

**PRESCHOOL PAY FOR SUCCESS (PFS) FEASIBILITY PILOT GRANTS**

**FY 2016 Competition**

**Preschool PFS Feasibility Pilot**

**Guidance and Frequently Asked Questions for Applicants**



**U.S. Department of Education**

**Washington, D.C.**

*September 20, 2016*

**Purpose of the Guidance**

The purpose of this guidance is to provide information about the Fiscal Year (FY) 2016 competition of the Preschool Pay For Success (PFS) Feasibility Pilot Grant program. The U.S. Department of Education (the Department) is administering the Preschool PFS Feasibility Pilot Grant program. This guidance, which should be read in conjunction with the FY 2016 notice inviting applications (NIA), published in the Federal Register on August 22, 2016 (81 FR 56616), provides the Department’s interpretation of various statutory provisions and does not impose any requirements beyond those included in The Consolidated Appropriations Act, 2016, Title III, Division H (P.L. 114-113).

The Department will provide additional or updated program guidance as necessary on the Preschool PFS Feasibility Pilot Grant program Web site at <http://www2.ed.gov/programs/pfs/index.html>. If you have further questions that are not answered here or other comments, please email us at [PFS@ed.gov](mailto:PFS@ed.gov).

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**A. FY 2016 Preschool PFS Feasibility Pilot Grants General Information**

**A-1 What is Pay For Success (PFS)?**

Pay for success (PFS) is an innovative contracting and financing model that aims to test and advance promising and proven interventions while paying only for successful outcomes or impacts for families, individuals, and communities. Through a PFS project, a government (or other) entity enters into a contract with an Investor<sup>1</sup> 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 intervention achieves those outcomes agreed upon in advance. The government (or other) entity makes Outcomes Payments to repay Investors for the costs of services (and sometimes other projects costs) plus a modest return. Ideally, 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. A Feasibility Study is typically the first step in exploring a PFS project.

**A-2 What is the Preschool PFS Feasibility Pilot?**

The Preschool PFS Feasibility Pilot is a grant program funded under the Preschool Development Grant national activities. The purpose of the Preschool PFS Feasibility Pilot is to explore the viability of using PFS for preschool models designed to effectively serve a Target Population; identify a broad range of potential Outcome Measures designed to both demonstrate improved student outcomes and result in potential cost savings to school districts, Local Governments, and States, as well as provide more general benefits to society; and establish safeguards to protect the rights of Children with Disabilities in the design and implementation of preschool PFS projects.

The Department hopes that the pilot will encourage implementation of PFS models in the field.

**A-3 What is the timeline for obligating and expending FY 2016 Preschool PFS Feasibility Pilot Grants funds?**

The Department must obligate all funds to grantees no later than December 31, 2016. Grantees must expend all grant funds within the grant period, which may be up to 30 months.

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<sup>1</sup> In this response and elsewhere in this document, defined terms are indicated by capitalization. Defined terms are located in the Definitions sections of the NIA.

**B. FY 2016 Preschool PFS Feasibility Pilot Grants Eligibility and Participation**

**B-1 What are the eligibility requirements for the Preschool PFS Feasibility Pilot Grant competition?**

To be eligible to receive an award an applicant must be a State, Local Government, or Tribal Government. Local Government as defined in [2 CFR 200.64 and the NIA](#) means any unit of government within a State, including a county; borough; municipality; city; town; township; parish; local public authority, including any public housing agency under the United States Housing Act of 1937; special district; school district; intrastate district; council of governments, whether or not incorporated as a nonprofit corporation under State law; and any other agency or instrumentality of a multi-, regional, or intra-State or local government. Tribal Government as defined in the NIA means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 43 U.S.C. 1602(c)) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs. The maximum grant award is \$400,000. We will *reject* an application that proposes a budget exceeding \$400,000 for a single budget period of up to 30 months.

**B-2 What is the definition of a State?**

The Preschool PFS Feasibility Pilot Grants competition uses the definition of a State under the ESEA definitions in effect for 2016 in 20 USC 7801. The term “State” means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and each of the outlying areas.

