

**DEPARTMENT OF EDUCATION**

[CFDA No. 84.031A, CFDA No. 84.031G]

**Notice Inviting Applications for Designation as an Eligible Institution for Fiscal Year 1996 for the Strengthening Institutions, Hispanic-serving Institutions (HSIs), and Endowment Challenge Grant Programs**

Purpose: Institutions of higher education must meet specific statutory and regulatory requirements to be designated eligible to receive funds under the Strengthening Institutions, HSI, and Endowment Challenge Grant Programs, authorized, respectively, under Part A, Section 316, and Part C of Title III of the Higher Education Act of 1965, as amended (HEA).

Beginning in Fiscal Year 1995, the Department of Education (Department) instituted biennial grant award competitions under both the Strengthening Institutions and HSI Programs. Under the biennial grant award competition system, an institution applied in Fiscal Year 1995 to be considered for either a Fiscal Year 1995 or Fiscal Year 1996 grant award. As part of that system, no new grant award applications would be accepted for Fiscal Year 1996 grant awards under either program. (See the Federal Register of March 7, 1995, 60 FR 12543, for the Strengthening Institutions Program Fiscal Year 1995 closing date notice and the Federal Register of March 23, 1995, 60 FR 15448, for the HSI Program Fiscal Year 1995 closing date notice.)

Under the biennial grant award competition system, field readers evaluated and ranked all applications for both the Strengthening Institutions and HSI Programs. An application not selected for funding under the Fiscal Year 1995 grant award competition would be selected for funding under the Fiscal Year 1996 grant award competition based upon the rank order score it received in the field reader evaluation and ranking, and available funds.

The biennial grant award competition system has the following institutional eligibility implications. To receive a new grant in Fiscal Year 1996 under either the Strengthening Institutions or HSI Program, an institution must submit a Title III eligibility application to the Department by the deadline dates set forth in this notice and must qualify as an eligible institution under this notice. However, interested institutions are advised that as of the date of this notice, Congress has not appropriated sufficient funds in Fiscal Year 1996 to fund new grants under either program.

The Endowment Challenge Grant Program is not under the biennial grant award system. Thus, if an institution of higher education wishes to apply for a new grant under a Fiscal Year 1996 funding competition, unless it is an Historically Black College or University, it must submit a Title III eligibility application to the Department by the deadline dates set forth in this notice and must qualify as an eligible institution under this notice. However, interested institutions are advised that as of the date of this notice, Congress has not appropriated any Endowment Challenge Grant Program funds for Fiscal Year 1996.

Additionally, institutions that wish to be considered for waivers of certain non-Federal share requirements under the Federal Work-Study (FWS) or Federal Supplemental Educational Opportunity Grant (FSEOG) Programs authorized under Title IV of the HEA must submit a Title III eligibility application to the Department by the deadline dates set forth in this notice and must qualify as an eligible institution under this notice. Qualified institutions may receive these waivers even if they are not recipients of grants funds under Title III.

Notwithstanding the absence of funding for new awards in Fiscal Year 1996, if an institution is interested in obtaining eligibility for purposes of receiving a new grant under the Strengthening Institutions or HSI Programs, applying for a new grant under the Endowment Challenge Grant Program, or receiving a waiver of the non-federal share under FWS or FSEOG Programs, it must submit its Title III eligibility application to the Department by June 3, 1996. However, if an institution submits its application by April 30, 1996, the Department will notify the applicants of its eligibility status by May 31, 1996. An applicant that believes it failed to be designated as an eligible institution because of errors in its application or insufficient information in its waiver request may submit an amended application to the Department no later than June 21, 1996.

If an applicant submits its initial application after April 30, 1996 but on or before June, 1996, the Department does not guarantee that it can review this delayed application and notify the applicant in time to allow revisions to the application by the June 21, 1996 deadline date for amended applications.

*Deadline for Transmittal of Applications:* April 30, 1996 for early applications, June 3, 1996 for all initial applications, and June 21, 1996 for amended applications.

*Applications Available:* March 15, 1996.

