

1(d)(7)) is made has custody of or control over the deemed distribution.

\* \* \* \* \*

(f) \* \* \* Paragraphs (a)(2)(vii) and (d)(7) of this section apply to payments made on or after the date of publication of the Treasury decision adopting these rules as final regulations in the **Federal Register**. A withholding agent may, however, rely on the rules in paragraphs (a)(2)(vii) and (d)(7) of this section for all deemed distributions (as defined in § 1.305-1(d)(7)) or deemed payments (as defined in § 1.861-3(a)(6)) that are withholdable payments occurring on or after January 1, 2016, until the date of publication of a Treasury decision adopting these rules as final regulations in the **Federal Register**.

■ **Par. 13.** Section 1.6045B-1 is amended by adding paragraph (i) to read as follows:

**§ 1.6045B-1 Returns relating to actions affecting basis of securities.**

\* \* \* \* \*

(i) *Deemed distribution under section 305(c)—(1) In general.* This paragraph (i) provides special rules for an organizational action resulting in a deemed distribution under section 305(c) that affects the basis of a specified security, including a deemed distribution resulting from an applicable adjustment (for example, a conversion ratio adjustment). See paragraph (j) of this section to determine when this section applies to an organizational action that affects the basis of a specified security. For example, under paragraph (j)(4) of this section, this section applies to a deemed distribution under section 305(c) resulting from an applicable adjustment to a convertible debt instrument if the deemed distribution occurs on or after January 1, 2016, and the deemed distribution could affect the basis of the convertible debt instrument.

(2) *Mandatory reporting.* Notwithstanding any other provision in this section (including the reporting exceptions for exempt recipients in paragraphs (a)(4) and (b)(5) of this section), for an organizational action described in paragraph (i)(1) of this section the issuer must file an issuer return in accordance with paragraphs (a)(1) and (2) of this section and issuer statements in accordance with paragraphs (b)(1), (2), and (3) of this section. However, the requirement to file an issuer return and issuer statement in accordance with the preceding sentence does not apply if the issuer satisfies the public reporting requirements of paragraph (a)(3) of this section.

(3) *Information required to be reported.* For purposes of paragraph (i)(2) of this section, an issuer must provide the information required under paragraph (a)(1) of this section, including—

(i) The date of the deemed distribution under section 305(c) as determined in accordance with § 1.305-7(c)(5) (pursuant to paragraph (a)(1)(iv) of this section); and

(ii) The amount of the deemed distribution under section 305(c) as determined in accordance with § 1.305-7(c)(4) (pursuant to paragraph (a)(1)(v) of this section).

(4) *Effective/applicability date.* Paragraph (i)(2) of this section applies to a deemed distribution under section 305(c) occurring on or after the date of publication of the Treasury decision adopting these rules as final regulations in the **Federal Register**. For purposes of paragraphs (a)(1)(v) and (i)(3)(ii) of this section, an issuer must determine the amount of a deemed distribution under section 305(c) in accordance with § 1.305-7(c)(4) for a deemed distribution occurring on or after the date of publication. For purposes of reporting the amount of a deemed distribution occurring prior to the date of publication, an issuer may determine the amount of the deemed distribution by treating such distribution either as a distribution of a right to acquire stock in accordance with § 1.305-7(c)(4), or as a distribution of the shares of stock that would be received upon exercise of the right. For purposes of paragraphs (a)(1)(iv) and (i)(3)(i) of this section, an issuer must determine the date of a deemed distribution under section 305(c) occurring on or after the date of publication in accordance with § 1.305-7(c)(5). An issuer, however, may rely on § 1.305-7(c)(5) to determine the date of a deemed distribution that occurs prior to the date of publication.

\* \* \* \* \*

**John M. Dalrymple,**

*Deputy Commissioner for Services and Enforcement.*

[FR Doc. 2016-08248 Filed 4-12-16; 8:45 am]

**BILLING CODE 4830-01-P**

## DEPARTMENT OF EDUCATION

### 34 CFR Chapter III

[Docket ID ED-2016-OSERS-0022; CFDA Number: 84.421B.]

