

TITLE III---INSTITUTIONAL AID

SEC. 301. FINDINGS AND PURPOSES.

(a) **FINDINGS.** --The Congress finds that--

(1) there are a significant number of institutions of higher education serving high percentages of minority students and students from low-income backgrounds, that face problems that threaten their ability to survive;

(2) the problems relate to the management and fiscal operations of certain institutions of higher education, as well as to an inability to engage in long-range planning and development activities, including endowment building;

(3) in order to be competitive and provide a high-quality education for all, institutions of higher education should improve their technological capacity and make effective use of technology;

(4) the title III program prior to 1985 did not always meet the specific development needs of historically Black colleges and universities and other institutions with large concentrations of minority, low-income students;

(5) the solution of the problems of these institutions would enable them to become viable, fiscally stable and independent, thriving institutions of higher education;

(6) providing assistance to eligible institutions will enhance the role of such institutions in providing access and quality education to low-income and minority students;

(7) these institutions play an important role in the American system of higher education, and there is a strong national interest in assisting them in solving their problems and in stabilizing their management and fiscal operations, and in becoming financially independent; and

(8) there is a particular national interest in aiding those institutions of higher education that have historically served students who have been denied access to postsecondary education because of race or national origin and whose participation in the American system of higher education is in the Nation's interest so that equality of access and quality of postsecondary education opportunities may be enhanced for all students.

(b) **PURPOSE.** --It is the purpose of this title to assist such institutions in equalizing educational opportunity through a program of Federal assistance.

PART A STRENGTHENING INSTITUTIONS

SEC. 311. PROGRAM PURPOSE.

(a) **GENERAL AUTHORIZATION.** --The Secretary shall carry out a program, in accordance with this part, to improve the academic quality, institutional management, and fiscal stability of eligible institutions, in order to increase their self-sufficiency and strengthen their capacity to make a substantial contribution to the higher education resources of the Nation.

(b) **GRANTS AWARDED; SPECIAL CONSIDERATION.**C(1) From the sums available for this part under section 399(a)(1), the Secretary may award grants to any eligible institution with an application

approved under section 351 in order to assist such an institution to plan, develop, or implement activities that promise to strengthen the institution.

(2) Special consideration shall be given to any eligible institution--

(A) which has endowment funds (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) the market value of which, per full-time equivalent student, is less than the average current market value of the endowment funds, per full-time equivalent student (other than any endowment fund built under section 332 of this Act as in effect on September 30, 1986, and under part B) at similar institutions; or

(B) which has expenditures per full-time equivalent student for library materials which is less than the average of the expenditures for library materials per full-time equivalent student by other similarly situated institutions.

(3) Special consideration shall be given to applications which propose, pursuant to the institution's plan, to engage in

(A) faculty development;

(B) (B) funds and administrative management;

(C) development and improvement of academic programs;

(D) acquisition of equipment for use in strengthening funds management and academic programs;

(E) joint use of facilities such as libraries and laboratories;

and

(F) student services.

(c) AUTHORIZED ACTIVITIES.--Grants awarded under this section shall be used for 1 or more of the following activities:

(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

(2) Construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings.

(3) Support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the field of instruction of the faculty.

(4) Development and improvement of academic programs

(5) Purchase of library books, periodicals, and other educational materials, including telecommunications program material.

(6) Tutoring, counseling, and student service programs designed

(7) Funds management, administrative management, and acquisition of equipment for use in strengthening funds management.

(8) Joint use of facilities, such as laboratories and libraries.

(9) Establishing or improving a development office to strengthen or improve contributions from alumni and the private sector.

(10) Establishing or improving an endowment fund.

(11) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.

(12) Other activities proposed in the application submitted pursuant to subsection (c) that-

(A) contribute to carrying out the purposes of the program assisted under this part; and

(B) are approved by the Secretary as part of the review and acceptance of such application.

(d) ENDOWMENT FUND.

(1) IN GENERAL.--An eligible institution may use not more than 20 percent of the grant funds provided under this part to establish or increase an endowment fund at such institution.

