one year of course work, as defined by
the institution.

(Authority: 20 U.S.C. 1070d-31 et seq., 20
U.S.C. 1088)

Subpart B—How Does a State
Apply for a Grant?

§ 654.10 What must a State do to apply
for a grant?

(a) To apply for a grant under this
program, a State must submit a par-
ticipation agreement to the Secretary
for review and approval by the deadline
announced annually by the Secretary
in the FEDERAL REGISTER.

(b) On the Secretary’s approval of its
initial participation agreement for fis-
cal year 1993 or thereafter, a State need
not submit a new participation agree-
ment to be considered for funding
under this program in subsequent
years, except that any changes in the
State’s criteria and procedures must be
incorporated in a revised participation
agreement which must be submitted to
the Secretary for review and approval.

(Approved by the Office of Management and
Budget under control number 1840-0612)

(Authority: 20 U.S.C. 1070d-35)

§ 654.11 What is the content of a par-
ticipation agreement?

A State’s participation agreement
must include the following:

(a) A description of the criteria and
procedures that the State, through its
State educational agency (SEA), plans
to use to administer this program in
accordance with the requirements of
this part, including the criteria and
procedures it plans to use to—

(1) Publicize the availability of Byrd
scholarships to students in the State,
with particular emphasis on procedures
designed to ensure that students from
low- and moderate-income families
know about their opportunity for par-
ticipation in the program;

(2) Select eligible students;

(3) Notify scholars of their selections
and scholarship awards;

(4) Monitor the continuing eligibility
of scholars;

(5) Disburse scholarship funds in ac-
cordance with the requirements of
§ 654.50; and

(6) Collect scholarship funds improperly disbursed.

(b) Assurances that the SEA will—

(1) Comply with the criteria and pro-
cedures in its approved participation
agreement;

(2) Submit for the prior written ap-
proval of the Secretary any changes in
the criteria and procedures in the ap-
proved participation agreement; and

(3) Expend the payments it receives
under this program only as provided in
§ 654.3.

(Approved by the Office of Management and
Budget under control number 1840-0612)

(Authority: 20 U.S.C. 1070d-35 to 1070d-38)

Subpart C—How Does the Sec-
cretary Make a Grant to a
State?

§ 654.20 How does the Secretary ap-
prove a participation agreement?

The Secretary approves a participa-
tion agreement if it contains all of the
information and assurances required in
§ 654.11 and is in compliance with the
requirements of this part.

(Authority: 20 U.S.C. 1070d-31 et seq.)

§ 654.21 How does the Secretary deter-
mine the amount of the grant to
each participating State?

(a) From the funds appropriated for
this program, the Secretary allots to
each participating State a grant equal
to $1,500 multiplied by the number of
scholarships the Secretary determines
to be available to that State on the
basis of the formula described in para-
graph (b) of this section.

(b) The number of scholarships that
the Secretary allots to each partici-
pating State for any fiscal year bears
the same ratio to the number of schol-
larships allotted to all participating
States as each State’s population ages
5 through 17 which is derived from the
most recently available data from the
U.S. Bureau of the Census bears to the
population ages 5 through 17 in all par-
ticipating States, except that—

(1) Not fewer than 10 scholarships are
allotted to any participating State; and

(2) The District of Columbia, the
Commonwealth of Puerto Rico, the
U.S. Virgin Islands, American Samoa,
Subpart D—How Does a Student Apply to an SEA for a Scholarship?

§ 654.30 How does a student apply to an SEA for a scholarship?

To apply for a scholarship under this program, a student must follow the application procedures established by the SEA in the student’s State of legal residence.

(Authority: 20 U.S.C. 1070d–37)

Subpart E—How Does an SEA Select an Eligible Student To Be a Scholar?

§ 654.40 Who is an eligible student?

A student is eligible to be selected as a scholar if he or she—
(a) Is a legal resident of the State to which he or she is applying for a scholarship;
(b)(1) Is a U.S. citizen or national;
(2) Provides evidence from the U.S. Immigration and Naturalization Service that he or she—
(i) Is a permanent resident of the United States; or
(ii) Is in the United States for other than a temporary purpose with the intention of becoming a citizen or permanent resident; or
(3) Is a permanent resident of the Trust Territory of the Pacific Islands (Palau);
(c) Becomes a high school graduate in the same secondary school year in which he or she submits the scholarship application;
(d) Has applied or been accepted for enrollment as a full-time student at an institution of higher education;
(e) Is not ineligible to receive assistance as a result of default on a Federal student loan or other obligation, as provided under 34 CFR 75.60; and
(f) Files a Statement of Selective Service Registration Status, in accordance with the provisions of 34 CFR 668.33 of the Student Assistance General Provisions regulations, with the institution he or she plans to attend or is attending.


§ 654.41 What are the selection criteria and procedures?

(a) The SEA shall establish criteria and procedures for the selection of scholars, in accordance with the requirements of this part, after consultation with school administrators, school boards, teachers, counselors, and parents.
(b) The SEA shall establish the selection criteria and procedures to ensure that it selects scholars—
(1) Who are eligible students under the criteria provided in §654.40;
(2) Who have demonstrated outstanding academic achievement and show promise of continued achievement;
(3) In a manner that ensures an equitable geographic distribution of awards within the State; and
(4) Without regard to—
(i) Whether the secondary school each scholar attends is within or outside the scholar’s State of legal residence;
(ii) Whether the institution of higher education each scholar plans to attend is public or private or is within or outside the scholar’s State of legal residence;
(iii) Race, color, national origin, sex, religion, disability, or economic background; and
(iv) The scholar’s educational expenses or financial need.

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(Authority: 20 U.S.C. 1070d–33, 1070d–35 to 1070d–37)

Subpart F—How Does a Scholar Receive Scholarship Payments?

§ 654.50 How does an SEA disburse scholarship funds?

(a) Except as provided in paragraph (b) of this section, the SEA shall disburse $1,500 for each year of study for a maximum of four years of study to each scholar who—