

## DEPARTMENT OF EDUCATION

## 34 CFR Part 657

RIN 1840-AC28

**Higher Education Programs in Modern Foreign Language Training and Area Studies—Foreign Language and Area Studies Fellowships Program**

AGENCY: Department of Education.

ACTION: Final regulations.

**SUMMARY:** The Secretary amends the regulations governing the Higher Education Programs in Modern Foreign Language Training and Area Studies—Foreign Language and Area Studies (FLAS) Fellowships Program. These final regulations are needed to improve the application review process and to update the regulations in light of developments in the field of foreign language, area, and international studies. In the spirit of reinventing government, the goal of the final regulations is to markedly reduce the burden associated with the application process. These final regulations are intended to (a) Reduce the burden on applicants and readers by clarifying and restructuring selection criteria to remove ambiguity and eliminate repetition of information presented in applications, (b) facilitate funding decisions by providing a larger point spread for greater differentiation of rankings, (c) simplify the application process for applicants, improve the cost-effectiveness of the program, and standardize program management by adopting the fellowship award allocation system currently used to administer other Federal fellowship programs, and (d) improve program quality, efficiency, and flexibility by adopting changes program management experience shows to be appropriate.

**EFFECTIVE DATE:** These regulations take effect on October 24, 1996.

**FOR FURTHER INFORMATION CONTACT:**

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**SUPPLEMENTARY INFORMATION:** The Foreign Language and Area Studies Fellowships Program is one of several international education programs authorized under Part A of Title VI of the Higher Education Act of 1965, as

amended. The main provisions of the regulations govern the awarding of grants designed to provide fellowship assistance to students enrolled in advanced programs of modern foreign language and area or international studies.

On March 28, 1996, the Secretary published a notice of proposed rulemaking (NPRM) for this program in the Federal Register (61 FR 14006). The NPRM included a discussion of the proposed changes in the regulations for the Foreign Language and Area Studies Fellowships Program by modifying the selection criteria for applications, by eliminating references to undergraduate programs and fellowship recipients in keeping with statutory requirements, by adopting a new system of allocating fellowship awards, by easing restrictions on the use of fellowship awards abroad, and by clarifying that only academic year awards may be used for research abroad.

As a result of the comments received, the Secretary has increased the number of points allocated to the "Strength of library" criterion, has replaced the term "teaching assistants" with the term "instructional assistants" in the appropriate criteria to eliminate inconsistencies among applicant institutions regarding this position; has rephrased the "Quality of the Center's language instructional program" criterion to eliminate ambiguity regarding the information requested on student enrollments and the Center's offerings; and has eliminated an evaluation factor in § 657.21(a).

**Analysis of Comments and Changes**

In response to the Secretary's invitation in the NPRM, 87 parties submitted comments, 74 of which addressed the proposed regulations. An analysis of the comments and of the changes in the regulations since the publication of the NPRM follows.

Substantive issues are discussed under the section of the regulations to which they pertain. Technical and other minor changes—and suggested changes the Secretary is not legally authorized to make under the applicable statutory authority—are not addressed. Comments not related to the proposed regulations are not addressed.

*What criteria does the Secretary use in selecting institutions for an allocation of fellowships?* (§ 657.21)

—*Foreign language and area studies fellowships awardee selection procedures.* (§ 657.21(a))

*Comments:* One commenter suggested decreasing the number of total points available for this criterion because the

factors used to select FLAS awardees do not necessarily allow readers to differentiate between academic programs of high quality. The commenter suggested that the Secretary eliminate the second factor in this criterion because it requests information that is not relevant to the process for selecting institutions for an allocation of fellowships.

*Discussion:* The Secretary believes that the procedures used to select FLAS awardees are important elements of the grantee's plan of operation. The Secretary also believes that the first factor in this criterion covers this information and allows readers to assess the likelihood of the applicant's meeting the announced competitive priorities for the FLAS program as well as the potential impact of the grant. The Secretary agrees that the second element of the criterion, the extent to which the applicant provides information about current and prospective applicant-to-award ratios, is not critical to the readers and should be eliminated to emphasize the importance of the selection procedures. The Secretary does not wish to decrease the total number of points for this criterion, however.

