-suited to determine how best to improve outcomes for all students through a comprehensive high school reform strategy, and do not think that changes to the priority are necessary to address the commenter's concern.

*Changes:* None.

*Comment:* One commenter urged the Department to revise the priority to include a focus on increasing racial and socioeconomic diversity, and decreasing racial and socioeconomic isolation, in schools.

*Discussion:* We agree with the commenter that maintaining racial and socioeconomic diversity in schools is important to ensure that students are fully prepared to be successful in their careers and in life. We thank the commenter for noting that on December 10, 2014, the Department published in the **Federal Register** a priority that focuses on increasing diversity, and that the priority is designed so that the Department has the option to use it in any discretionary grant program [*(79 FR 73425).*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5DT7-0130-006W-81YP-00000-00&context=) We note that in FY 2015 or in future years, the i3 program could use this priority as an absolute or ***competitive*** preference priority in combination with the priority announced in this document. We also note that other Department programs, such as the Magnet Schools Assistance Program, have encouraged applicants to propose strategies to increase diversity in schools. Because mechanisms for including a focus on diversity already exist, we do not think a change to the priority is necessary.

*Changes:* None.

*Comment:* One commenter urged the Department to ensure that the priority supports projects that are designed to use comprehensive high school reform strategies in a way that increases the number of low-income students who matriculate into postsecondary programs.

*Discussion:* We agree that any priority used in a discretionary grant program **[\*32213]** should include a clear discussion of the outcomes we wish to see as a result of funded projects. We note that the priority requires that projects be designed to increase the number and percentage of students who graduate high school college- and career-ready and enroll in postsecondary programs. We also note that the priority requires that projects designed to address it be implemented in schools with large populations of low-income students. Finally, we note the i3 program's overall requirement that funded projects be designed to improve student achievement or student growth, close achievement gaps, decrease dropout rates, increase high school graduation rates, or increase college enrollment and completion rates for high-need students. While we agree that the priority should help to increase the number of low-income students who matriculate into postsecondary programs, we do not think that changes to the priority are necessary to address this.

*Changes:* None.

*Comment:* Three commenters expressed general support for the priority, but noted concerns that do not directly relate to it. One commenter expressed interest in learning about the other mechanisms the Department has to provide support to schools across the nation that are in need of additional funding. Another commenter expressed concern that our current portfolio of grantees does not employ external staff to carry out project evaluations, thus introducing bias to any impact findings that are ultimately reported. Finally, a commenter requested that in future ***competitions*** we use a pre-application process in the Validation and Scale-up ***competitions***, similar to the process we have used in the past several years for the Development ***competition***.

*Discussion:* Although we generally do not respond to comments that are not related to the proposed priority published in the **Federal Register** on March 17, 2015 [*(80 FR 13803),*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5FHX-T080-006W-81B7-00000-00&context=) we think it is important to clarify several aspects of the i3 program as well as the Department's mechanisms for providing assistance more broadly. First, we note that the majority of the funding the Department provides to States and local educational agencies (LEAs) is through State-administered formula programs, such as Part A of Title I of the ESEA and Part B of the Individuals with Disabilities Education Act. This means, generally, that if an entity meets the eligibility requirements set out in a formula program, that entity is entitled to funding and does not need to ***compete***. By contrast, the funding the Department has provided to grantees under the i3 program and other discretionary grant programs represents a relatively small portion of the total funding with which we support students. For information on the Department's planned funding for discretionary grant programs for FY 2015, please review the Forecast of Funding Opportunities at *www2.ed.gov/fund/grant/find/edlite-forecast.html*.

Second, we note that per the notice of final priorities, requirements, definitions, and selection criteria for this program, published in the **Federal Register** on March 27, 2013 *(78 FR 18681),* all i3 grantees are required to conduct an independent evaluation of their projects, which means that the evaluation must be designed and carried out independent of, but in coordination with, any employees of the entities who develop a process, product, strategy, or practice and are implementing it. We think the independent evaluation is a critical element of the i3 program and note that we have required grantees to conduct independent evaluations since the first year in which we provided funding.

Finally, we appreciate the suggestion to use a pre-application process in the Validation and Scale-up ***competitions*** and we are pleased to learn that the pre-application process used in the Development ***competition*** has worked well for applicants. Our primary reason for implementing the process in FY 2012 and in subsequent years was to reduce burden for Development applicants proposing to pilot brand new ideas. We also wanted to find a way to better manage very high numbers of applications submitted to the Development ***competition***. By first asking applicants to submit a seven-page pre-application, and providing those applicants with initial feedback from expert reviewers, we greatly reduced the volume of applicants submitting full applications, reducing burden for applicants that needed to spend more time developing their proposals in order to increase their likelihood of ultimately submitting a successful application. We also found that the process decreased burden for Department staff and expert reviewers. Most importantly, we found that with this process, we were still able to fund high-quality Development applications.

