



Wednesday
September 23, 1998

Part II

**Department of
Education**

**Applications Invitation for Designation as
Eligible Institutions for Fiscal Year 1999
for the Part A Strengthening Institutions
and Hispanic-Serving Institutions (HSIs)
Programs; Notice**

DEPARTMENT OF EDUCATION

[CFDA NO.: 84.031H]

Notice Inviting Applications for Designation as Eligible Institutions for Fiscal Year (FY) 1999 for the Part A Strengthening Institutions and Hispanic-Serving Institutions (HSIs) Programs

Purpose of Program

Institutions of higher education must meet specific statutory and regulatory requirements to be designated eligible to receive funds under the Strengthening Institutions and HSI Programs authorized, respectively, under Part A of Title III of the Higher Education Act of 1965, as amended (HEA). An institution that is designated as an eligible institution under those programs may apply for grants under those programs, and may also receive a waiver of certain non-Federal share requirements under the Federal Supplemental Educational Opportunity Grant (FSEOG) and Federal Work Study (FWS) Programs. These latter two programs are student financial assistance programs authorized under Title IV of the HEA. Qualified institutions may receive these waivers even if they are not recipients of grant funds under the Strengthening Institutions or HSI Program.

If an institution is interested in obtaining eligibility for purposes of receiving a new grant under the Strengthening Institutions or HSI Program, it must submit its application to the Department by February 15, 1999. If an institution is interested solely in obtaining a waiver under the FSEOG and FWS Programs, it must submit its application by May 28, 1999. Accordingly, if an institution is interested in applying both for a grant and a waiver, it must submit its application by February 15, 1999 to be eligible for the grant competition.

Early Applications

If an institution submits its application to the Department by December 11, 1998, the Department will notify the applicant of its eligibility status by January 20, 1999. An applicant that believes it failed to be designated as an eligible institution because of errors in its application or because it submitted insufficient information may submit an amended application to the Department. The applicant must submit that application by February 15, 1999 to be eligible for the grant competition. It has until May 28, 1999 to submit an amended application for a FSEOG or FWS waiver request.

If an applicant submits its initial application after December 11, 1998 but before January 20, 1999, the Department does not guarantee that it will be able to review that application and notify the applicant in time to allow revisions to the application by the February 15, 1999 deadline.

Because of the direct benefits to institutions that are able to revise unapproved applications, the Department strongly recommends that institutions apply by the December 11, 1998 deadline.

Deadline for Transmittal of Applications: February 15, 1999 for applicants who wish to compete for new grants under the Strengthening Institutions and HSI Programs; May 28, 1999 for applicants who wish to apply only for FSEOG and FWS waivers; and December 11, 1998 for early application reviews.

Applications Available: October 30, 1999.

Eligibility Information: To qualify as an eligible institution under the HSI Program, an institution must first qualify as an eligible institution under the Strengthening Institutions Program. To qualify as an eligible institution under the Strengthening Institutions Program, an applicant must (1) be accredited or preaccredited by a nationally recognized accrediting agency; (2) be legally authorized by the State in which it is located to be a junior or community college or to provide a bachelor's degree program; and (3) have a high enrollment of needy students. In addition, its education and general (E&G) expenditures per full-time equivalent (FTE) undergraduate student must be low in comparison with the average E&G expenditures per FTE undergraduate student of institutions that offer similar instruction. The complete eligibility requirements are found in the Strengthening Institutions Program regulations, 34 CFR 607.2–607.5. The regulations may also be accessed by visiting the following Department of Education web site on the World Wide Web: <http://www.ed.gov/offices//OPE/OHEP>

Enrollment of Needy Students: Under 34 CFR 607.3(a), an institution is considered to have a high enrollment of needy students if—(1) at least 50 percent of its degree students received financial assistance under one or more of the following programs: Federal Pell Grant, FSEOG, FWS, and Federal Perkins Loan Programs; or (2) the percentage of its undergraduate degree students who were enrolled on at least a half-time basis and received Federal Pell Grants exceeded the median percentage of undergraduate degree

students who were enrolled on at least a half-time basis and received Federal Pell Grants at comparable institutions that offered similar instruction.

