

**SUMMARY:** The Defense Logistics Agency proposes to delete a system of records notice in its existing inventory of records systems subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended.

**DATES:** This proposed action will be effective without further notice on September 8, 2010, unless comments are received which result in a contrary determination.

**ADDRESSES:** You may submit comments, identified by docket number and title, by any of the following methods:

\* *Federal Rulemaking Portal:* <http://www.regulations.gov>. Follow the instructions for submitting comments.

\* *Mail:* Federal Docket Management System Office, Room 3C843 Pentagon, 1160 Defense Pentagon, Washington, DC 20301-1160.

*Instructions:* All submissions received must include the agency name and docket number for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the Internet at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

**FOR FURTHER INFORMATION CONTACT:** Jody Sinkler at (703) 767-5045.

**SUPPLEMENTARY INFORMATION:** The Defense Logistics Agency systems of records notices subject to the Privacy Act of 1974, (5 U.S.C. 552a), as amended, have been published in the **Federal Register** and are available from the Chief Privacy and FOIA Officer, Headquarters Defense Logistics Agency, ATTN: DGA, 8725 John J. Kingman Road, Suite 1644, Fort Belvoir, VA 22060-6221.

The Agency proposes to delete a system of records notice in its inventory of record systems subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended. The proposed deletion is not within the purview of subsection (r) of the Privacy Act of 1974, (5 U.S.C. 552a), as amended, which requires the submission of a new or altered system report.

Dated: August 4, 2010.

**Mitchell S. Bryman,**  
*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

**Deletion: S330.40 CAHS**

**SYSTEM NAME:**

Employee Assistance Program Records (August 27, 1999; 64 FR 46889).

**REASON:**

This collection is covered under the existing DHHS/FOH EAP Privacy notice 09-90-0010, entitled "Employee Assistance Program (EAP) Records, HHS/OS/ASAM/OHR."

[FR Doc. 2010-19543 Filed 8-6-10; 8:45 am]

**BILLING CODE 5001-06-P**

**DEPARTMENT OF EDUCATION**

**Office of Special Education and Rehabilitative Services—Special Demonstration Programs—Model Demonstration Project To Improve Outcomes for Individuals Receiving Social Security Disability Insurance (SSDI) Served by State Vocational Rehabilitation (VR) Agencies**

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

**ACTION:** Notice of final priority.

*Catalog of Federal Domestic Assistance (CFDA) Number:* 84.235L.

**SUMMARY:** The Assistant Secretary for Special Education and Rehabilitative Services establishes a priority under the Special Demonstration Programs to fund a project to identify, develop, and implement a model demonstration project to improve outcomes for individuals receiving Social Security Disability Insurance (SSDI) served by State vocational rehabilitation (VR) agencies. The Assistant Secretary may use this priority for competitions in fiscal year (FY) 2010 and later years. We take this action to improve employment outcomes for SSDI beneficiaries receiving services from State VR agencies.

**DATES:** *Effective Date:* This priority is effective September 8, 2010.

**FOR FURTHER INFORMATION CONTACT:** Thomas Finch, U.S. Department of Education, 400 Maryland Avenue, SW., room 5147, Potomac Center Plaza (PCP), Washington, DC 20202-2800. Telephone: (202) 245-7343 or by e-mail: [tom.finch@ed.gov](mailto:tom.finch@ed.gov).

If you use a telecommunications device for the deaf (TDD), call the Federal Relay Service (FRS), toll free, at 1-800-877-8339.

**SUPPLEMENTARY INFORMATION:**

*Purpose of Program:* The purpose of this program is to expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act of 1973, as amended (the Rehabilitation Act), or to support activities that increase the provision, extent, availability, scope, and quality of

rehabilitation services provided under the Rehabilitation Act.

**Program Authority:** 29 U.S.C. 773(b).

*Applicable Program Regulations:* 34 CFR part 373.

We published a notice of proposed priority for this program in the **Federal Register** on March 26, 2010 (75 FR 14582). That notice contained background information and our reasons for proposing the particular priority.

Except for minor editorial revisions, there are no differences between the proposed priority and this final priority.