(2) MATCHING REQUIREMENT.--In order to be eligible to use grant funds in accordance with paragraph (1), the eligible institution shall provide matching funds from non-Federal sources, in an amount equal to or greater than the Federal funds used in accordance with paragraph (1), for the establishment or increase of the endowment fund.

(3) COMPARABILITY.--The provisions of part C, regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this subsection, shall apply to funds used under paragraph (1).

SEC. 312. DEFINITIONS; ELIGIBILITY.

(a) EDUCATIONAL AND GENERAL EXPENDITURES. -- For the purpose of this part, the term "educational and general expenditures" means the total amount expended by an institution of higher education for instruction, research, public service, academic support (including library expenditures), student services, institutional support, scholarships and fellowships, operation and maintenance expenditures for the physical plant, and any mandatory transfers which the institution is required to pay by law.

(b) ELIGIBLE INSTITUTION. -- For the purpose of this part, the term "eligible institution" means --

(1) an institution of higher education--

(A) which has an enrollment of needy students as required by subsection (c) of this section;

(B) except as provided in section 392(b), the average educational and general expenditures of which are low, per full-time equivalent undergraduate student, in comparison with the average educational and general expenditures per full-time equivalent undergraduate student of institutions that offer similar instruction;

(C) which is

(i) legally authorized to provide, and provides within the State, an educational program for which such institution awards a bachelor's degree;

(ii) a junior or community college; or

(iii) the College of the Marshall Islands, the College of Micronesia/Federated States of Micronesia, and Palau Community College;

(D) which is accredited by a nationally recognized accrediting agency or association determined by the Secretary to be reliable authority as to the quality

- of training offered or which is, according to such an agency or association, making reasonable progress toward accreditation;
- (E) which meets such other requirements as the Secretary may prescribe; and
- (F) located in a State; and
- (2) any branch of any institution of higher education described under paragraph (1) which by itself satisfies the requirements contained in subparagraphs (A) and (B) of such paragraph. For purposes of the determination of whether an institution is an eligible institution under this paragraph, the factor described under paragraph (1)(A) shall be given twice the weight of the factor described under paragraph (1)(B).
- (c) ENDOWMENT FUND.-- For the purpose of this part, the term "endowment fund" means a fund that--
- (1) is established by State law, by an institution of higher education, or by a foundation that is exempt from Federal income taxation;
- (2) is maintained for the purpose of generating income for the support of the institution; and
- (3) does not include real estate.
- (d) ENROLLMENT OF NEEDY STUDENTS. -- For the purpose of this part, the term "enrollment of needy students" means an enrollment at an institution of higher education or a junior or community college which includes--
- (1) at least 50 percent of the degree students so enrolled who are receiving need-based assistance under title IV of this Act in the second fiscal year preceding the fiscal year for which the determination is being made (other than loans for which an interest subsidy is paid pursuant to section 428), or
- (2) a substantial percentage of students receiving Pell Grants in the second fiscal year preceding the fiscal year for which determination is being made, in comparison with the percentage of students receiving Pell Grants at all such institutions in the second fiscal year preceding the fiscal year for which the determination is made, unless the requirement of this subdivision is waived under section 392(a).
- (e) FULL-TIME EQUIVALENT STUDENTS. For the purpose of this part, the term "full-time equivalent students" means the sum of the number of students enrolled full time at an institution, plus the
- (f) JUNIOR OR COMMUNITY COLLEGE.--For the purpose of this part, the term "junior or community college" means an institution of higher education--
- (1) that admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;
- (2) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and
- (3) that--
- (A) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree, or
- (B) offers a 2-year program in engineering, mathematics, or the physical or biological sciences, designed to prepare a student to work as a technician or at

the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.

(g) HISTORICALLY BLACK COLLEGE OR UNIVERSITY.--For the purposes of this section, no historically black college or university which is eligible for and receives funds under part B of this title is eligible for or may receive funds under this part.

SEC. 313. DURATION OF GRANT.

(a) AWARD PERIOD.--The Secretary may award a grant to an eligible institution under this part for 5 years.

