entered into or will enter into a collaborative arrangement with at least one local educational agency or community-based organization to provide that agency or organization with assistance (from funds other than funds provided under this part) in—
(1) Reducing the dropout rates of Hispanic students;
(2) Improving rates of academic achievement of Hispanic students; and
(3) Increasing the rates at which Hispanic high school graduates enroll in higher education.

(Authority: 20 U.S.C. 1101 et seq.)

§ 606.24 How does the Secretary use an applicant’s performance under a previous development grant when awarding a development grant?

(a)(1) In addition to evaluating an application under the selection criteria in §606.22, the Secretary evaluates an applicant’s performance under any previous development grant awarded under the Developing Hispanic-Serving Institutions Program that expired within five years of the year when the development grant will begin.

(2) The Secretary evaluates whether the applicant fulfilled, or is making substantial progress toward fulfilling, the goals and objectives of the previous grant, including, but not limited to, the applicant’s success in institutionalizing practices developed and improvements made under the grant.

(3) The Secretary bases the evaluation of the applicant’s performance on information contained in—

(i) Performance and evaluation reports submitted by the applicant;
(ii) Audit reports submitted on behalf of the applicant; and
(iii) Other information obtained by the Secretary, including reports prepared by the Department.

(b) If the Secretary initially determines that the applicant did not fulfill the goals and objectives of a previous grant or is not making substantial progress toward fulfilling those goals and objectives, the Secretary may—

(1) Decide not to fund the applicant; or

(2) Fund the applicant but impose special grant terms and conditions, such as specific reporting and monitoring requirements.

(Authority: 20 U.S.C. 1101 et seq.)

§ 606.25 What priority does the Secretary use in awarding cooperative arrangement grants?

Among applications for cooperative arrangement grants, the Secretary gives priority to proposed cooperative arrangements that are geographically and economically sound, or will benefit the institutions applying for the grant.

(Authority: 20 U.S.C. 1101 et seq.)

Subpart D—What Conditions Must a Grantee Meet?

§ 606.30 What are allowable costs and what are the limitations on allowable costs?

(a) Allowable costs. Except as provided in paragraphs (b) and (c) of this section, a grantee may expend grant funds for activities that are related to carrying out the allowable activities included in its approved application.

(b) Supplement and not supplant. Grant funds shall be used so that they supplement and, to the extent practical, increase the funds that would otherwise be available for the activities to be carried out under the grant and in no case supplant those funds.

(c) Limitations on allowable costs. A grantee may not use an indirect cost rate to determine allowable costs under its grant.

(Authority: 20 U.S.C. 1101 et seq.)

§ 606.31 How does a grantee maintain its eligibility?

(a) A grantee shall maintain its eligibility under the requirements in §606.2, except for §606.2(a)(3) and (4), for the duration of the grant period.

(b) The Secretary reviews an institution’s application for a continuation award to ensure that—