*Eligibility Information:* To qualify as an eligible institution under the Strengthening Institutions and Endowment Challenge Grant Programs, 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 educational 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, as revised in the Federal Register on August 15, 1994 (59 FR 41914, 41922).

*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: Pell Grant, Supplemental Educational Opportunity Grant, College Work Study, or Perkins Loan Program; or (2) the percentage of its undergraduate degree students who were enrolled on at least a half-time basis and received Pell Grants exceeded the median percentage of undergraduate degree students who were enrolled on at least a half-time basis and received Pell Grants at comparable institutions that offer similar instruction. To qualify under this latter criterion, an institution's Pell Grant percentage for base year 1993–94 must be more than the median for its category of comparable institutions provided on the table in this notice.

*E&G Expenditures Per FTE Student:* An institution should compare its average E&G expenditure/FTE student to the average E&G expenditure/FTE student for its category of comparable institutions contained in the table in this notice. If the institution's average E&G expenditure for the 1993–94 base year is less than the average for its category of comparable institutions, it meets this eligibility requirement.

The 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.

The following table identifies the relevant median Pell Grant percentages and the average E&G expenditures per FTE student for the 1993-94 base year for the four categories of comparable institutions:

	Median Pell grant percentage	Average E&G per FTE student
2-year Public Institutions	31.58	\$6,044
2-year Non-Profit Private Institutions .....	30.76	\$8,839
4-year Public Institutions	28.87	\$14,716
4-year Non-Profit Private Institutions .....	29.00	\$21,012

**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). As discussed in the preamble to the final regulations published in the Federal Register on August 15, 1994 (59 FR 41914-41917), the Secretary has developed a set of more specific instructions relating to the waiver provisions for institutions unable to meet the needy student enrollment requirement. Institutions requesting a waiver of this requirement must include detailed information as set forth in the instructions for completing the application.

Under the waiver authority provided in 34 CFR § 607.3(b)(2), an institution must demonstrate that at least 30 percent of the students it served in base year 1993-94 were from low-income families. The regulations define "low-income" as an amount that does not exceed 150 percent of the amount equal to the poverty level 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:

#### Base Year Low-Income Levels

Size of family unit	Contiguous 48 States, the District of Columbia, and outlying jurisdictions	Alaska	Hawaii
1 .....	\$6,970	\$8,700	\$8,040
2 .....	9,430	11,780	10,860
3 .....	11,890	14,860	13,680
4 .....	14,350	17,940	16,500
5 .....	16,810	21,020	19,230
6 .....	19,270	24,100	22,140
7 .....	21,730	27,180	24,960
8 .....	24,190	30,260	27,780

For family units with more than eight members add the following amount for each additional family member: \$2,460 for the contiguous 48 states, the District of Columbia and outlying jurisdictions; \$3,080 for Alaska; and \$2,820 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 12, 1993 (58 FR 8287-8289). In reference to the waiver option specified in § 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. For general information about "metropolitan statistical areas," institutions of higher education may contact the Strengthening Institutions Program Branch.

**Applicable Regulations:** Regulations applicable to the eligibility process include: (a) The Strengthening

Institutions Program Regulations in 34 CFR Part 607, as revised in the Federal Register on August 15, 1994 (59 FR 41914); (b) the Endowment Challenge Grant Program Regulations in 34 CFR Part 628; and (c) the Education Department General Administrative Regulations in 34 CFR Parts 74, 75, 77, 82, 85, and 86.

**For Applications or Information Contact:** Strengthening Institutions Program Branch, Division of Institutional Development, U.S. Department of Education, 600 Independence Avenue, S.W., (Suite 600-C, Portals Building), Washington, D.C. 20202-5335. Telephone: (202) 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.

Information about the Department's funding opportunities, including copies of application notices for discretionary grant competitions, can be viewed on the Department's electronic bulletin board (ED Board), telephone (202) 260-9950; or on the Internet Gopher Server at GOPHER.ED.GOV (under Announcements, Bulletins and Press Releases). However, the official application notice for a discretionary grant competition is the notice published in the Federal Register.

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

Dated: February 9, 1996.

David A. Longanecker,  
Assistant Secretary for Postsecondary Education.

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