(b) LIMITATIONS.--In awarding grants under this part the Secretary shall give priority to applicants who are not already receiving a grant under this part, except that for the purpose of this subsection

a grant under subsection (c) and a grant under section 394(a)(1) shall not be considered a grant under this part.

(c) PLANNING GRANTS.--Notwithstanding subsection (a), the Secretary may award a grant to an eligible institution under this part for a period of one year for the purpose of preparation of plans and applications for a grant under this part.

(d) WAIT-OUT-PERIOD.--Each eligible institution that received a grant under this part for a 5-year period shall not be eligible to receive an additional grant under this part until 2 years after the date on which the 5-year grant period terminates.

SEC. 314. APPLICATIONS.

Each eligible institution desiring to receive assistance under this part shall submit an application in accordance with the requirements of section 391.

SEC. 315. GOALS FOR FINANCIAL MANAGEMENT AND ACADEMIC PROGRAM.

(a) GOALS.-- Any application for a grant under this part shall describe measurable goals for the institution's financial management and academic programs, and include a plan of how the applicant intends to achieve those goals.

(b) CONTINUATION REQUIREMENTS. -- Any continuation application shall demonstrate the progress made toward achievement of the goals described pursuant to subsection (a).

Sec. 316 AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

(a) PROGRAM AUTHORIZED. -- The Secretary shall provide grants and related assistance to Indian Tribal Colleges and Universities to enable such institutions to improve and expand their capacity to serve Indian students.

(b) DEFINITIONS. -- In this section:

(1) INDIAN. -- The term "Indian" has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978.

(2) INDIAN TRIBE. -- The term "Indian tribe" has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978.

(3) TRIBAL COLLEGE OR UNIVERSITY. -- The term "Tribal College or University" has the meaning give the term "tribally controlled college or university" in section 2 of the Tribally Controlled College or University Assistance Act of 1978, and includes an institution listed in the Equity in Educational Land Grant Status Act of 1994.

(4) INSTITUTION OF HIGHER EDUCATION.--The term "institution of higher education" means an institution of higher education as defined in section 101(a), except that paragraph (2) of such section shall not apply.

(c) AUTHORIZED ACTIVITIES.--

(1) IN GENERAL. --Grants awarded under this section shall be used by Tribal Colleges or Universities to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Indian students.

(2) EXAMPLES OF AUTHORIZED ACTIVITIES.--The activities described in paragraph (1) may include--

(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(B) construction, maintenance, renovation, and improvement in classrooms, libraries, laboratories, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;

(C) support of faculty exchanges, faculty development, and faculty fellowships to assist in attaining advanced degrees in the faculty's field of instruction;

(D) academic instruction in disciplines in which Indians are underrepresented;

(E) purchase of library books, periodicals, and other educational materials, including telecommunications program material;

(F) tutoring, counseling, and student service programs designed to improve academic success;

(G) funds management, administrative management, and acquisition of equipment for use in strengthening funds management;

(H) joint use of facilities, such as laboratories and libraries;

(I) establishing or improving a development office to strengthen or improve contributions from alumni and the private sector;

(J) establishing or enhancing a program of teacher education designed to qualify students to teach in elementary schools or secondary schools, with a particular emphasis on teaching Indian children and youth, that shall include, as part of such program, preparation for teacher certification;

(K) establishing community outreach programs that encourage Indian elementary school and secondary school students to develop the academic skills and the interest to pursue postsecondary education; and

(L) other activities proposed in the application submitted pursuant to subsection (d) that--

(i) contribute to carrying out the activities described in subparagraphs (A) through (K); and

(ii) are approved by the Secretary as part of the review and acceptance of such application.

(3) ENDOWMENT FUND.--

(A) IN GENERAL.-- A Tribal College or University may use not more than 20 percent of the grant funds provided under this section to establish or increase an endowment fund at the institution.

(B) MATCHING REQUIREMENT.-- In order to be eligible to use grant funds in accordance with subparagraph (A), the Tribal College or University shall provide matching funds, in an amount equal to the Federal funds used in accordance with subparagraph (A), for the establishment or increase of the endowment fund.