**B-3 Is a group of eligible applicants allowed to apply for grants under the Preschool PFS Feasibility Pilot Grant competition?**

Yes, under [34 CFR 75.127](#), eligible entities may apply as a group, consortium, joint applicants, etc. If a group decides to do so, it must meet the requirements in [34 CFR 75.127-129](#). The consortium must consist of only eligible entities. (See FAQ B-1)

**B-4 Are Indian tribes and the Department of the Interior/Bureau of Indian Education (BIE) schools eligible to apply for grants under the Preschool PFS Feasibility Pilot Grant competition?**

Tribal Governments are eligible to apply. BIE schools are eligible to apply if they meet the definition of Local Government in 2 CFR 200.64. For example, if a BIE school is a local educational agency (LEA), then it meets the definition of Local Government. Please refer to the definition of a Tribal Government provided in the NIA and in B-1 above.

**B-5 May an intermediary organization or a preschool provider apply?**

No. Eligible entities are States, Local Governments, and Tribal Governments, and only these organizations can submit an application. However, an eligible entity may contract with an intermediary organization under Preschool PFS Feasibility Pilot Grants.

**C. Application Process and Submission Procedures**

**C-1 What is the deadline for the application?**

The deadline for application submission is October 6, 2016. 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 the application submission section in the NIA, 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. Please note applicants must have an active registration in the System for Award Management (SAM) system prior to submitting an application. The SAM registration process can take approximately seven business days, but may take upwards of several weeks. More information about SAM can be found in section IV (6) of the NIA and at [www.SAM.gov](http://www.SAM.gov).

**C-2 What should a prospective applicant know about Grants.gov in order to register for and use Grants.gov to submit an application?**

When using Grants.gov early registration is important. Grants.gov registration is a one-time process that may take five or more business days to complete. The document “Grants.gov Submission Procedures and Tips for Applicants” in the application package provides important submission procedures and references to further instructions for using Grants.gov, including:

1) REGISTER EARLY – Grants.gov registration may take five or more business days to complete. You may begin working on your application while completing the registration process, but you cannot submit an application until all of the registration steps are complete. For detailed information on the registration steps, please go to: [www.grants.gov/web/grants.register.html](http://www.grants.gov/web/grants.register.html). Note: Your organization will need to update its System for Award Management registration annually.

2) SUBMIT EARLY – We strongly recommend that you do not wait until the last day to submit your application. Grants.gov will put a date/time stamp on your application and then process it after it is fully uploaded. The time it takes to upload an application will vary depending on a number of factors, including the size of the application and the speed

of your Internet connection, and the time it takes Grants.gov to process the application will vary as well.

**C-3 Who will review the Preschool PFS Feasibility Pilot Grants applications?**

Expert external peer reviewers will evaluate applications and make recommendations to the Department. Independent peer reviewers will be chosen from a pool of qualified educators, scholars, employees of Federal agencies, and other individuals knowledgeable in early learning and PFS. The Department will require potential peer reviewers to indicate their degree of expertise or experience in areas such as: early learning and development policy and practice, PFS knowledge and expertise, and critical analysis and writing skills. The Department will thoroughly screen all reviewers for conflicts of interest to ensure a fair and impartial review process.

**C-4 Will optional stakeholder letters of support submitted directly to the Department be considered as part of Preschool PFS Feasibility Pilot Grant applications?**

No. All letters of support must be included as part of your formal grant application.

**C-5 Should an applicant include hyperlinks in its application?**

No. An applicant should not include hyperlinks to Web sites in its application. Peer reviewers will be instructed not to open or follow such hyperlinks. We understand that hyperlinks can be a convenient way to provide information. However, to ensure the integrity and fairness of the competitive process, the peer reviewers will consider only information submitted as part of an application, by the application deadline. Because hyperlinks can be updated after the deadline for submitting applications, we will not consider them to be part of an application.

**C-6 Should an applicant format its application in color or in black and white?**

We recommend that applicants format their applications in black and white as we will print the applications in black and white for peer reviewers.

**C-7 Is there a page limit for the application?**

No. But keep in mind, from a reviewer's point of view, clarity matters and brevity will be appreciated.