#### Proposed Priorities, Requirements, and Definitions—Disability Innovation Fund—Transition Work-Based Learning Model Demonstrations

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

**ACTION:** Proposed priorities, requirements, and definitions.

**SUMMARY:** The Assistant Secretary for Special Education and Rehabilitative Services proposes priorities, requirements, and definitions under the Disability Innovation Fund (DIF) Program. The Assistant Secretary may use these priorities, requirements, and definitions for competitions in fiscal year (FY) 2016 and later years. The Assistant Secretary takes this action to identify, develop, implement, and evaluate effective work-based learning models that will help students with disabilities prepare for postsecondary education and competitive integrated employment. The models must be delivered through a coordinated system of transition services.

**DATES:** We must receive your comments on or before May 13, 2016.

**ADDRESSES:** Submit your comments through the Federal eRulemaking Portal or by 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](http://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 the “Help” tab.

• *Postal Mail, Commercial Delivery, or Hand Delivery:* If you mail or deliver your comments about these proposed regulations, address them to RoseAnn Ashby, U.S. Department of Education, 400 Maryland Avenue SW., Room 5057, Potomac Center Plaza (PCP), Washington, DC 20202-5076.

**Privacy Note:** The U.S. Department of Education’s (Department) 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](http://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:**

RoseAnn Ashby, telephone: (202) 245-7258, or by email: [roseann.ashby@ed.gov](mailto:roseann.ashby@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 notice. To ensure that your comments have maximum effect in developing the notice of final priorities, requirements, and definitions, we urge you to identify clearly the specific section of the proposed priority, requirement, or definition that each comment addresses.

We invite you to assist us in complying with the specific requirements of Executive Orders 12866 and 13563 and their overall requirement of reducing regulatory burden that might result from these proposed priorities, requirements, and definitions. 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 notice by accessing [www.regulations.gov](http://www.regulations.gov). You may also inspect the comments in person in room 5057, 550 12th Street SW., PCP, Washington, DC 20202-5076, between the hours of 8:30 a.m. and 4:00 p.m., Washington, DC time, Monday through Friday of each week except Federal holidays. Please contact the person 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 notice. If you want to schedule an appointment for this type of accommodation or auxiliary aid, please contact the person listed under **FOR FURTHER INFORMATION CONTACT**.

*Purpose of Program:* The purpose of the DIF Program, as provided by the Consolidated Appropriations Act, 2015 (Pub. L. 113-235), is to support innovative activities aimed at improving the outcomes of "individuals with disabilities," as defined in section

7(20)(A) of the Rehabilitation Act of 1973, as amended (Rehabilitation Act) (29 U.S.C. 705(20)(A)).

*Program Authority:* Consolidated Appropriations Act, 2015 (Pub. L. 113-235).

*PROPOSED PRIORITIES:* This document contains three proposed priorities.

*Background:*

Despite emphasis on providing transition services under the Individuals with Disabilities Education Act (IDEA) and Rehabilitation Act, students with disabilities continue to face challenges as they transition from school to post-school activities, including postsecondary education and competitive integrated employment. These students often have lower high school graduation rates, lower postsecondary enrollment rates, and higher unemployment rates than their peers without disabilities (Leucking & Leucking, 2015).

To address these concerns, the Workforce Innovation and Opportunity Act of 2014 (WIOA) strengthened the emphasis on providing services and supports to students and other youth with disabilities to achieve competitive integrated employment. For example, the Rehabilitation Act, as amended by WIOA, not only expands the population of students with disabilities who may receive services but also broadens the scope of services and supports that State vocational rehabilitation (VR) agencies may provide to students with disabilities who are transitioning from secondary school to postsecondary education and employment.