(C) COMPARABILITY. -- The provisions of part C regarding the establishment or increase of an endowment fund, that the Secretary determines are not inconsistent with this paragraph, shall apply to funds used under subparagraph (A).

(d) APPLICATION PROCESS--

(1) INSTITUTIONAL ELIGIBILITY.--To be eligible to receive assistance under this section, a Tribal College or University shall be an eligible institution under section 312(b).

(2) APPLICATION.-- Any Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary at such time, and in such manner, as the Secretary may by regulation reasonably require. Each such application shall include--

(A) a 5-year plan for improving the assistance provided by the Tribal College or University to Indian students, increasing the rates at which Indian secondary school students enroll in higher education, and increasing overall postsecondary retention rates for Indian students; and

(B) such enrollment data and other information and assurances as the Secretary may require to demonstrate compliance with paragraph (1).

(3) SPECIAL RULE.-- For the purposes of this part, no Tribal College or University that is eligible for and receives funds under this section may concurrently receive other funds under this part or part B.

SEC. 317. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

(a) PROGRAM AUTHORIZED. -- The Secretary shall provide grants and related assistance to Alaska Native-serving institutions and Native Hawaiian-serving institutions to enable such institutions to improve and expand their capacity to serve Alaska Natives and Native Hawaiians.

(b) DEFINITIONS.-- For the purpose of this section--(1) the term "Alaska Native" has the meaning given the term in section 9308 of the Elementary and Secondary Education Act of 1965;

(2) the term "Alaska Native-serving institution" means an institution of higher education that--

(A) is an eligible institution under section 312(b); and (B) at the time of application, has an enrollment of undergraduate students that is at least 20 percent Alaska Native students;

(3) the term "Native Hawaiian" has the meaning given the term in section 9212 of the Elementary and Secondary Education Act of 1965; and

(4) the term "Native Hawaiian-serving institution" means an institution of higher education which--

(A) is an eligible institution under section 312(b); and (B) at the time of application, has an enrollment of undergraduate students that is at least 10 percent Native Hawaiian students.

(c) AUTHORIZED ACTIVITIES.--

(1) TYPES OF ACTIVITIES AUTHORIZED.-- Grants awarded under this section shall be used by Alaska Native-serving institutions and Native Hawaiian-serving institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Alaska Natives or Native Hawaiians.

(2) EXAMPLES OF AUTHORIZED ACTIVITIES. -- Such programs may include--

(A) purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

(C) support of faculty exchanges, and faculty development and faculty fellowships to assist in attaining advanced degrees in the faculty's field of instruction;

(D) curriculum development and academic instruction;

(E) purchase of library books, periodicals, microfilm, and other educational materials;

(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

(G) joint use of facilities such as laboratories and libraries;

and

(H) academic tutoring and counseling programs and student support services.

(d) APPLICATION PROCESS.--

(1) INSTITUTIONAL ELIGIBILITY.-- Each Alaska Native-serving institution and Native Hawaiian-serving institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is an Alaska Native-serving institution or a Native Hawaiian-serving institution as defined in subsection (b), along with such other information and data as the Secretary may by regulation require.

(2) APPLICATIONS.-- Any institution which is determined by the Secretary to be an Alaska Native-serving institution or a Native Hawaiian-serving institution may submit an application for assistance under this section to the Secretary. Such application shall include--

(A) a 5-year plan for improving the assistance provided by the Alaska Native-serving institution or the Native Hawaiian-serving institution to Alaska Native or Native Hawaiian students; and

(B) such other information and assurance as the Secretary may require.

(e) SPECIAL RULE.-- For the purposes of this section, no Alaska Native-serving institution or Native Hawaiian-serving institution which is eligible for and receives

funds under this section may concurrently receive other funds under this part or part B.

PART F--GENERAL PROVISIONS

SEC. 391. APPLICATIONS FOR ASSISTANCE.