**C-8 How does a consortium apply for a grant?**

If a consortium of eligible entities applies for a grant, the members of the consortium must either designate one member to apply for the grant on behalf of the consortium or establish a separate eligible legal entity to apply for the grant. See [34 CFR 75.128\(a\)](#). The consortium must consist of only eligible entities. Each member of a consortium must enter into a binding agreement that: (1) details the activities that each member of the consortium plans to perform; and (2) binds each member of the consortium to every

statement and assurance made by the applicant in its application. See [34 CFR 75.128\(b\)](#). It is important to note that the binding agreement must be between the eligible entity that would serve as the fiscal agent for the grant and each other eligible entity in the consortium. The applicant for the group is legally responsible for the use of all grant funds and ensuring that the project is carried out by the consortium in accordance with Federal requirements. Each other member of a consortium is legally responsible for carrying out the activities it agrees to perform and using the funds that it receives under the agreement in accordance with all applicable Federal requirements. [34 CFR 75.129](#).

## **D. Priorities, Application Requirements Selection Criteria, and Definitions**

### **D-1 What is the priority that an applicant must meet in order to receive a Preschool PFS Feasibility Pilot Grant?**

In order to receive a Preschool PFS Feasibility Pilot Grant, an applicant must address in its application the absolute priority described below. The Department will find that an applicant has met the absolute priority if a majority of the reviewers determine so. Only applications that meet the absolute priority will be considered for funding. An eligible applicant should address this priority throughout the application narrative.

#### Absolute Priority-Feasibility Study

To meet the Absolute Priority, the applicant must propose a Feasibility Study that will determine the viability of using a PFS approach to expand or improve a preschool program for a Target Population, and describe the potential Outcome Measures the applicant proposes to identify and evaluate for appropriateness for PFS. Any applicant that includes a Feasibility Study for a PFS project that proposes to reduce the need for special education and related services as an Outcome Measure must also include at least one other meaningful and substantive Outcome Measure of short-, medium-, or long-term student achievement, such as kindergarten readiness, reading and math growth or achievement, and improved social and emotional skills.

### **D-2 What is the optional competitive preference priority that an applicant may meet in order to receive additional points under the Preschool PFS Feasibility Pilot Grant competition?**

To meet the competitive preference priority described below, applicants must complete the narrative section identified in the application for the priority. Peer reviewers will consider the quality of those responses and award up to 5 additional points depending on how well applicants addressed the competitive preference priority.

#### Competitive Preference Priority—Outcome Measures Across Various Domains

The Department is interested in the exploration and development of Outcome Measures for PFS projects that implement preschool services for the Target Population across

various developmental domains. Therefore, the Department will award up to an additional 5 points for projects that propose a Feasibility Study that would examine social and emotional well-being or Executive Functioning Outcome Measures. These Outcome Measures may be predictive of future school success, cost savings, cost avoidance, and other societal benefits and may be appropriate to include in a PFS project. To meet this priority, an applicant must propose exploring social and emotional or executive functioning Outcome Measures, or both.

### **D-3 What are the application requirements an application must address?**

Application requirements are the information that must be included within an application. As outlined in section I of the NIA an application for a Preschool PFS Feasibility Pilot must include the following:

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

(b) A description of the preschool program, which must include an explanation of how the design of the program ensures it is high-quality, including evidence supporting its design and policies to ensure, at a minimum: (1) An evidence-based curriculum; (2) High-quality professional development for all staff; (3) High Qualifications for Teachers; (4) A child-to-instructional staff ratio of no more than 10 to 1; (5) Inclusion of Children with Disabilities; and (6) Inclusion of at-risk children and children representing other high-needs populations, such as homeless children and English Learners.

(c) A description of—(1) How the preschool program is likely to improve student outcomes in the short-, medium-, and long-term, based on quantitative, qualitative, or theoretical evidence (e.g., prior research base or with a logic model); (2) The goals, objectives, and outcomes to be achieved by the preschool program which are clearly specified and measurable and will demonstrate student success; and (3) How the intervention is appropriate for, and will successfully address, the needs of the Target Population.

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

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

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

interested in workable, research-based, and data driven analytical approaches to capturing these benefits based on short and intermediate term indicators.

**D-4 What are the selection criteria upon which applications will be scored?**

The selection criteria for this program are set forth in section V(1) of the NIA. Eligible applicants may receive up to 100 points based on the extent to which their applications address the selection criteria. The number of points that may be awarded for each criterion is indicated in parentheses next to the criterion.