In particular, new section 113 of the Rehabilitation Act requires that pre-employment transition services, including work-based learning experiences, job exploration counseling, workplace readiness training, counseling on opportunities for enrollment in comprehensive transition or postsecondary educational programs at institutions of higher education, and instruction in self-advocacy, be made available to students with disabilities who are eligible or potentially eligible for services under the State VR services program. To ensure that pre-employment transition services improve outcomes for students with disabilities, State VR agencies will require models of effective interventions that can be tailored to meet the diverse needs of these students across the Nation.

The body of literature on transition services identifies work-based learning as a key component in improving outcomes for youth with disabilities. Work-based learning links knowledge gained through work with classroom or

related instruction. Work-based learning experiences range in intensity, structure, and scope, and consist of a diverse set of activities such as site visits, job shadowing, paid and unpaid internships, and apprenticeships. Under section 113 of the Rehabilitation Act, work-based learning experiences provided to students with disabilities through the State VR services program may include in-school or after-school opportunities or experiences outside the traditional school setting, such as internships, that are provided in an integrated environment to the maximum extent possible.

Research has shown a strong relationship between work experiences during secondary school, particularly paid employment, and post-school employment for youth with disabilities. These experiences provide exposure to a range of career options that are otherwise typically limited for youth with disabilities. Work-based learning has long been shown to improve students' self-esteem, to teach and reinforce basic academic and technical skills, to promote an understanding of workplace culture and expectations, and to develop a network for future jobs searches (Luecking, 2009).

According to the National Collaborative on Workforce and Disability for Youth, quality work-based learning experiences are structured, appropriate to the age and stage of life of the individual, provide exposure to a wide range of work sites, and involve youth in choosing their experiences.

The Department therefore believes that providing effective work-based learning experiences in integrated settings, with coordination among State VR agencies, State and local educational agencies, and other key partners, can improve post-school outcomes for students with disabilities. However, additional evidence is needed to identify and develop interventions and strategies that provide effective work-based learning experiences in integrated settings and the conditions and circumstances under which interventions are most effective in improving competitive integrated employment outcomes for students with disabilities, especially the coordination of efforts with key partners that are necessary for the success of such interventions.

Through the DIF Program, the Department has the opportunity to award cooperative agreements to identify and demonstrate work-based learning interventions for students with disabilities that are supported by evidence and will be rigorously evaluated. We believe that the best

evidence will come from model demonstrations carried out at the local level by State VR agencies in coordination with State and local educational agencies and other local partners. The priorities, requirements, and definitions proposed in this notice will better enable the Department to direct funds to interventions that address the significant challenges in improving the post-school outcomes of students with disabilities.

#### References:

Luecking, D.M., & Luecking, R.G. (2015). *Translating Research into a Seamless Transition Model. Career Development and Transition for Exceptional Individuals*, 38(1), 4–13.

Luecking, R.G. (2009). *The Way to Work: How to Facilitate Work Experiences for Youth in Transition*. Baltimore, MD: Paul H. Brookes Pub.

National Collaborative on Workforce and Disability for Youth (NCWD/Youth). *Work-Based Learning Jump Start*. Available at: [www.ncwd-youth.info/work-based-learning](http://www.ncwd-youth.info/work-based-learning).

#### Proposed Priority 1: Transition Work-Based Learning Model Demonstrations.

We give priority to model demonstration projects designed to identify, develop, implement, and evaluate effective work-based learning models that will help ensure that students with disabilities (as defined in this notice) are prepared for postsecondary education and competitive integrated employment (as defined in this notice). The model demonstration projects must provide effective work-based learning experiences in integrated settings, in coordination with other transition services, including pre-employment transition services (as defined in this notice), to students with disabilities, through State VR agencies, in collaboration with local educational agencies (LEAs) or, where appropriate, State educational agencies (SEAs) and other local partners.

#### Proposed Priority 2: Evidence of Promise Supporting the Proposed Model.

We give priority to projects supported by evidence of promise (as defined in this notice).

#### Proposed Priority 3: Evaluation of Project that Meets the What Works Clearinghouse Evidence Standards with Reservations.

