DEPARTMENT OF EDUCATION

Notice Inviting Postsecondary Educational Institutions To Participate in Experiments Under the Experimental Sites Initiative; Federal Student Financial Assistance Programs Under Title IV of the Higher Education Act of 1965, as Amended

AGENCY: Federal Student Aid, Department of Education.

ACTION: Notice.

SUMMARY: The Secretary invites institutions of higher education (institutions) that participate in the Federal Work-Study (FWS) Program authorized under title IV of the Higher Education Act of 1965, as amended (HEA), to apply to participate in a new institutional experiment under the Experimental Sites Initiative (ESI).

DATES: Letters of interest to participate in the experiment described in this notice must be received by the Department no later than July 8, 2019 to ensure that the Department considers the institution for participation in the experiment. Institutions that submit letters that are received after July 8, 2019 may, at the discretion of the Secretary, be considered as additional future participants on a rolling periodic basis.

ADDRESSES: Letters of interest must be submitted by electronic mail to the following email address: experimentalsites@ed.gov. For format and other required information, see “Instructions for Submitting Letters of Interest” under SUPPLEMENTARY INFORMATION.


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: Instructions for Submitting Letters of Interest: Letters of interest must be submitted as an attachment in a Portable Document Format (PDF) to an email message sent to the email address provided in the ADDRESSES section of this notice. The subject line of the email should read “ESI 2019—Federal Work-Study Experiment.” The text of the email should include the name and address of the institution. The letter of interest must be on institutional letterhead and be signed by the institution’s president or chancellor. The letter must include the institution’s official name, its Office of Postsecondary Education Identification (OPEID) number, and the name of a contact person at the institution, along with a mailing address, email address, and telephone number of a contact person at the institution. The letter should also include the information described in the “Application and Selection” section in this notice. The letter must explain which offices or departments from the institution will participate in this experiment, and what role each will play. Upon receipt of a letter of interest, the Department will notify the institution by email that its letter of interest was received. This notification should be kept in the institution’s records.

Background: Under the ESI, the Secretary has authority to grant waivers of certain title IV, HEA statutory or regulatory requirements to allow a limited number of institutions to participate in experiments to test alternative methods of administering the title IV, HEA programs. The alternative methods of title IV, HEA administration that the Secretary is permitting under this ESI experiment are designed to test how the following changes will increase partnerships between institutions and industry, improve student retention and completion, reduce student debt levels, and yield strong post-graduation employment outcomes: (1) Removing limits on the portion of an institution’s FWS funds that may support students employed by private-sector companies; (2) increasing the number of hours per week an FWS student who is enrolled in a work-based learning program may work; (3) reducing the share of wages that must be covered by private-sector employers; and (4) allowing institutions to pay low-income students for work experiences required by their program, such as student teaching and clinical rotations. The Department is also interested in determining whether using FWS funds to supplement wages for private-sector employment will stimulate the creation or strengthening of employer-institution partnerships that engage employers in curriculum development and program evaluation, expand the number and kinds of off-campus job opportunities made available to students, and increase the number of formal work-based learning opportunities (such as apprenticeships) available to students. The Department also seeks to understand how FWS opportunities created under the experiment align with the academic programs or career goals of the student participants, including among students in liberal arts or humanities programs that may use an FWS to explore potential career options.

Apprenticeships, internships, and other work-and-learn opportunities can be beneficial to students, employers, and institutions. We wish to understand if, and to what extent, students who participate in program-related, paid, work experience enjoy improved graduation outcomes, accumulate less debt, and enjoy better post-graduation employment opportunities. In addition, students who earn wages while enrolled in a work-based learning program may be more likely to retain Pell eligibility if a portion of their wages are FWS wages since those earnings are not considered in the determination of a student’s financial need.

Work-based learning programs benefit employers by helping them develop a pipeline of qualified workers and by engaging them in curriculum development or review to ensure that students graduate with strong workplace competencies. Employers also benefit when FWS wages offset a portion of the cost of work-based learning opportunities, thus reducing barriers to entry for employers that wish to start apprenticeship programs.