(a) APPLICATIONS.C

(1) **APPLICATIONS REQUIRED.**-- Any institution which is eligible for assistance under this title shall submit to the Secretary an application for assistance at such time, in such form, and containing such information, as may be necessary to enable the Secretary to evaluate the institution's need for the assistance.

Subject to the availability of appropriations to carry out this title, the Secretary may approve an application for assistance under this title only if the Secretary determines that--

(A) the application meets the requirements of subsection (b);

(B) the applicant is eligible for assistance in accordance with the part of this title under which the assistance is sought; and

(C) the applicant's performance goals are sufficiently rigorous as to meet the purposes of this title and the performance objectives and indicators for this title established by the Secretary pursuant to the Government Performance and Results Act of 1993 and the amendments made by such Act.

(2) **PRELIMINARY APPLICATIONS.**-- In carrying out paragraph (1), the Secretary may develop a preliminary application for use by eligible institutions applying under part A prior to the submission of the principal application.

(b) **CONTENTS.**-- An institution, in its application for a grant, shall--

(1) set forth, or describe how the institution (other than an institution applying under part C, D or E) will develop, a comprehensive development plan to strengthen the institution's academic quality and institutional management, and otherwise provide for institutional self-sufficiency and growth (including measurable objectives for the institution and the Secretary to use in monitoring the effectiveness of activities under this title);

(2) set forth policies and procedures to ensure that Federal funds made available under this title for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purposes of section 311(b) or 323, and in no case supplant those funds;

(3) set forth policies and procedures for evaluating the effectiveness in accomplishing the purpose of the activities for which a grant is sought under this title;

(4) provide for such fiscal control and fund accounting procedures as may be necessary to ensure proper disbursement of and accounting for funds made available to the applicant under this title;

(5) provide (A) for making such reports, in such form and containing such information, as the Secretary may require to carry out the functions under this title, including not less than one report annually setting forth the institution's progress toward achieving the objectives for which the funds were awarded, and

(B) for keeping such records and affording such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports;
(6) provide that the institution will comply with the limitations set forth in section 357, except that for purposes of section 316, paragraphs (2) and (3) of section 396 shall not apply;

(7) describe in a comprehensive manner any proposed project for which funds are sought under the application and include--

(A) a description of the various components of the proposed project, including the estimated time required to complete each such component;

(B) in the case of any development project which consists of several components (as described by the applicant pursuant to subparagraph (A)), a statement identifying those components which, if separately funded, would be sound investments of Federal funds and those components which would be sound investments of Federal funds only if funded under this title in conjunction with other parts of the development project (as specified by the applicant);

(C) an evaluation by the applicant of the priority given any proposed project for which funds are sought in relation to any other projects for which funds are sought by the applicant under this title, and a similar evaluation regarding priorities among the components of any single proposed project (as described by the applicant pursuant to subparagraph (A));

(D) a detailed budget showing the manner in which funds for any proposed project would be spent by the applicant; and

(E) a detailed description of any activity which involves the expenditure of more than \$25,000, as identified in the budget referred to in subparagraph (E); and

(8) include such other information as the Secretary may prescribe.

(c) **PRIORITY CRITERIA PUBLICATION REQUIRED.**-- The Secretary shall publish in the Federal Register, pursuant to chapter 5 of title 5, United States Code, all policies and procedures required to exercise the authority set forth in subsection (a). No other criteria, policies, or procedures shall apply.

(d) **ELIGIBILITY DATA.**-- The Secretary shall use the most recent and relevant data concerning the number and percentage of students receiving need-based assistance under title IV of this Act in making eligibility determinations under section 312 and shall advance the base-year forward following each annual grant cycle.