*Changes:* Section 657.21(a)(2) has been eliminated.

—*Impact and evaluation.* (§ 657.21(c))

*Comments:* One commenter stated that the kinds of quantifiable data being requested to validate a Center's success may prompt institutions to submit inflated data. The commenter stated that an applicant's achievements also may be documented by other unspecified indicators and urged the Secretary to develop measurements that solicit more relevant and meaningful feedback.

*Discussion:* While there are alternative mechanisms that may be available to measure impact, the Secretary requested outcome-based data elements because concrete data are needed to assess whether Centers are fulfilling the purposes contained in the statute and to assess applicant institutions' comparative strengths. The Secretary understands the concern over possible inflated data. All applicants, however, must attest to the accuracy of their applications under the penalty of perjury and eventual grantees are further subject to the provisions of the Federal False Claims Act.

*Changes:* None.

—*Strength of library.* (§ 657.21(e))

*Comments:* Several commenters favored the inclusion of factors that evaluate an institution's capacity for electronic access to research materials and cooperative arrangements for

sharing library resources. They applauded the Secretary's efforts to respond to current technological and economic trends affecting institutions.

One commenter stated that the new factors detracted from recognizing the exemplary qualities and practices of traditional research libraries and that emphasis on these alternative strategies jeopardized institutional incentive for supporting libraries in resource-allocation plans.

*Discussion:* The Secretary believes that the inclusion of information about electronic access to research materials and cooperative resource-sharing arrangements reflects current national trends in libraries. The strength of traditional collections still receives 10 of the possible 15 points for this criterion.

*Changes:* None.

—*Quality of the applicant's non-language instructional program.* (§§ 657.21(f) and 657.21(g))

*Comments:* One commenter suggested replacing "teaching assistants" with the term "instructional assistants" to avoid inconsistencies among applicant institutions regarding the position description and duties.

*Discussion:* The Secretary agrees that this revision is helpful for the reason stated by the commenter.

*Changes:* The Secretary has replaced the term "teaching assistants" with the term "instructional assistants" in §§ 657.21(f)(3) and 657.21(g)(3).

—*Quality of the applicant's language instructional program.* (§ 657.21(g))

*Comments:* One commenter was concerned that by limiting student enrollment information in § 657.21(g)(1) to courses offered directly by the applicant, the Secretary was not recognizing the importance of student enrollment in language programs offered by other institutions (for example, summer study programs) during the course of the students' overall language study at the applicant institution. The commenter requested that the Secretary rephrase the criterion to broaden the enrollment data that can be considered.

*Discussion:* The Secretary agrees that the extent to which students from the Center's institution study foreign languages, both at the institution and through off-campus programs and courses, should be recognized under this criterion.

*Changes:* The Secretary has revised § 657.21(g)(1) to include student enrollment in programs offered by the Center or other providers.

*What is the amount of a fellowship?* (§ 657.31)

*Comments:* Most comments received from postsecondary faculty and administrators supported a standard institutional payment plus subsistence allowance because this system is equitable for both public and private institutions of higher education. These commenters also observed that the system will be more cost-effective and more equitable than the previous system of allocating FLAS funds.

One commenter asked whether the new cost-of-education allowance system will permit institutions to reallocate unused portions of academic year fellowship awards to make awards to additional fellowship recipients. The commenter noted that frequently there are award recipients who complete their required courses without having to use the entire amount of the fellowship award.

Several commenters believed the new cost-of-education allowance system substantially simplifies institutional administrative procedures for grantees.

One commenter disagreed that the new cost-of-education allowance system simplifies grants administration for institutions.

A few commenters opposed a standard institutional payment because they believed it will inhibit some institutions with high tuition graduate and professional programs from applying for the fellowships. The commenters stated that institutions do not have the financial resources to pay the difference between the standard institutional payment and high tuition costs, thereby making the fellowship awards less desirable to potential applicant institutions. One commenter suggested rectifying this problem by eliminating the requirement that institutions provide full fellowships to individual students. This commenter felt that institutions should be allowed to require students to share the cost of the fellowship.

