

solutions; include a progress report on and an analysis of the findings of the project evaluation; and review prospects for sustained operations after the cessation of Federal support. The annual and final performance reports will be due within 90 days of the end of each project year and of the end of the project, respectively.

Funded projects will be required to comply with all requirements adopted in this notice. Failure to comply with any applicable program requirement may subject a grantee to special conditions, withholding, or termination.

Allowable Costs

Allowable activities and expenditures for TPDP projects include, but are not limited to: Recruitment and enrollment of students; staff hiring; updating of articulation agreements; curriculum revision; professional development for secondary and postsecondary faculty, counselors, and administrators; and development and maintenance of business and industry partnerships. In addition, section 207(b)(2) specifies that TPDP projects may provide summer internships at a business for students or teachers.

Section 207 gives applicants latitude for innovation. For example, although tech-prep education by definition includes at least two years of education at the secondary level preceding high school graduation and two years of postsecondary education or apprenticeship training, section 204(c)(3)(B) authorizes tech-prep programs that allow students to concurrently complete both secondary and postsecondary courses, and simultaneously satisfy requirements for a high school diploma and an associate degree or other postsecondary credential.

Unallowable Costs

(1) *Supplanting*. In accordance with section 311(a) of Perkins III, funds under this program may not be used to supplant non-Federal funds used to carry out vocational and technical education activities and tech-prep activities. Further, the prohibition against supplanting also means that grantees are required to use their negotiated restricted indirect cost rate under this program. (34 CFR 75.563.)

Because of the statutory prohibition against supplanting, we caution applicants not to plan to use Federal funds awarded under section 207 to replace non-Federal funding that is already, or that otherwise would be, available for support of the TPDP projects to be assisted. Further, we are concerned that TPDP funds may be used

to replace Federal student financial aid. We wish to highlight the fact that the statute does not authorize us to fund projects that serve primarily as entities through which students may apply for and receive tuition and other financial assistance.

(2) *Construction*. Under EDGAR (34 CFR 75.533), TPDP grants cannot be used for the acquisition of real property or construction.

(3) *Articulation Agreements with Four-Year Institutions*. Under the provisions of section 207(d), tech-prep articulation agreements with four-year institutions cannot be supported with funds awarded under section 207. However, articulation agreements with four-year institutions can be developed using other resources by applicants who wish to establish "open-ended" tech-prep career pathways. Also, the inclusion of institutions of higher education that award baccalaureate degrees in TPDP consortia is allowable under section 204(a)(2)(A).

Special Considerations

In addition to the points to be awarded to applicants based on the selection criteria and Priorities 1–3, under section 207(d)(3) of Perkins III, we award five additional points to applications that:

- (1) Provide for effective employment placement activities;
- (2) Effectively address the issues of school dropout prevention and reentry, as well as the needs of special populations;
- (3) Provide education and training in career areas or skills in which there are significant workforce shortages, including the information technology industry; and
- (4) Demonstrate how tech-prep programs will help students meet high academic and employability competencies.

Note: This notice does *not* solicit applications. In any year in which we choose to use one or more of these proposed priorities, we invite applications through a notice in the **Federal Register**. (A notice inviting applications under this program is published elsewhere in this issue of the **Federal Register**.) When inviting applications, we designate each priority as absolute, competitive preference, or invitational. 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 either (1) awarding additional points, depending on how well or the extent to which the application meets the competitive

preference priority (34 CFR 75.105(c)(2)(i); or (2) selecting an application that meets the competitive 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 invitational priority. However, we do not give an application that meets the invitational priority a competitive or absolute preference over other applications (34 CFR 75.105(c)(1)).

Priorities

Priority 1

Under this priority, we will give competitive preference by awarding up to five additional points to applications that: (a) Require all secondary teachers teaching core academic subjects to be highly qualified, as such term is defined by section 9101(23) of the ESEA, as amended by NCLB; and (b) require all postsecondary teachers teaching core academic subjects to meet State standards for community college faculty.

Note: ESEA defines the term "core academic subjects" as English, reading or language arts, mathematics, science, foreign languages, civics and government, economics, arts, history, and geography.

Priority 2

Under this priority, we will give competitive preference by awarding up to five additional points to applications that require each participating student, as a condition of high school graduation, to pass at least one high school-level test (either a comprehensive test covering a variety of courses in a subject area or a high school end-of-course test) in each of English or language arts, mathematics, and science. To receive any points under this priority, applicants must describe their specific high school graduation requirements.

Priority 3

Under this priority, we will give competitive preference by awarding up to five additional points to applications that offer the proposed TPDP project as an additional alternative for students attending high schools that have not met adequate yearly progress (AYP) for two or more consecutive years, as defined by section 1111 of the ESEA, as amended by NCLB, and 34 CFR 200.13. To receive any points under this priority, applicants must: (a) Provide evidence that at least one high school served by a consortium member (under 204(a)(1)(A) of Perkins III) has not met AYP for at least two consecutive years; and (b) provide an assurance that eligible students that are transferring