Institutions benefit from improved partnerships with business leaders, who can help inform academic programs and curricula to ensure that students are graduating with workplace competencies in addition to the subject matter expertise gained through their studies. These partnerships may also reduce the need for institutions to purchase expensive equipment or build specialized facilities, since private-sector companies may already have the equipment and facilities needed to instruct students.

The Department expects employers and institutions participating in this experiment to work together to coordinate schedules and minimize conflict between academic and employment activities. In addition, to the maximum extent possible, FWS-supported private-sector employment should be academically relevant, as required by section 443(c)(4) of the HEA and support the students’ career goals. Employers must avoid the displacement of employed workers or the impairment of existing contracts for services and may not use funds made available under this experiment to pay any employee who would otherwise be employed by the organization. However, this does not prevent an employer who is engaged in an apprenticeship from paying the student for hours worked in addition to the FWS-supported work if the
apprenticeship requires more on-the-job training than FWS wages can support or the employer wishes to pay wages to apprentices for the time they spend engaged in classroom learning. The Department also encourages sponsors of work-based learning programs to rely on, and provide financial support for, credit-bearing classroom instruction provided by colleges and universities for the classroom portion of those programs.

FWS is one of the oldest Federal Student Aid programs. Currently, it provides students with part-time employment to help pay higher education expenses, but institutions must navigate complicated requirements that limit the percentage of funds that can be used to support private sector employment. Current regulations also require private-sector employers to pay a higher proportion of wages as compared to on-campus employment or off-campus employment at non-profit organizations. Meanwhile, it is possible that smaller employers and start-up companies have fewer resources than well-established and well-supported non-profit organizations to provide paid learning opportunities for students.

While FWS could be an important means by which colleges and universities provide students with relevant program-related work experiences that could improve their subject matter expertise, enhance their classroom learning, and improve their job prospects after graduating, there is little indication the program is being used sufficiently in such a manner. Studies have shown that FWS jobs are often unrelated to a student’s career goals or majors. In addition, although campuses are permitted to use up to 10 percent of their FWS funds or $75,000 to support job development opportunities, few institutions use the available resources to pursue such opportunities for students.

As shown in Table 1, colleges and universities rarely provide students with employment opportunities that are located off-campus, despite the fact that few college graduates are destined to seek employment at an institution of higher education; instead most will work for private, for-profit firms. During award year 2016–2017, over 3,000 colleges and universities provided over 600,000 students with FWS opportunities. In that year, 92 percent of FWS dollars supported students in on-campus employment, while less than one-tenth of one percent supported off-campus employment with private-sector employers.

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<thead>
<tr>
<th>TABLE 1—DISTRIBUTION OF FWS EARNINGS BY EMPLOYER TYPE</th>
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<tr>
<td>On-campus</td>
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<td>$995,961,457 (91.76%)</td>
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Nearly all students believe that by earning a college credential, they will improve their employment opportunities and earnings. While surveys show that students and faculty believe that college graduates are well prepared to enter the workforce, employers see things differently. Many employers do not believe that college is preparing graduates to succeed in the workforce, and some are looking more carefully at an individual’s work experience when making hiring decisions since degrees alone may no longer adequately signal an individual’s intellectual capacity, resilience, and grit. Therefore, it is important to expand the number and kinds of opportunities available to students so that they can gain experience in private-sector employment prior to graduation.