- (a) Need for Project (up to 10 points).
- (b) Quality of the Preschool Program Design (up to 25 points).
- (c) Quality of the Preschool PFS Partnership (up to 25 points).
- (d) Quality of the Work Plan (up to 25 points).
- (e) Quality of the Project Leadership and Team (up to 5 points).
- (f) Adequacy of Resources (up to 10 points).

**D-5 What is a Cost-Benefit Analysis?**

A Cost-Benefit Analysis is an analysis that compares the costs of an intervention with the Benefits that will result from achieving the Outcome Measures, including a framework and description of the process used for estimating Benefits that would result from implementation of the intervention. For example, a Cost-Benefit Analysis of a preschool program may include the costs and Benefits of the initial program, later education, earnings, criminal behavior, tax payments, participation in public welfare, and health outcomes.

**D-6 What types of Benefits can be included in a Cost-Benefit Analysis?**

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

**D-7 What is the difference between cost savings, cost avoidance, and societal benefit?**

Cost savings, cost avoidance, and societal benefit are different types of Benefits that may be considered in conducting a Cost-Benefit analysis. Cost avoidance refers to future costs that may be avoided as a result of achieving the Outcome Measures. Many of the Benefits associated with providing access to preschool accrue in K-12 and in adulthood. An example of cost avoidance is the reduction in the need for remedial services. When children are ready for kindergarten they will be on track for proficiency in reading and math.

In addition to the shorter-term Benefits associated with access to preschool, there are longer-term Benefits to society as a whole that may be more difficult to quantify, but should also be considered. These societal Benefits may include a projected increase in high school graduation and enrollment in higher education, which would lead to increases

in earnings and a decrease in the need for public assistance. In addition, access to preschool can result in reductions in juvenile and adult crime, resulting in longer-term cost avoidance to State and Local Government and society.<sup>2</sup>

For preschool, the Benefits are typically cost-avoidance and societal benefit.

## **E. Budget and Uses of Funds**

### **E-1 What is the maximum dollar amount of an award for a Preschool PFS Feasibility Grant?**

The maximum grant award is \$400,000. We will *reject* an application that proposes a budget exceeding \$400,000 for a single budget period of up to 30 months.

### **E-2 What budgetary information are applicants required to submit with their applications?**

Applicants are required to submit a budget narrative and ED 524 form.

Applicants are required to include in their budget narrative how the budget will adequately support program activities and achieve desired outcomes, including any philanthropic or other resources that may be contributed toward the project. Applicants should identify which costs will be funded by the Preschool PFS Feasibility Pilot Grant and identify any other sources of funds to support project activities.

### **E-3 May an applicant include indirect costs in its FY 2016 Preschool PFS Feasibility Pilot Grants budget?**

Yes. States, Local Governments, and Tribal Governments may include indirect costs in their Preschool PFS Feasibility Pilot Grant application, subject to the limitations of applicable Federal, State, Local, and Tribal Governments rules regarding indirect costs.

If a recipient or subrecipient of Preschool PFS Feasibility Pilot Grant funds is an LEA, it may charge indirect costs to its Preschool PFS Feasibility Pilot Grants award under the LEA's indirect cost rate, which is generally approved annually by its State educational agency (SEA). If a subrecipient other than an LEA has an indirect cost rate approved by the cognizant Federal agency or approved by the State under a delegation agreement

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<sup>2</sup> Yoshikawa, H., Weiland, C., Brooks-Gunn, J., Burchinal, M., Espinosa, L., Gormley, W., & Zaslow, M. J. (2013). Investing in Our Future: The Evidence Base for Preschool Education. Policy brief, Society for Research in Child Development and the Foundation for Child Development. Retrieved from the Foundation for Child Development Web site: [fcd-us.org/sites/default/files/Evidence Base on Preschool Education FINAL.pdf](http://fcd-us.org/sites/default/files/Evidence%20Base%20on%20Preschool%20Education%20FINAL.pdf); Council of Economic Advisors. (2014). The Economics of Early Childhood Investment. Accessed from [www.whitehouse.gov/sites/default/files/docs/early\\_childhood\\_report1.pdf](http://www.whitehouse.gov/sites/default/files/docs/early_childhood_report1.pdf).