(a) **WAIVER REQUIREMENTS; NEED-BASED ASSISTANCE STUDENTS.**-- The Secretary may waive the requirements set forth in section 312(b)(1)(A) in the case of an institution--

(1) which is extensively subsidized by the State in which it is located and charges low or no tuition;

(2) which serves a substantial number of low-income students as a percentage of its total student population;

(3) which is contributing substantially to increasing higher education opportunities for educationally disadvantaged, underrepresented, or minority students, who are low-income individuals;

(4) which is substantially increasing higher educational opportunities for individuals in rural or other isolated areas which are unserved by postsecondary institutions;

(5) located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians;

(6) that is a tribally controlled college or university as defined in section 2 of the Tribally Controlled College or University Assistance Act of 1978; or

(7) wherever located, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of Black Americans, Hispanic Americans, Native Americans, Asian Americans, or Pacific Islanders, including Native Hawaiians.

(b) WAIVER DETERMINATIONS; EXPENDITURES.-- (1) The Secretary may waive the requirements set forth in section 312(b)(1)(B) if the Secretary determines, based on persuasive evidence submitted by the institution, that the institution's failure to meet that criterion is due to factors which, when used in the determination of compliance with such criterion, distort such determination, and that the institution's designation as an eligible institution under part A is otherwise consistent with the purposes of such parts.

(2) The Secretary shall submit to the Congress every other year a report concerning the institutions which, although not satisfying the criterion contained in section 312(b)(1)(B), have been determined to be eligible institutions under part A institutions which enroll significant numbers of Black American, Hispanic, Native American, Asian American, or Native Hawaiian students under part A, as the case may be. Such report shall--

(A) identify the factors referred to in paragraph (1) which were considered by the Secretary as factors that distorted the determination of compliance with subparagraphs (A) and (B) of section 312(b)(1); and

(B) contain a list of each institution determined to be an eligible institution under part A including a statement of the reasons for each such determination.

(3) The Secretary may waive the requirement set forth in section 312(b)(1)(E) in the case of an institution located on or near an Indian reservation or a substantial population of Indians, if the Secretary determines that the waiver will substantially increase higher education opportunities appropriate to the needs of American Indians.

SEC. 393. APPLICATION REVIEW PROCESS.

(a) REVIEW PANEL.C(1) All applications submitted under this title by institutions of higher education shall be read by a panel of readers composed of individuals selected by the Secretary. The Secretary shall assure that no individual assigned under this section to review any application has any conflict of interest with regard to the application which might impair the impartiality with which the individual conducts the review under this section.

(2) The Secretary shall take care to assure that representatives of historically and predominantly Black colleges, Hispanic institutions, Tribal Colleges and Universities, and institutions with substantial

numbers of Hispanics, Native Americans, Asian Americans, and Native American Pacific Islanders (including Native Hawaiians) are included as readers.

(3) All readers selected by the Secretary shall receive thorough instruction from the Secretary regarding the evaluation process for applications submitted under this title and consistent with the provisions of this title, including--

(A) explanations and examples of the types of activities referred to in section 311(b) that should receive special consideration for grants awarded under part A and of the types of activities referred to in section 323 that should receive special consideration for grants awarded under part B;

(B) an enumeration of the factors to be used to determine the quality of applications submitted under this title; and

(C) an enumeration of the factors to be used to determine whether a grant should be awarded for a project under this title, the amount of any such grant, and the duration of any such grant.

(b) RECOMMENDATIONS OF PANEL.-- In awarding grants under this title, the Secretary shall take into consideration the recommendations of the panel made under subsection (a).

(c) NOTIFICATION.-- Not later than June 30 of each year, the Secretary shall notify each institution of higher education making an application under this title of--

(1) the scores given the applicant by the panel pursuant to this section;

(2) the recommendations of the panel with respect to such application; and

(3) the reasons for the decision of the Secretary in awarding or refusing to award a grant under this title, and any modifications, if any, in the recommendations of the panel made by the Secretary.

(d) EXCLUSION.-- The provisions of this section shall not apply to applications submitted under part D.

SEC. 394. COOPERATIVE ARRANGEMENTS.

(a) GENERAL AUTHORITY.-- The Secretary may make grants to encourage cooperative arrangements

(1) with funds available to carry out part A, between institutions eligible for assistance under part A and between such institutions and institutions not receiving assistance under this title; or

(2) with funds available to carry out part B, between institutions eligible for assistance under part B and institutions not receiving assistance under this title; for the activities described in section 311(b) or section 323, as the case may be, so that the resources of the cooperating institutions might be combined and shared to achieve the purposes of such parts and avoid costly duplicative efforts and to enhance the development of part A and part B eligible institutions.