Internships, apprenticeships, and other work-and-learn opportunities provide high-quality educational opportunities that can serve as a primary or ancillary learning opportunity where theory and application are coordinated to lead to higher level competencies. However, there are insufficient numbers of relevant program-related work opportunities. In that year, 92 percent of FWS dollars supported students in on-campus employment, while less than one-tenth of one percent supported off-campus employment with private-sector employers.

and coordinated fashion. We are encouraged by the growing number of apprenticeship programs that rely on colleges and universities to provide classroom instruction that supports learning in the workplace. However, much more needs to be done to expand the number and kinds of apprenticeship programs available. Institutions that participated in the Department of Labor’s American Apprenticeship Initiative grant program frequently reported at project meetings and accelerator sessions that despite strong letters of support from employers when developing their proposals, it was challenging to get employers to commit when it came time to develop structured workplace curricula or implement a full apprenticeship program. At those same meetings, employers often complained about the high cost of paying tuition and fees for apprentices to complete their classroom learning on a college campus. On the other hand, employers who participated on the President’s Task Force on Apprenticeship Expansion explained that they find it difficult to identify institutions that are willing to provide classes at times and on a


schedule that does not interfere with workplace learning, or at a cost that is reasonable for an employer to cover.6 We wish to test in this experiment whether the opportunity to access FWS funds to pay or subsidize wages, and to allow students to be employed for more than 10 hours per week, provides the needed incentive to attract more businesses to participate in apprenticeships, and to do so in partnership with colleges and universities.

The President’s Task Force on Apprenticeship Expansion pointed out during their deliberations and in their final report that employers may be reticent to engage in apprenticeship due to the cost of wages and classroom instruction, coupled with loss of productivity among the most qualified workers who divert time and energy from their primary job function in order to serve as mentors and instructors, and the possibility that another employer will “poach” well-prepared workers after the apprenticeship is over.7 The Task Force called upon the Federal government to examine current workforce development programs to identify funding opportunities that would better support apprenticeship expansion. In its efforts to be responsive to the recommendations of the Task Force, the Department has identified FWS as an ideal candidate to provide such support.

There are additional ancillary benefits to consider. For example, since FWS funds are not included in the Federal need analysis calculation, a student engaged in paid work-based learning will be less likely to lose Pell eligibility if the wages are paid through the FWS program. In addition, since FWS funds are available only to students in credit-bearing programs, we believe that employers will be incentivized to require institutions to offer courses that yield college credit rather than relying on non-credit offerings at the institution to support employer-supported higher education. The Department also hopes that by off-setting a portion of wages, employers will be more likely to pay some or all of the costs of associated classroom learning, including if it takes place at an institution.

By leveraging FWS funds to support the creation or expansion of education-related jobs, paid internships, apprenticeships, student teaching, externships, and work-and-learn opportunities the Department seeks to ascertain whether this initiative should be considered for broader application. Broader application of the initiative could be justified if one or more of the following can be demonstrated: (1) The number and kinds of private-sector job and work-based learning opportunities, including apprenticeships, made available to FWS students increase; (2) student completion rates increase or time to degree completion decreases among FWS students who work in private-sector jobs or among students who receive FWS wages while completing required externships, clinical rotations, or student teaching; or (3) fewer Pell eligible students whose wages for work-based learning programs are paid for, or subsidized, with FWS funds lose their Pell eligibility.

The Experiment
Description
Institutions are permitted to utilize FWS funds to pay wages to students employed in on-campus, off-campus, and private sector jobs; however, over 90 percent of FWS wages are paid to students employed in on-campus jobs. This may be because of the added cost and complexity to institutions of cultivating private-sector FWS employment opportunities or complying with program regulations when private sector employment is involved, challenges in coordinating work and school schedules when off-campus employers are involved, the limitations on the number of hours an FWS student is permitted to work, and the higher percentage of wages that private-sector employers must pay as compared to non-profit or campus employers.

In addition, while students engaged in required externships, clinical rotations, or student teaching are clearly engaged in work-based learning, historically, institutions have not been permitted to pay FWS wages to students involved in these activities. This can be detrimental to low-income students who may have to resort to student loans in order to pay tuition and support themselves during periods of full-time non-paid work. This experiment aims to determine whether, by reducing the difficulty to institutions of paying FWS wages to students employed by private-sector companies, increasing the number of hours an FWS student is permitted to work, and removing restrictions on allocations to on-campus, off-campus, and community service jobs, institutions can cultivate additional private-sector opportunities for FWS students.

