

## HIGHER EDUCATION ACT OF 1965

### PART B — STRENGTHENING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES

#### SEC. 326. PROFESSIONAL OR GRADUATE INSTITUTIONS.

**(a) GENERAL AUTHORIZATION.**— (1) Subject to the availability of funds appropriated to carry out this section, the Secretary shall award program grants to each of the postgraduate institutions listed in subsection (e) that is determined by the Secretary to be making a substantial contribution to the legal, medical, dental, veterinary, or other graduate education opportunities in mathematics, engineering, or the physical or natural sciences for Black Americans.

(2) No grant in excess of \$1,000,000 may be made under this section unless the postgraduate institution provides assurances that 50 percent of the cost of the purposes for which the grant is made will be paid from non-Federal sources, except that no institution shall be required to match any portion of the first \$1,000,000 of the institution's award from the Secretary. After funds are made available to each eligible institution under the funding rules described in subsection (f), the Secretary shall distribute, on a pro rata basis, any amounts which were not so made available (by reason of the failure of an institution to comply with the matching requirements of this paragraph) among the institutions that have complied with such matching requirement.

**(b) DURATION.**— Grants shall be made for a period not to exceed 5 years.

**(c) USES OF FUNDS.**— A grant under this section may be used for—

- (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 classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services;
- (3) purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials;
- (4) scholarships, fellowships, and other financial assistance for needy graduate and professional students to permit the enrollment of the students in and completion of the doctoral degree in medicine, dentistry, pharmacy, veterinary medicine, law, and the doctorate degree in the physical or natural sciences, engineering, mathematics, or other scientific disciplines in which African Americans are underrepresented;
- (5) establish or improve a development office to strengthen and increase contributions from alumni and the private sector;
- (6) assist in the establishment or maintenance of an institutional endowment to facilitate financial independence pursuant to section 331; and
- (7) funds and administrative management, and the acquisition of equipment, including software, for use in strengthening funds management and management information systems.

**(d) APPLICATION.**— Any institution eligible for a grant under this section shall submit an application which—

- (1) demonstrates how the grant funds will be used to improve graduate educational opportunities for Black and low-income students, and lead to greater financial independence; and

(2) provides, in the case of applications for grants in excess of \$1,000,000, the assurances required by subsection (a)(2) and specifies the manner in which the eligible institution is going to pay the non-Federal share of the cost of the application.

**(e) ELIGIBILITY.—**

**(1) IN GENERAL.—** Independent professional or graduate institutions and programs eligible for grants under subsection (a) are the following <sup>1</sup>

- (A) Morehouse School of Medicine;
  - (B) Meharry Medical School;
  - (C) Charles R. Drew Postgraduate Medical School;
  - (D) Clark-Atlanta University;
  - (E) Tuskegee University School of Veterinary Medicine and other qualified graduate programs;
  - (F) Xavier University School of Pharmacy and other qualified graduate programs;
  - (G) Southern University School of Law and other qualified graduate programs;
  - (H) Texas Southern University School of Law and School of Pharmacy and other qualified graduate programs;
  - (I) Florida A&M University School of Pharmaceutical Sciences and other qualified graduate programs;
  - (J) North Carolina Central University School of Law and other qualified graduate programs;
  - (K) Morgan State University qualified graduate program;
  - (L) Hampton University qualified graduate program;
  - (M) Alabama A&M qualified graduate program;
  - (N) North Carolina A&T State University qualified graduate program;
  - (O) University of Maryland Eastern Shore qualified graduate program;
  - (P) Jackson State University qualified graduate program;
  - (Q) Norfolk State University qualified graduate programs;
- and
- (R) Tennessee State University qualified graduate programs.

**(2) QUALIFIED GRADUATE PROGRAM.—**

(A) For the purposes of this section, the term “qualified graduate program” means a graduate or professional program that provides a program of instruction in the physical or natural sciences, engineering, mathematics, or other scientific discipline in which African Americans are underrepresented and has students enrolled in such program at the time of application for a grant under this section.

(B) Notwithstanding the enrollment requirement contained in subparagraph (A), an institution may use an amount equal to not more than 10 percent of the institution’s grant under this section for the development of a new qualified graduate program.

**(3) SPECIAL RULE.—** Institutions that were awarded grants under this section prior to October 1, 1998, shall continue to receive such grants, subject to the availability of appropriated funds, regardless of the eligibility of the institutions described in subparagraphs (Q) and (R) of paragraph (1).