*Public Comment:* In response to our invitation in the notice of proposed priority, four parties submitted comments on the proposed priority. An analysis of the comments and of any changes in the priority since publication of the proposed priority follows.

Generally, we do not address technical and other minor editorial changes and suggested changes the law does not authorize us to make under the applicable statutory authority.

**Analysis of Comments and Changes**

*Comment:* None.

*Discussion:* Upon further internal review of the text of the proposed priority, we identified a number of small editorial changes that we believe make the priority clearer.

*Changes:* In addition to making a number of small clarifying changes, we have revised the bulleted paragraphs of the priority to identify them as paragraphs (a), (b), and (c) so that we can more easily cross-reference the requirements contained in those paragraphs.

*Comment:* One commenter suggested that the priority should permit the grantee to identify effective VR practices by conducting in-depth case studies of State VR agencies, including State VR agencies with poor and satisfactory outcomes, through analysis of RSA-911 data.

*Discussion:* The purpose of this priority is to conduct an in-depth analysis of factors that contribute to high performance in State VR agencies. While there may be worthwhile information to be gained by examining agencies with poor and satisfactory outcomes, the Department seeks to use this priority to target high-performing States, if after preliminary analyses it is determined that there are a number of high-performing States to investigate. Applicants are free to propose the process that will be used to identify States that are high-performing. Nothing in this priority precludes an applicant from proposing a project that includes comparing high-performing States with

States that have a history of poor and satisfactory outcomes in this area.

*Changes:* None.

*Comment:* One commenter recommended that the grantee examine the characteristics of the SSDI cases to determine if State VR agencies are serving similar or different segments of the SSDI population.

*Discussion:* We recognize that there may be differences in the characteristics of SSDI beneficiaries served by State VR agencies and that the services provided to different segments of the SSDI population may vary. Nothing in this priority would prohibit an applicant from proposing and justifying an analysis that examined such differences.

*Changes:* None.

*Comment:* One commenter stated that the priority should require the grantee to examine the employment outcomes associated with individuals receiving both SSDI and Supplemental Security Income (SSI).

*Discussion:* This priority does not focus on individuals receiving both SSDI and SSI benefits at the time they are served by State VR agencies. While the background section of the notice of proposed priority included individuals receiving both SSI and SSDI as a focus of the proposed priority, this was an administrative error and was not reflected in the priority itself. We believe that the approach of focusing the priority on individuals receiving only SSDI at the time they are served by State VR agencies is appropriate because the differences between the SSI and SSDI programs (e.g., eligibility) and SSI and SSDI recipients (e.g., work history, amount of disability payment, work-related incentives/disincentives) would make it difficult to analyze, interpret, and generalize the results of an examination that focused on individuals receiving both SSI and SSDI.

*Changes:* None.

*Comment:* One commenter recommended that the Department require more preliminary research from the grantee. The commenter suggested that such research would help ensure that the grantee designs an effective demonstration project.

*Discussion:* We agree with the commenter that preliminary research is needed. We recognize that a demonstration project of considerable scope requires significant time and effort to identify effective practices and to translate these practices into a demonstration that is replicable. For this reason, paragraph (a) of this priority requires the project to begin with an analysis of extant data and in-depth case studies in order to identify key factors related to outcomes and to facilitate

design of a demonstration project based on research findings.

*Changes:* None.

*Comment:* Two commenters suggested that it will take 24 to 36 months to collect sufficient data to demonstrate effective practices and measure employment outcomes.

*Discussion:* We recognize that in order to meet the requirements of this priority the grantee will need an intervention period of at least 24 months (beginning from the time of enrollment of SSDI beneficiaries in the VR program to the time they achieve employment outcomes) to implement its demonstration project in the selected sites. In addition, time will be required to track records, analyze data, measure employment outcomes, and disseminate the findings of the demonstration project to State VR agencies. We agree that it will likely require 24 to 36 months for the grantee to conduct adequate follow-up for analyses of outcomes. However, we believe it is best to allow applicants to determine and justify in their applications the exact timeline they will need to implement the requirements of this priority.

*Changes:* None.