between the State and the cognizant Federal agency, then it must apply the approved rate. If a subrecipient does not have an approved indirect cost rate, the State, Local Government, or Tribal Government must ensure that the indirect costs the subrecipient proposes to charge are reasonable and necessary to the subrecipient's performance under the Preschool PFS Feasibility Pilot Grant, and comply with all applicable Federal, State, Local Government, and Tribal Government rules. States, Local Governments, or Tribal Governments are responsible for ensuring that each Preschool PFS Feasibility Pilot Grant subrecipient (e.g. contractor) charges only reasonable and allowable indirect costs to the Preschool PFS Feasibility Pilot Grants. Please note that although the approved rate is the maximum rate that a subrecipient may apply, a subrecipient may choose to apply a lesser rate. The Department expects the grantee to regularly monitor subrecipients charging indirect costs to the grant to ensure that the costs charged are reasonable and necessary to perform under the grant.

Please note that the grantee and subrecipients may apply their approved or recognized indirect cost rate only against the first \$25,000 of any contract, and only under circumstances that require meaningful administrative support in distributing and handling the contracted or subgranted funds.

**E-4 Should applicants name potential contractors in their Preschool PFS Feasibility Pilot Grant application?**

No. We advise that, because grantees must use appropriate procurement procedures to select contractors, applicants should not include information in their grant applications about specific contractors that may be used to provide services or goods for the proposed project if a grant is awarded. However, an applicant may include such information if it has already completed a procurement, consistent with applicable Federal, State and local procurement laws, regulations, and guidance.

**E-5 What are the rules that govern the amount of Preschool PFS Feasibility Pilot Grant funds that a grantee may draw down at any one time?**

The grantee must have an effective system for managing the flow of funds that ensures funds may be drawn down as needed to pay program costs and that also minimizes the time that elapses between the transfer of the funds and their disbursement by the grantee in accordance with [31 CFR 205](#) (for States) and [2 CFR 200.305](#) (for non-Federal entities other than States). When advances are made by letter of credit or electronic transfer of funds, the grantee must make drawdowns of grant funds as close as possible to the time of disbursement. Additionally, as required by [2 CFR 200.430\(a\)\(3\) and \(i\)](#), a grantee must keep adequate records of all salaries and wages charged to the grant. The Department will take appropriate actions against grantees and subrecipients that fail to comply with these requirements.

**E-6 How must a grantee account for Preschool PFS Feasibility Pilot Grants funds?**

Consistent with [2 CFR 200.302](#) each grantee must expend and account for grant funds in accordance with State laws and procedures and, among other things, must maintain fiscal

control and accounting procedures sufficient to permit the tracing of grant funds to a level of expenditures adequate to establish that such funds have been used for allowable costs. Similarly, each grantee must ensure that any subrecipient adheres to this same standard and that all grant and subrecipient costs incurred using grant funds are necessary and reasonable.

As such, a grantee must not commingle grant funds with other funds under control of the grantee, even if such other funds are used for similar purposes. Allowable activities may be funded from multiple funding sources; however, grantees must ensure that funds are accounted for separately. In this context, “commingling” means combining funds without maintaining separate accounting records for each funding source. The burden of proof is on the grantee to establish that any grant costs incurred are necessary and reasonable.

**E-7 Should the submitted application budget include only the Preschool PFS Feasibility Pilot Grant amount (amount of Federal grant award) or include the total project cost?**

The submitted application budget should include the total project cost and identify other sources of funds, in addition to Preschool PFS Feasibility Pilot Grant funds, that will be used to support project. The breakout of the total costs would be captured on the ED 524 form, which captures the Department’s PFS Feasibility Pilot Grant funding on the first page and the other funding sources on the second page.

**E-8 Is there a cap on administrative expenses for applicants?**

No. Some Department awards have statutory or regulatory limitations on the costs of administration. There is no cap on administrative expenses for applicants for this competition.

In writing their proposals, applicants are permitted to include items such as indirect costs to cover overhead and other administrative expenses. (See E-3) If an applicant plans to have a contractor conduct the Feasibility Study, the applicant must identify the percentage of the Federal dollars from this grant competition the applicant would retain for administrative costs, and the percentage of funds the contractor would retain for its administrative costs.