In addition, the experiment aims to determine whether off-campus, private-sector FWS jobs improve student completion rates, reduce student borrowing, reduce time to degree completion, or lead to improved employment outcomes.

The experiment is also designed to assess whether paying FWS wages to students engaged in required externships, clinical rotations, student teaching, or similar work-based learning opportunities increases completion rates, reduces borrowing, and improves employment outcomes among FWS-eligible students.

The experiment also seeks to explore whether increased levels of Job Location and Development (JLD) funds enable institutions to develop more partnerships with employers that result in private-sector FWS opportunities, including apprenticeships. An institution is allowed to use part of the Federal funds it receives under the FWS Program to establish, administer, or expand a JLD Program. The JLD Program locates and develops off-campus job opportunities for students who are currently enrolled and who want jobs regardless of financial need. This means that jobs may be located and developed under the JLD Program for FWS and non-FWS eligible students. JLD jobs may be part-time or full-time, for either a for-profit or nonprofit employer. In addition, an institution is permitted to use JLD funds to identify apprenticeship opportunities and help employers develop them, including the classroom and work-based learning components. An institution may use up to 10 percent of its annual FWS allocation, but no more than $75,000, to support its JLD Program. FWS funds can be used to pay up to 80 percent of the allowable costs to operate a JLD Program, such as staff salaries, supplies, and travel. The remaining costs (20 percent) are paid by an institution either in cash or in services. Institutions may enter into written agreements with other institutions or apprenticeship intermediaries to establish, fund, and operate a JLD Program for students enrolled at those institutions. Under such agreements, institutions may combine available JLD funds and resources.

Despite the availability of the JLD Program to assist institutions in developing off-campus employment opportunities for students, relatively few institutions take advantage of it. During Award Year 2016–2017, 338 institutions reported using about $11 million, or less than 1 percent, of their FWS allocations for JLD programs. Institutions participating in this experiment will be encouraged to collaborate with local governments,

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companies, trade and industry groups, non-profit organizations, unions, joint labor-management organizations, apprenticeship intermediaries, and others to develop relevant career-focused experiences for students. A particular emphasis will be placed on developing apprenticeships.

Participating institutions may be required to submit information to the Department or its contractor for an evaluation of the experiment (see Reporting and Evaluation section below).

Waivers

Institutions selected for this experiment will be granted flexibility in implementing the FWS and JLD programs. The following statutory and regulatory provisions would be waived:

- 34 CFR 675, to the extent it restricts students in FWS programs to part-time employment. We propose waiving these restrictions to enable full-time employment opportunities related to the student’s academic program (e.g., relevant apprenticeships, clinical rotations, or student teaching).
- 34 CFR 675.23, which limits the amount of an institution’s FWS allocation and re-allocation for an award year to pay the compensation of FWS students employed by a private for-profit organization to 25 percent. We propose waiving this restriction entirely for institutions selected to participate in the experiment.
- 34 CFR 675.26(a)(3), which limits the Federal share of the compensation to a student employed by a private for-profit organization to 50 percent. We propose increasing the Federal share amount to 75 percent for a small business, as defined in 13 CFR 121, which is the amount permitted for most non-profit or community service employment.
- HEA section 442(a)(4)(A) and (B), which permits the Secretary to allocate to eligible institutions up to 10 percent of the amount appropriated for FWS in excess of $700 million in any fiscal year. To encourage institutions to participate in the experiment in sufficient numbers to derive meaningful conclusions, we propose to use this authority to provide additional FWS funding to institutions participating in the experiment. This includes waiving the condition that they meet the statutory requirements for graduation or transfer of Pell Grant recipients since we believe that work-and-learn programs and apprenticeship programs can significantly improve graduation rates among low-income students.
- 34 CFR 675.32, which caps the amount of an institution’s FWS allocation to support a JLD Program at the lesser of $75,000 or 10 percent. We propose allowing an increase in the amount, in order to enable institutions to hire a coordinator or for other functions to further encourage institutions and employers to expand paid internships, apprenticeships, and other work- and-learn opportunities. The institution’s specific request for additional flexibility under this section must be detailed in its application and approved by the Department.
- 34 CFR 675.18(g), which requires an institution to use at least seven percent of the sum of its initial and supplemental FWS allocations for an award year to compensate students employed in community service activities, including at least one reading tutoring project that employs one or more FWS students as reading tutors for children who are preschool age or are in elementary school or a family literacy project that employs one or more FWS students in family literacy activities. We propose waiving this requirement to provide maximum flexibility to institutions.