*Comment:* One commenter asked if proposed projects must focus on the development of effective practices to assist SSDI beneficiaries or if proposed projects can examine practices that increase employment outcomes for State VR clients, which can then be demonstrated to also work with SSDI beneficiaries.

*Discussion:* The focus of this priority is on factors that improve outcomes for SSDI beneficiaries. Therefore, while the Department recognizes that effective practices in State VR agencies may have general applicability and not be specific to any one target population (e.g., individuals receiving SSDI), the focus of this priority is on effective practices that improve outcomes for the specific population of SSDI beneficiaries, whether or not such practices benefit other populations.

*Changes:* None.

*Comment:* One commenter suggested that the Department use this priority to examine the employment outcomes associated with SSDI beneficiaries served by State VR agencies and compare them to the employment outcomes associated with all SSDI beneficiaries in the State.

*Discussion:* The purpose of this priority is to examine factors that increase employment outcomes and to develop effective practices to assist State VR agencies to increase employment outcomes for SSDI beneficiaries. The focus of the priority is

on SSDI beneficiaries who receive services from State VR agencies. Nothing in this priority would preclude an applicant from proposing an analysis of characteristics of SSDI beneficiaries served by State VR agencies in comparison with the characteristics of all SSDI beneficiaries in a State during the case study phase of the project. However, we do not have a sufficient basis for requiring that all applicants conduct such an analysis.

*Changes:* None.

*Comment:* One commenter expressed concern about the requirement in the priority that the intervention be based on factors within the control of the State VR agency. If no such factors are identified through the case studies, this commenter asked whether the grantee may develop and implement "novel" approaches to developing evidence-based return-to-work strategies and interventions for SSDI beneficiaries.

*Discussion:* The Department anticipates funding this priority as a cooperative agreement and will work closely with the grantee at every stage of the project. We will work with the grantee to determine next steps in the event that the case study analysis of SSDI beneficiary outcomes does not provide evidence of a sufficient number of factors related to better employment outcomes that are within the control of the State VR agency or in the event that the Department determines that it is not feasible to implement, demonstrate, and evaluate the intervention model proposed by the grantee. Next steps may include working with the grantee on how it would otherwise accomplish the goals of the project or ending the project following the Department's review.

*Changes:* Paragraph (b) of the priority has been revised to make it clear that the grantee will consult with the Rehabilitation Services Administration to determine next steps in the event that the case study analysis of SSDI beneficiary outcomes does not provide evidence of a sufficient number of factors related to better employment outcomes that are within the control of the State VR agency or in the event that the Department determines that it is not feasible to implement, demonstrate, and evaluate the intervention model proposed by the grantee.

*Comment:* One commenter suggested that the Department sponsor a related project that emphasizes the involvement of State VR agencies in early intervention and job retention.

*Discussion:* The Department recognizes the importance of providing VR services that focus on early intervention and of providing those services to currently or recently

employed individuals to help them retain their jobs. However, early intervention is not the focus of this priority, and the Department cannot comment on the content of future priorities.

*Changes:* None.

*Comment:* Two commenters recommended that the priority be revised to require the grantee to conduct rigorous and analytical research on effective practices, such as evidence-based interventions for supported employment, benefits counseling, and behavioral/attitudinal changes.

*Discussion:* The Department agrees that additional research on effective practices is important. For this reason, we are funding research on effective VR practices through the National Institute on Disability and Rehabilitation Research (NIDRR). NIDRR published a notice of final priority on this topic on July 8, 2010 (75 FR 39220) and anticipates making an award for this project prior to September 30, 2010. Applicants for that priority can suggest additional effective practices for study.

*Changes:* None.

*Comment:* One commenter suggested that the priority require site selection to be methodical and include an analysis of organizational capacity and existing services that impact employment outcomes for SSDI beneficiaries.

*Discussion:* As indicated in paragraph (c) of the priority, sites must be selected based on an analysis of existing and available data that indicate relatively better qualitative and quantitative outcomes for SSDI beneficiaries, compared to the results achieved by other State VR agencies. Applicants are free to propose additional criteria for selecting sites.

*Changes:* None.