We give priority to projects that conduct evaluations that meet the What Works Clearinghouse Evidence Standards (as defined in this notice) with reservations.

#### 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)).

**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)), 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)).

**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)).

**Proposed Requirements:** The Assistant Secretary proposes the following project requirements for this program. We may apply one or more of these requirements in any year in which this program is in effect. Each of the following sets of requirements corresponds to one of the proposed priorities.

#### Proposed Requirements for Priority 1:

To be considered for funding under Proposed Priority 1, applicants must describe their plans to carry out the following project requirements—

(a) Develop and implement a project design that is supported by strong theory (as defined in this notice) that supports the effectiveness (e.g., evidence base) of the proposed model, its components, and the processes to improve the postsecondary education and competitive integrated employment outcomes of students with disabilities;

(b) Develop and implement a project demonstrating effective practices and strategies in the use of work-based learning experiences in integrated settings to prepare students with disabilities for postsecondary education and competitive integrated employment. The model must be implemented at multiple local sites to ensure its replicability;

(c) Establish partnerships with the LEA or, as appropriate, the SEA, institutions of higher education, employers, and providers or other agencies that are critical to the development of work-based learning experiences in integrated settings for students with disabilities. At a minimum, the partnership must include representatives from the LEA, workforce

training providers (e.g., American Job Centers), and employers who will collaborate to develop and provide opportunities (such as internships, short-term employment, and apprenticeships) for students with disabilities served under the project;

(d) Provide career exploration and counseling to assist students in identifying possible career pathways (as defined in this notice) and the relevant work-based learning experiences;

(e) Develop work-based learning experiences in integrated settings, at least one of which must be a paid experience, that—

(1) Provide exposure to a wide range of work sites to help students make informed choices about career selections;

(2) Are appropriate for the age and stage in life of each participating student, ranging from site visits and tours, job shadowing, service learning, apprenticeships, and internships;

(3) Are structured and linked to classroom or related instruction;

(4) Use a trained mentor to help structure the learning at the worksite;

(5) Include periodic assessment and feedback as part of each experience; and

(6) Fully involve students with disabilities and, as appropriate, their representative in choosing and structuring their experiences;

(f) Provide instruction in employee rights and responsibilities, as well as positive work skills, habits, and behaviors that foster success in the workplace;

(g) Identify and provide support services, as appropriate, including transportation, that are needed to ensure the student's success in participating in work-based learning experiences;

(h) Identify, provide, or arrange for accommodations or assistive technology needed to ensure the student's success in participating in work-based learning experiences;

(i) Develop and implement a plan to measure the model demonstration project's performance and outcomes, including an evaluation of the effectiveness of the practices and strategies implemented by the project. A detailed and complete evaluation plan must include—

(1) A formative evaluation plan, consistent with the project's logic model (as defined in this notice), that—

(i) Includes evaluation questions, source(s) for data, a timeline for data collection, and analysis plans;

(ii) Shows how the outcome (e.g., postsecondary education and competitive integrated employment) and implementation data will be used separately or in combination to improve

the project during the performance period; and

(iii) Outlines how these data will be reviewed by project staff, when they will be reviewed, and how they will be used during the course of the project to adjust the model or its implementation to increase the model's usefulness, generalizability, and potential for sustainability; and

(2) A summative evaluation plan, including a timeline, to collect and analyze data on students and their outcomes over time, both for students with disabilities served by the project and for students with disabilities in a comparison group not receiving project services. The plan must show how the student outcome and implementation data collected by the project will be used separately or in combination to demonstrate the effectiveness of the model.

(j) Collect data necessary to evaluate the outcomes of the project, including the progress of the project in achieving its goals and outcomes, which, at a minimum, must include:

(1) The relevant available RSA-911 Case Service Report data for each student in the project;

(2) The number of students in the work-based learning project;

(3) The number of students in the project who complete at least one work-based learning experience;

(4) The number of work-based learning experiences that each student completes during the project;

(5) The types of work-based learning experiences in which students participated; and

(6) The number of students who attain a recognized post-secondary credential and the type of credentials attained;

(7) The number of students who obtain competitive integrated employment; and

(8) An unduplicated count of students who obtain a recognized postsecondary credential and competitive integrated employment.