While direct administrative expenses are not prohibited, applicants must always ensure that grantee-level costs in this area are reasonable, necessary, and aligned with the overall project management and administration. Similarly, grantees are ultimately responsible for ensuring that administrative costs charged by LEAs are reasonable and necessary. These costs can be both personnel and non-personnel, and both direct and indirect. Generally, direct administration costs differ from indirect charges in that the latter are considered organization-wide costs. In addition, a cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned as a direct cost.

**F. PFS Feasibility Specifics**

**F-1 Must the evidenced-based preschool program already be identified to apply for a Preschool PFS Feasibility Pilot Grants?**

Yes. Under Application Requirement (b) in the NIA, applicants must describe a specific preschool program. The description of the preschool program must include an explanation of how the design of the program ensures it is high-quality, including evidence supporting its design and policies to ensure, at a minimum:

- (1) An evidence-based curriculum;
- (2) High-quality professional development for all staff;
- (3) High Qualifications for Teachers;
- (4) A child-to-instructional staff ratio of no more than 10 to 1;
- (5) Inclusion of Children with Disabilities; and
- (6) Inclusion of at-risk children and children representing other high-needs populations, such as homeless children and English Learners.

**F-2 Can a Head Start program be the preschool program that is the subject of the Feasibility Study?**

No. Because they are funded by the Federal government, Head Start programs cannot be considered for the Preschool PFS Feasibility Pilot Grant and are not to be part of any Preschool PFS partnership.

**F-3 Must the preschool program that is the focus of the Preschool PFS Feasibility Pilot be full-day?**

No. The Department wishes to allow for a wide range of preschool models to be examined for feasibility under this pilot. All preschool programs included in the Feasibility Study must, however, include a design and policies to ensure, at a minimum:

- (i) An evidence-based curriculum;
- (ii) High-quality professional development for all staff;
- (iii) High Qualifications for Staff;
- (iv) A child-to-instructional staff ratio of no more that 10 to 1;
- (v) Inclusion of Children with Disabilities; and
- (vi) Inclusion of at-risk children and children representing other high-needs populations, such as homeless children and English Learners.

**F-4 Are safeguards required in a Preschool PFS Feasibility Study that uses the reduction in the need for special education as an Outcome Measure?**

Yes. The Department notes that access to needed special education and related services is critical for Children with Disabilities and PFS projects should never incentivize

reducing special education referrals when a child needs to be evaluated to determine eligibility. Therefore, PFS projects that use the reduction in special education placement as an Outcome Measure must include proper safeguards to ensure that PFS projects do not create a perverse incentive to not identify children in need of special education and related services that they are entitled to under the Individuals with Disabilities Education Act (IDEA).

Applicants that propose a reduction in special education placement as an Outcome Measure must include at least one other meaningful and substantive measure of student achievement. In addition, if a PFS project using the reduction in special education placement as an Outcome Measure is funded, the grantee is required to submit a detailed plan for safeguarding the rights of Children with Disabilities and for meeting the IDEA Child Find requirements in 20 U.S.C. 1412(a)(3) to ensure that children suspected of having a disability under IDEA are properly identified and evaluated and that eligible children receive appropriate special education and related services. Program Requirement (a)(2) in the NIA outlines that this plan must include at a minimum:

- (i) Processes to ensure that determination of eligibility for special education and related services is completely separated from the financial structure of the project;
- (ii) A description of how the evaluation methodology, including the elements of the evaluation methodology, to measure the reduction in the need for special education mitigates the risk of perverse incentives;
- (iii) A description, based on research and data, of how the other Outcome Measure(s) are meaningful and substantive, and indicative of student success; and
- (iv) A description of how local stakeholders were involved with developing the plan for safeguards.

In addition, at the end of your project period, you must submit a final performance report, including financial information, as directed by the Secretary.