*Comment:* One commenter recommended that the priority require the use of analytical techniques, including random assignment, to study the development and implementation of evidence-based practices.

*Discussion:* We have designed this priority to build on information available in extant data systems and are requiring the grantee to (a) conduct in-depth case studies to determine factors that both impede and support strategies that result in better employment outcomes for SSDI beneficiaries and (b) design, implement, and evaluate a demonstration project based on the results of those case studies. The next step for a demonstration project funded under this priority may be taking the grantee's intervention to scale and could involve random assignment and other research designs that would further demonstrate the efficacy of the

interventions. The Department will closely monitor the grantee's demonstration to determine if it would be worthwhile to fund projects in the future that focus on scaling up effective practices.

*Changes:* None.

*Comment:* One commenter recommended that the Department examine State unemployment insurance (UI) wage records in order to track employment earnings for this priority.

*Discussion:* The Department recognizes the usefulness of these data for the purpose of evaluation. State VR agency access to UI wage records data varies from State to State. While applicants are free to propose the use of these data for case study analyses, we have no basis for requiring that all applicants adopt this approach. That said, the Department and the Social Security Administration (SSA) have had a data sharing Memorandum of Agreement (MOA) in place since 2003. Data files merged pursuant to this MOA include earnings records for SSDI beneficiaries, and we will continue to examine these data in order to assess the impact of State VR policies, practices, and services on beneficiaries.

*Changes:* None.

#### Final Priority

*Model Demonstration Project to Improve Outcomes for Individuals Receiving Social Security Disability Insurance (SSDI) served by State Vocational Rehabilitation (VR) Agencies.*

The Assistant Secretary for Special Education and Rehabilitative Services establishes a priority under the Special Demonstration Programs to fund a project to identify, develop, and implement a model demonstration project to improve outcomes for individuals receiving Social Security Disability Insurance (SSDI) who are served by State vocational rehabilitation (VR) agencies. Under this priority, the project must be designed to—

(a) Identify, through in-depth case studies of selected State VR agencies, the factors that account for these agencies achieving employment outcomes that are at or above substantial gainful activity (SGA) for the SSDI beneficiaries they serve;

(b) After consultation with the Rehabilitation Services Administration (RSA), determine whether, of the identified factors, there are a sufficient number of factors related to the better employment outcome results that are within the control of the State VR agency, and if so, develop an intervention model incorporating those factors that can be replicated in other

State VR agencies and that can be evaluated in terms of the model's impact after implementation;

(c) Implement and evaluate an intervention model based on replicable factors identified in case studies in at least three State VR agencies, selected by RSA based on information provided by the grantee, that are willing to implement the model. One criterion for selecting these State VR agencies to participate in the model demonstration project is that the SSDI beneficiaries whom these agencies serve have an employment outcome rate at or below the rate for other State VR agencies; and

(d) If the intervention model implemented under paragraph (c) of this priority shows an improved employment rate for SSDI beneficiaries, revise the intervention model based on information learned from the model demonstration project, recommend any strategies needed for implementation of the model by other State VR agencies, and disseminate the findings of this demonstration project to State VR agencies.

*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)).

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 Order 12866:* This notice has been reviewed in accordance with

Executive Order 12866. Under the terms of the order, we have assessed the potential costs and benefits of this regulatory action.

The potential costs associated with this final regulatory action are those resulting from statutory requirements and those we have determined as necessary for administering this program effectively and efficiently.

In assessing the potential costs and benefits—both quantitative and qualitative—of this final regulatory action, we have determined that the benefits of the final priority justify the costs.

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

We summarized the costs and benefits of this regulatory action in the notice of proposed priority.

*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 computer diskette) by contacting the Grants and Contracts Services Team, U.S. Department of Education, 400 Maryland Avenue, SW., room 5075, PCP, Washington, DC 20202–2550. Telephone: (202) 245–7363. If you use a TDD, call the FRS, toll-free, at 1–800–877–8339.

*Electronic Access to This Document:* You can view this document, as well as all other documents of this Department published in the **Federal Register**, in the text or Adobe Portable Document Format (PDF) on the Internet at the following site: <http://www.ed.gov/news/fedregister>. To use PDF you must have the Adobe Acrobat Reader, which is available free at this site.