To be considered for funding under Proposed Priority 1, an applicant also must provide the following with its application:

(a) A detailed review of the literature that supports the potential effectiveness of the proposed demonstration project, its components, and strategies for work-based learning experiences for students with disabilities;

(b) A logic model;

(c) A description of the applicant's plan for implementing the project, including a description of—

(1) A cohesive, articulated model of partnership and coordination among the participating agencies and organizations;

(2) The coordinated set of effective practices and strategies in the use and development of work-based learning models that are aligned with employment, training, and education programs and reflect the needs of employers and students with disabilities; and

(3) How the proposed project will—

(i) Involve employers in the project design and in partnering with project staff to develop integrated job shadowing, internships, apprenticeships, and other paid and unpaid work-based learning experiences that are designed to increase the preparation of students with disabilities for postsecondary education and competitive integrated employment;

(ii) Conduct outreach activities to identify students with disabilities for whom the work-based learning experiences would enable them to achieve competitive integrated employment; and

(iii) Identify innovative strategies, including development, implementation, and evaluation of approved models, methods, and measures, that will increase the preparation of students with disabilities for postsecondary education and competitive integrated employment;

(d) A description of the methods and criteria that will be used to select the site(s) at which the project activities will be implemented;

(e) Documentation (e.g., letter of support or draft agreement) that the State VR agency has specific agreements with its partners in the development and implementation of the project;

(f) A plan for evaluating the project's performance, including an evaluation of the effectiveness of the practices and strategies implemented by the project, in achieving project goals and objectives. Specifically, the evaluation plan must include a description of—

(1) A formative evaluation plan, consistent with the project's logic model, that includes the following:

(i) The key questions to be addressed by the project evaluation and the appropriateness of the methods for how each question will be addressed;

(ii) How the methods of evaluation will provide valid and reliable performance data on relevant outcomes (as defined in this notice), particularly postsecondary and competitive integrated employment outcomes, including the source(s) for the data and the timeline for data collection;

(iii) A clear and credible analysis plan, including a proposed sample size and minimum detectable effect size that aligns with the expected project impact,

and an analytic approach for addressing the research questions; and

(iv) How the key components of the project, as well as a measurable threshold for acceptable implementation and outcome data, will be reviewed and used to improve;

(2) A summative evaluation plan, including—

(i) How the outcomes and implementation data collected by the project will be used, separately or in combination, to demonstrate the effectiveness of the model; and

(ii) How the outcomes for students with disabilities served by the project will be compared with the outcomes of students with disabilities not receiving project services.

(g) A plan for systematic dissemination of project findings, templates, resources, and knowledge gained that will assist State and local VR and educational agencies in adapting or replicating the model work-based learning demonstration developed and implemented by the project, which could include elements such as development of a Web site, resources (e.g., toolkits), community of practice, and participation in national and State conferences;

(h) An assurance that the employment goal for all students served under this priority will be competitive integrated employment, including customized or supported employment (as defined in this notice); and

(i) An assurance that the project will collaborate with other work-based learning initiatives.

#### *Proposed Requirements for Priority 2:*

To meet Proposed Priority 2, applicants must meet the following requirements:

(a) Applicants must identify and include a detailed review of up to two cited studies that meet the evidence of promise standard.

(b) The links for the citations submitted for this priority must be provided on the Abstract and Information page of the application.

(c) Applicants must specify on the Abstract and Information page the findings in the studies that are cited as evidence of promise for the proposed project and ensure that the citations and links are from publicly or readily available sources. Studies of fewer than 10 pages may be attached in full under Other Attachments in Grants.gov.

#### *Proposed Requirements for Priority 3:*

To meet Proposed Priority 3, applicants must describe in their applications how they would meet the following program requirements:

(a) Conduct an independent evaluation (as defined in this notice) of

its project. This evaluation must estimate the impact of the project on a relevant outcome.