All other provisions and regulations of the title IV, HEA student assistance programs will remain in effect.

Reporting and Evaluation

The Department is interested in rigorously assessing the effectiveness of using FWS funds to expand private-sector job opportunities, including apprenticeships, and to support students engaged in program-required externships or student teaching. To meet this objective, the Department may randomly select from among all interested institutions a group of institutions that will be allowed to participate in the experiment. This random selection would take into account institutional characteristics such as total enrollment or the number of students participating in FWS, as well as the institutional priorities stated elsewhere. The institutions not selected may be invited to join the experiment in a subsequent academic year. This approach would allow the Department to assess the effects of the experiment by comparing the experiences and outcomes of students in participating versus non-participating institutions or in early- versus later-participating institutions.

Alternatively, the Department may require participating institutions to randomly assign certain parts of the waivers to eligible students; for example, to fund half (instead of all) of the eligible students engaged in program-required externships or student teaching or to give the higher Federal wage share for private-sector jobs to half (instead of all) of the eligible students who might seek one. This approach would enable the Department to rigorously assess the effects of those particular waivers on students’ experiences and outcomes, even while the potential benefits of the experiment’s other waivers would be available institution-wide.

Participating institutions will be required to collect, maintain, and report information about students involved in the experiment and to participate in the Department’s evaluation. Information needed for the evaluation may include: (1) The identity of students eligible for FWS and those who choose to take advantage of the opportunities provided through the experiment, and (2) the characteristics associated with each student’s FWS job or program-required work-based learning, including the number of hours worked (including hours not supported by FWS wages), the wages paid (including for non-FWS paid work with the same employer), and the identity of the employer. This information would likely come from databases institutions maintain to administer FWS and complete the Fiscal Operations Report and Application to Participate (FISAP) form annually. The Department may also require participating institutions to use a common form, provided by the Department at a later time, to collect qualitative information from students annually about their FWS-supported work opportunities.

Participating institutions will be required to respond to annual surveys or interviews that collect information about job development activities relevant to FWS students, including institutions with JLD funds, and any unforeseen challenges or opportunities identified in conjunction with administering the experiment. The Department’s evaluation will also include information reported by institutions through the Department’s regular data collection systems regarding the enrollment, completion, and withdrawal of students who receive title IV funds while enrolled at the institution during the student’s participation in the experiment. In addition, the Department may obtain data on students’ employment and earnings from other Federal agencies, such as the Internal Revenue Service, to better understand the effects of the experiment on students both before and after graduation.

The Department will finalize the specific evaluation and reporting requirements prior to the start of the
experiment in consultation with the Department’s Institute of Education Sciences.

Application and Selection

Institutions are invited to apply to participate in the experiment described in this notice. From the institutions that submit letters of interest, the Secretary will select a limited number of institutions to participate in this experiment. When selecting institutions for participation in this experiment, the Secretary will consider—