While this process has worked well in the Development ***competition***, we are not likely to use it in the Validation or Scale-up ***competitions*** for two reasons. First, we receive far fewer applications for these ***competitions***, so the initial triage provided by a pre-application process is not necessary. Second, an important aspect of the Validation and Scale-up ***competitions*** is the level of evidence that an applicant must use to support its proposed project. While in the Development ***competition***, we use the pre-application process to provide initial feedback on novel approaches, initial feedback on Validation and Scale-up applications would be quite different, because the proposed approaches, to be eligible for funding, must be supported by strong or moderate evidence of their effectiveness. Therefore, while we appreciate the commenter's suggestion to use a pre-application process for all three ***competitions***, we do not think the approach is necessary or practical.

*Changes:* None.

*Comment:* One commenter expressed general disapproval of the priority and the i3 program. The commenter noted that our rationale for proposing the priority was flawed and that applications funded under this priority will not lead to projects that successfully improve outcomes for students.

*Discussion:* We appreciate the commenter's concerns. Through the i3 program, we seek to fund innovative approaches to persistent challenges in education, and require that all i3 grantees partner with an independent evaluator in order to determine which approaches work. While we strive to fund projects that are most likely to have successful outcomes, we understand that it is equally important to learn which approaches do not work, and why.

*Changes:* None.

*Comment:* One commenter expressed support for the priority and noted the important role career and technical education programming can play in comprehensive high school reform models.

*Discussion:* We thank the commenter for the support.

*Changes:* None.

*FINAL PRIORITY:*

*Priority--Implementing Comprehensive High School Reform and Redesign.*

Under this priority, we provide funding to support comprehensive high school reform and redesign strategies in high schools eligible to operate Title I schoolwide programs under section 1114 of the Elementary and Secondary Education Act of 1965, as amended, or in schools that can demonstrate that not less than 40 percent of students are from low-income families. These strategies must be designed to increase the number and percentage of students who graduate from high school college- and career-ready and enroll in college, other **[\*32214]** postsecondary education, or other career and technical education.

These strategies could include elements such as implementing a rigorous college- and career-ready curriculum; providing accelerated learning opportunities; supporting personalized learning; developing robust links between student work and real-world experiences to better prepare students for their future; improving the readiness of students for post-secondary education in STEM fields; or reducing the need for remediation, among others.

*Types of Priorities:*

When inviting applications for a ***competition*** using one or more priorities, we designate the type of each priority as absolute, ***competitive*** preference, or invitational through a notice in the **Federal Register** . The effect of each type of priority follows:

*Absolute priority:* Under an absolute priority, we consider only applications that meet the priority ([*34 CFR 75.105(c)(3)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5GMB-DPB0-008H-02BK-00000-00&context=)).

**Note:** In the i3 ***competition***, each application must choose to address one of the absolute priorities, and projects are grouped by that absolute priority for the purposes of peer review and funding determinations. For the ***competition*** with FY 2015 funds, Congress directed the Department to designate the priority announced in this document as an absolute priority.

***Competitive*** *preference priority:* Under a ***competitive*** preference priority, we give ***competitive*** preference to an application by (1) awarding additional points, depending on the extent to which the application meets the priority ([*34 CFR 75.105(c)(2)(i)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5GMB-DPB0-008H-02BK-00000-00&context=)); or (2) selecting an application that meets the priority over an application of comparable merit that does not meet the priority ([*34 CFR 75.105(c)(2)(ii)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5GMB-DPB0-008H-02BK-00000-00&context=)).

*Invitational priority:* Under an invitational priority, we are particularly interested in applications that meet the priority. However, we do not give an application that meets the priority a preference over other applications ([*34 CFR 75.105(c)(1)*](https://advance.lexis.com/api/document?collection=administrative-codes&id=urn:contentItem:5GMB-DPB0-008H-02BK-00000-00&context=)). This notice does not preclude us from proposing additional priorities, requirements, definitions, or selection criteria, subject to meeting applicable rulemaking requirements.

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

**Executive Orders 12866 and 13563**

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

We have also reviewed this final 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 final priority only on a reasoned determination that its benefits justify its costs. In choosing among alternative regulatory approaches, we selected those approaches that maximize net benefits. Based on the analysis that follows, the Department believes that this regulatory action is consistent with principles in Executive Order 13563.

We also have determined that this regulatory action does 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. The potential costs are those resulting from statutory requirements and those we have determined as necessary for administering the Department's programs and activities.

*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 person listed under **FOR FURTHER INFORMATION CONTACT**.

*Electronic Access to This Document:* The official version of this document is the document published in the **Federal Register** . Free Internet access to the official edition of the **Federal Register** and the Code of Federal ***Regulations*** is available via the Federal Digital System at: [*www.gpo.gov/fdsys*](http://www.gpo.gov/fdsys)*.* At this site you can view this document, as well as all other documents of this Department published in the **Federal Register**, in **[\*32215]** text or Adobe 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*](http://www.federalregister.gov)*.* Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

Dated: May 27, 2015.

**Nadya Chinoy Dabby,**

*Assistant Deputy Secretary for Innovation and Improvement.*

FR Doc. 2015-13671 Filed 6-4-15; 8:45 am

BILLING CODE 4000-01-P

**Dates**

**DATES:** This priority is effective July 6, 2015.

**Contacts**

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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.

FEDERAL REGISTER

**End of Document**