(b) Use methods of evaluation that will produce evidence about the project's effectiveness that meets the What Works Clearinghouse Evidence Standards with reservations.

(c) Make broadly available the results of any evaluations it conducts of its funded activities, digitally and free of charge, through formal (*e.g.*, peer-reviewed journals) or informal (*e.g.*, newsletters) mechanisms. The grantee must also ensure that the data from its evaluation are made available to third-party researchers consistent with applicable privacy requirements.

(d) Cooperate on an ongoing basis with any technical assistance provided by the Department or its contractor and comply with the requirements of any evaluation of the program conducted by the Department.

#### *Definitions:*

##### *Background:*

We propose one new definition for use in connection with the proposed priorities. The remaining definitions listed in this section are established defined terms in WIOA, the Rehabilitation Act, or 34 CFR part 77. We do not propose to alter those definitions, but list them here for the convenience of the reader.

##### *Proposed Definition:*

The Assistant Secretary proposes the following definition for this program. We may apply this definition in any year in which this program is in effect.

*Independent evaluation* means an evaluation that is designed and carried out independent of and external to the grantee but in coordination with any employees of the grantee who develop a process, product, strategy, or practice that is currently being implemented as part of the grant's activities.

##### *Existing Definitions:*

*Career pathway* means a combination of rigorous and high-quality education, training, and other services that—

(a) Aligns with the skill needs of industries in the economy of the State or regional economy involved;

(b) Prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the Act of August 16, 1937 (commonly known as the "National Apprenticeship Act"; 50 Stat. 664, chapter 663; 29 U.S.C. 50 *et seq.*);

(c) Includes counseling to support an individual in achieving the individual's education and career goals;

(d) Includes, as appropriate, education offered concurrently with and in the same context as workforce

preparation activities and training for a specific occupation or occupational cluster;

(e) Organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

(f) Enables an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential; and

(g) Helps an individual enter or advance within a specific occupation or occupational cluster.

Source: Section 3(7) of WIOA.

*Competitive integrated employment* means work that is performed on a full-time or part-time basis (including self-employment)—

(a) For which an individual—

(1) Is compensated at a rate that—

(i)(A) Is not less than the higher of the rate specified in section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) or the rate specified in the applicable State or local minimum wage law; and

(B) Is not less than the customary rate paid by the employer for the same or similar work performed by other employees who are not individuals with disabilities, and who are similarly situated in similar occupations by the same employer and who have similar training, experience, and skills; or

(ii) In the case of an individual who is self-employed, yields an income that is comparable to the income received by other individuals who are not individuals with disabilities, and who are self-employed in similar occupations or on similar tasks and who have similar training, experience, and skills; and

(2) Is eligible for the level of benefits provided to other employees;

(b) That is at a location where the employee interacts with other persons who are not individuals with disabilities (not including supervisory personnel or individuals who are providing services to such employee) to the same extent that individuals who are not individuals with disabilities and who are in comparable positions interact with other persons; and

(c) That, as appropriate, presents opportunities for advancement that are similar to those for other employees who are not individuals with disabilities and who have similar positions.

Source: Section 7(5) of the Rehabilitation Act.

*Customized employment* means competitive integrated employment, for

an individual with a significant disability, that is based on an individualized determination of the strengths, needs, and interests of the individual with a significant disability, is designed to meet the specific disabilities of the individual with a significant disability and the business needs of the employer, and is carried out through flexible strategies, such as—

(A) Job exploration by the individual;

(B) Working with an employer to facilitate placement including—

(i) Customizing a job description based on current employer needs or on previously unidentified and unmet employer needs;

(ii) Developing a set of job duties, a work schedule and job arrangement, and specifics of supervision (including performance evaluation and review), and determining a job location;

(iii) Representation by a professional chosen by the individual, or self-representation of the individual, in working with an employer to facilitate placement; and

(iv) Providing services and supports at the job location.