**Note:** 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 on GPO Access at: <http://www.gpoaccess.gov/nara/index.html>.

Dated: August 4, 2010.

**Alexa Posny,**

*Assistant Secretary for Special Education and Rehabilitative Services.*

[FR Doc. 2010–19609 Filed 8–6–10; 8:45 am]

**BILLING CODE 4000–01–P**

## DEPARTMENT OF EDUCATION

### Office of Special Education and Rehabilitative Services; Overview Information; Special Demonstration Programs—Model Demonstration Projects To Improve Outcomes for Individuals Receiving Social Security Disability Insurance (SSDI) Served by State Vocational Rehabilitation (VR) Agencies; Notice Inviting Applications for New Awards for Fiscal Year (FY) 2010

*Catalog of Federal Domestic Assistance (CFDA) Number: 84.235L.*

**DATES:** Applications Available: August 9, 2010.

*Deadline for Transmittal of Applications:* September 8, 2010.

*Deadline for Intergovernmental Review:* October 8, 2010.

#### Full Text of Announcement

##### I. Funding Opportunity Description

*Purpose of Program:* The purpose of this program is to expand and improve the provision of rehabilitation and other services authorized under the Rehabilitation Act of 1973, as amended (the Rehabilitation Act), or to support activities that increase the provision, extent, availability, scope, and quality of rehabilitation services provided under the Rehabilitation Act.

*Priority:* This priority is from the notice of final priority for this program, published elsewhere in this issue of the **Federal Register**.

*Absolute Priority:* For FY 2010 this priority is an absolute priority. Under 34 CFR 75.105(c)(3) we consider only applications that meet this priority.

This priority is:

*Model Demonstration Projects To Improve Outcomes for Individuals Receiving Social Security Disability Insurance (SSDI) Served by State Vocational Rehabilitation (VR) Agencies.*

**Program Authority:** 29 U.S.C. 773(b).

*Applicable Regulations:* (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 79, 80, 81, 82, 84, 85, 86, 97, and 99. (b) The regulations for this program in 34 CFR parts 373. (c) The notice of final priority, published elsewhere in this issue of the **Federal Register**.

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

## II. Award Information

*Type of Award:* Discretionary grant.

*Estimated Available Funds:*

\$16,871,400.

*Maximum Award:* We will reject any application that proposes a budget exceeding the funding available for any single budget period of 12 months. The proposed funding levels for this demonstration project are:

Fiscal year	Maximum funds available
2010 .....	\$1,530,700
2011 .....	1,530,700
2012 .....	4,892,500
2013 .....	4,892,500
2014 .....	4,025,000

*Estimated Number of Awards:* 1.

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

*Project Period:* Up to 60 months.

## III. Eligibility Information

1. *Eligible Applicants:* States and public or nonprofit agencies and organizations, including institutions of higher education.

2. *Cost Sharing or Matching:* This program does not require cost sharing or matching.

## IV. Application and Submission Information

1. *Address to Request Application Package:* You can obtain an application package via the Internet or from the Education Publications Center (ED Pubs). To obtain a copy via the Internet, use the following address: <http://www.ed.gov/fund/grant/apply/grantapps/index.html>. To obtain a copy from ED Pubs, write, fax, or call the following: ED Pubs, U.S. Department of Education, P.O. Box 22207, Alexandria, VA 22304. Telephone, toll free: 1–877–433–7827. FAX: (703) 605–6794. If you use a telecommunications device for the deaf (TDD), call, toll free: 1–877–576–7734.

You can contact ED Pubs at its Web site, also: <http://www.EDPubs.gov> or at its e-mail address: [edpubs@inet.ed.gov](mailto:edpubs@inet.ed.gov).

If you request an application package from ED Pubs, be sure to identify this program or competition as follows: CFDA number 84.235L.

Individuals with disabilities can obtain a copy of the application package in an accessible format (e.g., braille, large print, audiotope, or computer diskette) by contacting the person or team listed under *Accessible Format* in section VIII of this notice.