To qualify under this latter criterion, an institution's Federal Pell Grant percentage for base year 1996–97 must be more than the median for its category of comparable institutions provided in the table set forth below in this notice.

Educational and General Expenditures Per Full-Time Equivalent Student: An institution should compare its average E&G expenditures per FTE student to the average E&G expenditure per FTE student for its category of comparable institutions contained in the table set forth below in this notice. If the institution's average E&G expenditure for the 1996–1997 base year is less than the average for its category of comparable institutions, it meets this eligibility requirement.

An institution's E&G expenditures are the total amount it expended during the base year for instruction, research, public service, academic support, student services, institutional support, operation and maintenance, scholarships and fellowships, and mandatory transfers.

Table

The following table identifies the relevant median Federal Pell Grant percentages and the average E&G expenditures per FTE student for the 1996–97 base year for the four categories of comparable institutions:

Student	Median Pell Grant percentage	Average E&G FTE
2-year Public Institutions	26.9	\$8,132
2-year Non-Profit Private Institutions	39.1	12,322
4-year Public Institutions	28.7	17,067
4-year Non-Profit Private Institutions	27.1	24,756

Waiver Information: Institutions of higher education that are unable to meet the needy student enrollment requirement or the E&G expenditure requirement may apply to the Secretary for waivers of these requirements, as described in 34 CFR 607.3(b) and 607.4(c) and (d). *Institutions requesting a waiver of the needy student requirement must include the detailed information described in the instructions for completing the application.*

The waiver authority provided in 34 CFR 607.3(b)(2) and (3), refers to "low-income" students and families. The regulations define "low-income" as an

amount that does not exceed 150 percent of the amount equal to the poverty level in 1996-97 base year as established by the U.S. Bureau of the Census, 34 CFR 607.3(c). For the purposes of this waiver provision, the following table sets forth the low-income levels for the various sizes of families:

1997-98 BASE YEAR LOW-INCOME LEVELS

Size of family unit	Contiguous 48 States, the District of Columbia, and outlying jurisdictions	Alaska	Hawaii
1	12,075	15,105	13,890
2	16,275	20,355	18,720
3	20,475	25,605	23,550
4	24,675	30,855	28,380
5	28,875	36,105	33,210
6	33,075	41,355	38,040
7	37,275	46,605	42,870
8	41,475	51,855	47,700

For family units with more than eight members, add the following amount for each additional family member: \$2,800 for the contiguous 48 states, the District of Columbia and outlying jurisdictions; \$3,500 for Alaska; and \$3,220 for Hawaii.

The figures shown as low-income levels represent amounts equal to 150 percent of the family income levels established by the U.S. Bureau of the Census for determining poverty status. The Census levels were published by the U.S. Department of Health and Human Services in the **Federal Register**

on February 24, 1998 (63 FR 9235-9238).

In reference to the waiver option specified in 34 CFR 607.3(b)(4) of the regulations, information about "metropolitan statistical areas" may be obtained by requesting the *Metropolitan Statistical Areas, 1993*, order number PB93-192664, from the National Technical Information Services, Document Sales, 5285 Port Royal Road, Springfield, Virginia 22161, telephone number (703) 487-4650. There is a charge for this publication.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 74, 75, 77, 82, 85, and 86; and the regulations applicable to the eligibility process include the Strengthening Institutions Program regulations in 34 CFR part 607.

For Applications or Information Contact: Ellen M. Sealey, Margaret A. Wheeler, or Anne S. Young, Institutional Development and Undergraduate Education Service, U.S. Department of Education, 600 Independence Avenue, SW, (Portals CY-80) Washington, DC 20202-5335. Telephone (202) 708-8866, 708-9926, and 708-8839. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

Individuals with disabilities may obtain a copy of the application package

in an alternate format, also, by contacting the FIRS. However, the Department is not able to reproduce in an alternate format the standard forms included in the application package.

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Note: The official version of a document is the document published in the **Federal Register**.

Program Authority: 20 U.S.C. 1057, 1059c, and 1065a.

Dated: September 14, 1998.

David A. Longanecker,
Assistant Secretary for Postsecondary Education.

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