Source: Section 7(7) of the Rehabilitation Act.

*Evidence of promise* means there is empirical evidence to support the theoretical linkage(s) between at least one critical component and at least one relevant outcome presented in the logic model for the proposed process, product, strategy, or practice.

Specifically, evidence of promise means the conditions in both paragraphs (i) and (ii) of this definition are met:

(i) There is at least one study that is a—

(A) Correlational study with statistical controls for selection bias;

(B) Quasi-experimental design study that meets the What Works Clearinghouse Evidence Standards with reservations; or

(C) Randomized controlled trial that meets the What Works Clearinghouse Evidence Standards with or without reservations.

(ii) The study referenced in paragraph (i) of this definition found a statistically significant or substantively important (defined as a difference of 0.25 standard deviations or larger) favorable association between at least one critical component and one relevant outcome presented in the logic model for the proposed process, product, strategy, or practice.

Source: 34 CFR 77.1(c).

*Individual with a disability* means an individual who—

(a) Has a physical or mental impairment which for such individual constitutes or results in a substantial impediment to employment; and

(b) Can benefit in terms of an employment outcome from vocational rehabilitation services provided pursuant to Title I, III, or VI of the Rehabilitation Act.

Source: Section 7(20) of the Rehabilitation Act.

*Logic model* (also referred to as theory of action) means a well-specified conceptual framework that identifies key components of the proposed process, product, strategy, or practice (i.e., the active “ingredients” that are hypothesized to be critical to achieving the relevant outcomes) and describes the relationships among the key components and outcomes, theoretically and operationally.

Source: 34 CFR 77.1(c).

*Pre-employment transition services* means services provided in accordance with section 113 of the Rehabilitation Act.

Source: Sections 7(30) and 113 of the Rehabilitation Act.

*Quasi-experimental design study* means a study using a design that attempts to approximate an experimental design by identifying a comparison group that is similar to the treatment group in important respects. These studies, depending on design and implementation, can meet What Works Clearinghouse Evidence Standards with reservations (but not What Works Clearinghouse Evidence Standards without reservations).

Source: 34 CFR 77.1(c).

*Randomized controlled trial* means a study that employs random assignment of, for example, students, teachers, classrooms, schools, or districts to receive the intervention being evaluated (the treatment group) or not to receive the intervention (the control group). The estimated effectiveness of the intervention is the difference between the average outcomes for the treatment group and for the control group. These studies, depending on design and implementation, can meet What Works Clearinghouse Evidence Standards without reservations.

Source: 34 CFR 77.1(c).

*Relevant outcome* means the student outcome(s) (or the ultimate outcome if not related to students) the proposed process, product, strategy, or practice is designed to improve, consistent with the specific goals of a program.

Source: 34 CFR 77.1(c).

*Strong theory* means a rationale for the proposed process, product, strategy, or practice that includes a logic model.

Source: 34 CFR 77.1(c).

*Student with a disability* means an individual with a disability who—

(A)(1) Is not younger than the earliest age for the provision of transition

services under section 614(d)(1)(A)(i)(VIII) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(1)(A)(i)(VIII)); or

(2) If the State involved elects to use a lower minimum age for receipt of pre-employment transition services under the Rehabilitation Act, is not younger than that minimum age; and

(B)(1) Is not older than 21 years of age; or

(2) If the State law for the State provides for a higher maximum age for receipt of services under the Individuals with Disabilities Education Act (20 U.S.C. 1400 *et seq.*), is not older than that maximum age; and

(C)(1) Is eligible for, and receiving, special education or related services under Part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 *et seq.*); or

(2) Is a student who is an individual with a disability, for purposes of section 504 of the Rehabilitation Act.

Source: Section 7(37)(A) of the Rehabilitation Act.