## **G. Accountability and Reporting Requirements**

### **G-1 What are the reporting requirements for Preschool PFS Feasibility Pilot Grants?**

An entity receiving a Preschool PFS Feasibility Pilot Grant must submit an annual report that includes, in addition to the standard elements, a description of the grantee's progress to date on its goals, on meeting its timelines, and on its adherence to budgets, as well as a description of actual performance with respect to each performance measure. For more details, see the reporting requirement and performance measure information in sections VI.3 and VI.4 of the NIA.

In addition, at the end of your project period, you must submit a final performance report, including financial information, as directed by the Secretary.

**G-2 Does the receipt of a Preschool PFS Feasibility Pilot Grant require recipients to comply with Federal civil rights laws?**

Yes. Applicants receiving Federal Preschool PFS Feasibility Pilot Grant funds must comply with Federal civil rights laws that prohibit discrimination based on race, color, national origin, sex, disability, and age. States, Local Governments, and Tribal Government, intermediary organizations, and any local providers receiving Preschool PFS Feasibility Pilot Grant funds from the grantee must also comply with Federal civil rights laws.

**G-3 Are applicants accountable for the commitments that they propose in their applications?**

Yes. Applicants are accountable for meeting the goals, timelines, budgets, and objectives established in their applications and should adhere to a drawdown schedule that is tied to meeting those goals, timelines, budgets, and objectives. In addition, the Department will review an applicant's performance against these items on a regular basis. If an applicant receives a grant, it is conceivable that it may need to make some revisions, provided that such revisions do not change the overall scope and objectives of the approved proposal.

Significant changes to a proposal could affect the applicant's ability to deliver on its grant goals or affect the scope of its grant proposal. Such changes would need to be reviewed and considered on a case-by-case basis by the Department, and could result in changes in, or possible partial or complete termination of, the applicant's grant. Based on the grant condition documents for this program, applicants must inform the Department of, and seek its prior approval for, any substantive changes in their approved grant applications.

If a grantee or subrecipient fails to comply with requirements governing the funds, the Department may, consistent with applicable administrative procedures, take one or more enforcement actions, including withholding or suspending, in whole or part, funds awarded under the program, or recovering misspent funds following an audit.

**G-4 What are the reporting requirements for the Federal Funding Accountability and Transparency Act (FFATA)?**

For new Federal grants as of October 1, 2010, if the initial award is equal to, or more than \$25,000, reporting of subaward and executive compensation data under FFATA is required. Grantees, referred to as "prime awardees," must report using the FFATA Subaward Reporting System (FSRS), and must, therefore, register in FSRS. The key FFATA data reporting elements are: name of entity receiving award; amount of award; funding agency; Catalog of Federal Domestic Assistance (CFDA) program number for grants; program source; award title; and location of the entity. To facilitate subaward reporting, the prime awardee must report information related to a subaward by the end of

the month following the month the subaward or obligation was made. Similarly, the prime awardee must report the subawardee's executive compensation data by the end of the month following the month the award or obligation was made. Additional information about FFATA reporting is available on the FSRS Web site at: [www.fsr.gov/](http://www.fsr.gov/), which includes links to FFATA FAQs and the Office of Management and Budget Guidance on FFATA.

## **H. Resources and Information**

### **H-1 Where can one obtain updated information or answers to questions about the Preschool PFS Feasibility Pilot Grants program?**

The Department will post updated information about the FY 2016 Preschool PFS Feasibility Pilot Grants program on the Preschool PFS Feasibility Pilot Grants Web site at <http://www2.ed.gov/programs/pfs/index.html>.

### **H-2 What happens if two different applicants propose a Preschool PFS Feasibility Pilot that includes the same preschool program?**

If more than one application is submitted for the same preschool program in the same location, only one project per preschool program would be funded. If both applications are ranked high enough to receive funding, the application with the highest score will be funded. However, if two different municipal jurisdictions in a State propose feasibility studies for a State preschool program that is within the two separate municipalities, the two applications will be considered as distinct applications.

### **H-3 Do the Independent Evaluator and Intermediary have to be identified at the time of application?**

No. The Independent Evaluator and the Intermediary do not have to be identified at the time of application. However, applicants must submit a plan for developing a Preschool PFS Partnership as part of the application requirements. In addition, if the Independent Evaluator and the Intermediary are hired under contract, the grantee must follow applicable Federal, State or local contracting procedures for filling these positions. See FAQ E-4.