(b) PRIORITY. -- The Secretary shall give priority to grants for the purposes described under subsection (a) whenever the Secretary determines that the cooperative arrangement is geographically and economically sound or will benefit the applicant institution.

(c) DURATION. -- Grants to institutions having a cooperative arrangement may be made under this section for a period as determined under section 313 or section 323.

SEC. 395. ASSISTANCE TO INSTITUTIONS UNDER OTHER PROGRAMS.

(a) ASSISTANCE ELIGIBILITY.-- Each institution which the Secretary determines to be an institution eligible under part A or an institution eligible under part B may be eligible for waivers in accordance with subsection (b).

(b) WAIVER APPLICABILITY.-- (1) Subject to, and in accordance with, regulations promulgated for the purpose of this section, in the case of any application by an institution referred to in subsection (a) for assistance under any programs specified in paragraph (2), the Secretary is authorized, if such application is otherwise approvable, to waive any requirement for a non-Federal share of the cost of the program or project, or, to the extent not inconsistent with other law, to give, or require to be given, priority consideration of the application in relation to applications from other institutions.

(2) The provisions of this section shall apply to any program authorized by part D or title IV of this Act.

(c) LIMITATION. -- The Secretary shall not waive, under sub-section (b), the non-Federal share requirement for any program for applications which, if approved, would require the expenditure of more than 10 percent of the appropriations for the program for any fiscal year.

SEC. 396. LIMITATIONS.

The funds appropriated under section 360 may not be used--

(1) for a school or department of divinity or any religious worship or sectarian activity;

(2) for an activity that is inconsistent with a State plan for desegregation of higher education applicable to such institution;

(3) for an activity that is inconsistent with a State plan of higher education applicable to such institution; or

(4) for purposes other than the purposes set forth in the approved application under which the funds were made available to the institution.

SEC. 397. PENALTIES.

Whoever, being an officer, director, agent, or employee of, or connected in any capacity with, any recipient of Federal financial assistance or grant pursuant to this title embezzles, willfully misapplies, steals, or obtains by fraud any of the funds which are the subject of such grant or assistance, shall be fined not more than \$10,000 or imprisoned for not more than 2 years, or both.

SEC. 398. CONTINUATION AWARDS

The Secretary shall make continuation awards under this title for the second and succeeding years of a grant only after determining that the recipient is making satisfactory progress in carrying out the grant.

SEC. 399. AUTHORIZATIONS OF APPROPRIATIONS.

(a) AUTHORIZATIONS.C

(1) PART A.C(A) There are authorized to be appropriated to carry out part A, \$135,000,000 (other than section 316) for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(B) There are authorized to be appropriated to carry out section 316, \$10,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(C) There are authorized to be appropriated to carry out section 317, \$5,000,000 for fiscal year 1999 and such sums as may be necessary for each of the 4 succeeding fiscal years.

(2) PART B.C(A) There are authorized to be appropriated to carry out part B (other than section 326), \$135,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(B) There are authorized to be appropriated to carry out section 326, \$35,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(3) PART C.-- There are authorized to be appropriated to carry out part C, \$10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(4) PART D.-- (A) There are authorized to be appropriated to carry out part D (other than section 345(7), but including section 347), \$110,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(B) There are authorized to be appropriated to carry out section 345(7), such sums as may be necessary for fiscal year 1999 and each of the 4 succeeding fiscal years.

(5) PART E.-- There are authorized to be appropriated to carry out part E, \$10,000,000 for fiscal year 1999, and such sums as may be necessary for each of the 4 succeeding fiscal years.

(b) USE OF MULTIPLE YEAR AWARDS.-- In the event of a multiple year award to any institution under this title, the Secretary shall make funds available for such award from funds appropriated for this title for the fiscal year in which such funds are to be used by the recipient.