*Supported employment* means competitive integrated employment, including customized employment, or employment in an integrated work setting in which individuals are working on a short-term basis toward competitive integrated employment, that is individualized and customized consistent with the strengths, abilities, interests, and informed choice of the individuals involved, for individuals with the most significant disabilities—

(A)(i) For whom competitive integrated employment has not historically occurred; or

(ii) For whom competitive integrated employment has been interrupted or intermittent as a result of a significant disability; and

(B) Who, because of the nature and severity of their disability, need intensive supported employment services and extended services after the transition described in section (7)(13)(C) of the Rehabilitation Act, in order to perform the work involved.

Source: Section 7(38) of the Rehabilitation Act.

*What Works Clearinghouse Evidence Standards* means the standards set forth in the What Works Clearinghouse Procedures and Standards Handbook (Version 3.0, March 2014), which can be found at the following link: <http://ies.ed.gov/ncee/wwc/DocumentSum.aspx?sid=19>.

Source: 34 CFR 77.1(c).

*Final Priorities, Requirements, and Definitions:*

We will announce the final priorities, requirements, and definitions in a notice in the **Federal Register**. We will

determine the final priorities, requirements, and definitions after considering responses to this notice and other information available to the Department. 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 one or more of these priorities, requirements, and definitions, 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 proposed 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 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 these proposed priorities, requirements, and definitions only on a reasoned determination that their benefits would justify their costs. In choosing among alternative regulatory approaches, we selected those approaches that would 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. The potential costs are those resulting from statutory requirements and those we have determined as necessary for administering the Department’s programs and activities.

The benefits of similar demonstration projects have been well established over the years through the successful completion and dissemination of the results of similar projects. For example, the projects first funded in FY 2007 to demonstrate collaborative practices that lead to postsecondary education and employment of youth with disabilities

have served as a rich source of practices for the VR field. These proposed priorities, requirements, and definitions would promote projects that would serve as models in developing and implementing work-based learning strategies for students with disabilities that could be replicated by other State VR agencies so that such agencies could improve postsecondary education and competitive integrated employment outcomes for students with disabilities.

#### *Paperwork Reduction Act of 1995*

As part of its continuing effort to reduce paperwork and respondent burden, the Department provides the general public and Federal agencies with an opportunity to comment on proposed and continuing collections of information in accordance with the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3506(c)(2)(A)). This helps ensure that: The public understands the Department’s collection instructions, respondents can provide the requested data in the desired format, reporting burden (time and financial resources) is minimized, collection instruments are clearly understood, and the Department can properly assess the impact of collection requirements on respondents.

These proposed priorities contain information collection requirements that are approved by OMB under the Disability Innovation Fund program—Transition Work-Based Learning Model Demonstrations 1820–0018; this proposed regulation does not affect the currently approved 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, audiotope, 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 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: April 8, 2016.

**Michael K. Yudin,**

*Assistant Secretary for Special Education and Rehabilitative Services.*

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## **ENVIRONMENTAL PROTECTION AGENCY**

### **40 CFR Part 52**

**[EPA–R10–OAR–2013–0005: FRL–9944–89–Region 10]**

### **Finding of Attainment and Approval of Attainment Plan for Klamath Falls, Oregon Fine Particulate Matter Nonattainment Area**

**AGENCY:** Environmental Protection Agency (EPA).

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to make a finding of attainment by the attainment date for the Klamath Falls, Oregon nonattainment area (the area) based upon quality-assured, quality-controlled, and certified ambient air monitoring data showing that the area has monitored attainment of the 2006 24-hour fine particulate matter (PM<sub>2.5</sub>) National Ambient Air Quality Standards (NAAQS) based on the 2012–2014 data available in the EPA’s Air Quality System (AQS) database. The proposed finding of attainment does not constitute a redesignation to attainment. Redesignations require states to meet a number of criteria including EPA approval of a state plan to maintain the air quality standard for 10 years after redesignation.

The EPA also proposes to approve revisions to Oregon’s State Implementation Plan (SIP) consisting of the Klamath Falls Fine Particulate Matter Attainment Plan (attainment plan) and approve and incorporate by reference associated revisions to the Oregon Administrative Rules (OAR),