**(4) ONE GRANT PER INSTITUTION.—** The Secretary shall not award more than 1 grant under this section in any fiscal year to any institution of higher education or university system.

**(5) INSTITUTIONAL CHOICE.—** The president or chancellor of

the institution may decide which graduate or professional school or qualified graduate program will receive funds under the grant in any 1 fiscal year, if the allocation of funds among the schools or programs is delineated in the application for funds submitted to the Secretary under this section.

**(f) FUNDING RULE.**— Subject to subsection (g), of the amount appropriated to carry out this section for any fiscal year—

(1) the first \$26,600,000 (or any lesser amount appropriated) shall be available only for the purposes of making grants to institutions or programs described in subparagraphs (A) through (P) of subsection (e)(1);

(2) any amount in excess of \$26,600,000, but not in excess of \$28,600,000, shall be available for the purpose of making grants to institutions or programs described in subparagraphs (Q) and (R) of subsection (e)(1); and

(3) any amount in excess of \$28,600,000, shall be made available to each of the institutions or programs identified in subparagraphs (A) through (R) pursuant to a formula developed by the Secretary that uses the following elements:

(A) The ability of the institution to match Federal funds with non-Federal funds.

(B) The number of students enrolled in the programs for which the eligible institution received funding under this section in the previous year.

(C) The average cost of education per student, for all full-time graduate or professional students (or the equivalent) enrolled in the eligible professional or graduate school, or for doctoral students enrolled in the qualified graduate programs.

(D) The number of students in the previous year who received their first professional or doctoral degree from the programs for which the eligible institution received funding under this section in the previous year.

(E) The contribution, on a percent basis, of the programs for which the institution is eligible to receive funds under this section to the total number of African Americans receiving graduate or professional degrees in the professions or disciplines related to the programs for the previous year.

**(g) HOLD HARMLESS RULE.**— Notwithstanding paragraphs (2) and (3) of subsection (f), no institution or qualified program identified in subsection (e)(1) that received a grant for fiscal year 1998 and that is eligible to receive a grant in a subsequent fiscal year shall receive a grant amount in any such subsequent fiscal year that is less than the grant amount received for fiscal year 1998, unless the amount appropriated is not sufficient to provide such grant amounts to all such institutions and programs, or the institution cannot provide sufficient matching funds to meet the requirements of this section.

(A) expends portions of the endowment fund corpus or expends more than the permissible amount of the endowment funds income as prescribed in subsection (c)(3);

(B) fails to invest the endowment fund in accordance with the investment standards set forth in subsection (c)(2); or

(C) fails to properly account to the Secretary concerning the investment and expenditures of the endowment funds.

(2) If the Secretary terminates a grant under paragraph (1),

the grantee shall return to the Secretary an amount equal to the sum of each original grant under this section plus income earned thereon. The Secretary may use such repaid funds to make additional endowment grants, or to increase existing challenge grants, to other eligible institutions under this part.

#### PART D—HISTORICALLY BLACK COLLEGE AND UNIVERSITY CAPITAL FINANCING

##### **SEC. 341. FINDINGS.**

The Congress finds that—

- (1) a significant part of the Federal mission in education has been to attain equal opportunity in higher education for low-income, educationally disadvantaged Americans and African Americans;
- (2) the Nation's historically Black colleges and universities have played a prominent role in American history and have an unparalleled record of fostering the development of African American youth by recognizing their potential, enhancing their academic and technical skills, and honing their social and political skills through higher education;
- (3) the academic and residential facilities on the campuses of all historically Black colleges and universities have suffered from neglect, deferred maintenance and are in need of capital improvements in order to provide appropriate settings for learning and social development through higher education;
- (4) due to their small enrollments, limited endowments and other financial factors normally considered by lenders in construction financing, historically Black colleges and universities often lack access to the sources of funding necessary to undertake the necessary capital improvements through borrowing and bond financing;
- (5) despite their track record of long-standing and remarkable institutional longevity and viability, historically Black colleges and universities often lack the financial resources necessary to gain access to traditional sources of capital financing such as bank loans and bond financing; and
- (6) Federal assistance to facilitate low-cost capital basis for historically Black colleges and universities will enable such colleges and universities to continue and expand their educational mission and enhance their significant role in American higher education.

January 6, 1999