1. Evidence that demonstrates a strong record in the administration of the title IV, HEA programs;
2. Evidence that demonstrates strong standards of financial responsibility, including that the institution’s independent auditor does not express doubt as to the institution’s ability to operate as a going concern or indicate an adverse opinion or a finding of material weakness related to financial stability;
3. The percentage of students enrolled at the institution who are Pell eligible or FWS eligible, such that institutions serving the largest percentage of these students will be given priority to participate in this experiment; and
4. The types of private-sector job opportunities, work-and-learn programs, or required externships or student teaching experiences that will be targeted by the institution as a result of the experiment and how the paid training experiences being targeted will be incorporated into the academic programs of study and the extent to which the experience is well structured and academically relevant to the student’s program of study. The institution’s commitment to target opportunities for students in high-need employment areas (based on State or local determinations or indications by the Department of Labor that an occupation is a “bright outlook” occupation)

In the event that the Department must limit the number of institutions invited to participate, priority will be based on whether the institution proposes to identify or expand work-and-learn opportunities in communities certified by the Internal Revenue Service as Opportunity Zones authorized under the Tax Cuts and Jobs Act of 2017 and the proportion of enrolled students that are Pell Grant recipients, the level of demonstrated employer interest, and whether the institution proposes work-and-learn opportunities in academic programs that have higher than average non-completion rates.

The Secretary’s selection of institutions will be guided by the purpose of the experiment, which is to evaluate whether FWS funds can be used effectively to: Provide more private-sector FWS opportunities to students; develop work-and-learn programs such as apprenticeships, to improve completion rates and reduce borrowing among students enrolled in required externships or student teaching activities; and improve completion rates and post-graduation employment outcomes for students involved in the experiment. If a selected institution consists of more than one location (e.g., the institution has additional locations or branch campuses), the institution or the Secretary may limit the experiment to a single location.

The Department will finalize the application and selection requirements prior to the start of the experiment. The Secretary will consult with those institutions that have been invited to participate in the experiment on the final design of the experiment through webinars or other outreach activities.

Institutions selected for participation in an experiment will have their Program Participation Agreement (PPA) with the Secretary amended to reflect the specific statutory or regulatory provisions that the Secretary has waived for participants in the experiment. The institution must acknowledge its commitment to adequately establish the agreement between the Secretary and the institution about how the experiment will be conducted and will specify the evaluation and reporting requirements for the experiment.

Administration of the experiment is the responsibility of an institution’s senior leaders since it is likely that multiple departments within an institution will need to collaborate to develop high-quality opportunities for students. The institution’s president or chancellor will be required to acknowledge the institution’s commitment to properly administer the experiment and to involve all departments, faculty, and staff required to support successful implementation. Accessible Format: Individuals with disabilities can obtain this document in an accessible format (e.g., Braille, large print, audiotape, or compact disc) on request to the 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. You may access the official edition of the Federal Register at www.govinfo.gov. 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 PDF. To use PDF you must have Adobe Acrobat Reader, which is available free at the site.

You may also access documents of the Department published in the Federal Register by using the article search feature at www.federalregister.gov. Specifically, through the advanced search feature at this site, you can limit your search to documents published by the Department.

DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

[Project No. 2114–301]

Public Utility District No. 2 of Grant County: Notice of Application Accepted for Filing and Soliciting Comments, Motions To Intervene, and Protests

Take notice that the following hydroelectric application has been filed with the Commission and is available for public inspection:

- Application Type: Shoreline Management Plan Update.
- Project No: 2114–301.
- Date Filed: April 18, 2019.
- Applicant: Public Utility District No. 2 of Grant County (Grant PUD).
- Name of Project: Priest Rapids Hydroelectric Project.
- Location: The project is located on the mid-Columbia River, in portions of Grant, Yakima, Kittitas, Douglas, Benton, and Chelan Counties, Washington.
- Applicant Contact: Shannon Lowry, Lands and Recreation Resources Manager, Grant PUD, PO Box 878, Ephrata, WA 98823; (509) 754–5088 ext. 2191 or slowry@gcpud.org.

FERC Contact: Hillary Berlin, (202) 502–8915, Hillary.berlin@ferc.gov.
- Deadline for filing comments, motions to intervene, and protests: June 18, 2019.

The Commission strongly encourages electronic filing. Please file comments, motions to intervene, and protests using

* www.onetonline.org/help/bright/.