Two commenters believed that the cost-of-education allowance system will inhibit professional school students from receiving Foreign Language and Area Studies Fellowships and that this contradicts the current competitive priorities for the program.

One commenter added that, if an institution forgoes applying for Foreign Language and Area Studies Fellowships due to the difference between the institutional payment and the actual tuition rate, then the cost-of-education allowance system will prevent access to the fellowship funds for students at high tuition institutions.

Two commenters disagreed with the Secretary's rationale for using other graduate fellowship programs, such as

Jacob Javits and Patricia Roberts Harris, as models for the proposed Foreign Language and Area Studies Fellowships Program cost-of-education allowance system. The commenters stated that the provisions under those programs differ from the FLAS program in that those Federal fellowship programs provide the awards directly to students and do not require institutions to accept prospective fellowship recipients enrolled in high-cost programs. Those commenters also claimed that, since the permitted scope of study conducted under the Javits and Harris fellowships is broader, the institution is able to make up the difference between the institutional payment and the actual tuition from across many departments in the university. The commenters claimed that the FLAS program has a narrower focus and, therefore, will have a direct impact on only the departments with international components.

One commenter suggested phasing in the new cost-of-education allowance system over a three-year period to allow institutions that receive fellowship grants sufficient time to identify additional resources to supplement the institution's standard institutional payment.

*Discussion:* The Secretary appreciates the comments supporting the cost-of-education allowance. The Secretary believes this system provides for an equitable allocation of funds whereby each institution will receive the same amount per student. The change will enable the Department and grantee institutions to administer the FLAS program more effectively. The Secretary believes the allowance system substantially encourages cost-effectiveness and improves program accountability. In this era of diminishing budgetary resources, the Secretary believes it is important to encourage cost-containment and the award of the largest possible number of fellowships out of limited funds.

Without this change, there is limited disincentive to prevent an institution from paying itself "full" tuition for a smaller number of awards.

Given that the majority of comments received from institutions supported this change, the Secretary disagrees with the commenters who suggested that institutions will not be able to support the FLAS program based on the cost-of-education allowance. The FLAS regulations allow unused portions of grants (such as institutional payments in excess of actual tuition costs) to be used by institutions to make additional fellowship awards.

The Secretary disagrees with the suggestion that the cost-of-education

allowance be phased in over three years. The administrative burden and delayed phase-in would defeat the benefits sought under the cost-of-education allowance system.

*Changes:* None.

*What are the limitations on the use of funds for overseas fellowships? (§ 657.33(b)(1))*

*Comments:* One commenter supported the provision allowing students at the beginning proficiency level to use a fellowship award abroad if an appropriate program in the same language is not available in the United States. The commenter stated that the revised restriction provides opportunities for more students to enroll in meaningful overseas language training programs.

One commenter suggested a revision to indicate that the advanced level of language proficiency is the preferred eligibility level for approval to use FLAS awards abroad and that students at the beginning or intermediate level may use a FLAS award abroad only if equivalent instruction is not available in the United States.

*Discussion:* The Secretary believes that the suggested revision unnecessarily restricts management flexibility for grantees, particularly in the field of less-commonly-taught languages. The Secretary disagrees with the commenter's view that only students with advanced language proficiency should be allowed to use FLAS awards abroad because beginning and intermediate level students can also benefit from language study in an immersion environment. The Secretary believes the language proficiency eligibility requirements and the conditions for approval to use a fellowship outside the United States are sufficient to maximize the positive impact of the FLAS program.

*Changes:* None.

—*Other Changes.* (§§ 657.21(c)(2), 657.21(i), and 657.33(b)(1))

*Comments:* None.

*Discussion:* In the "Impact and evaluation" criterion, the Secretary believes that requiring that the applicant's evaluation plan be comprehensive and objective at the time of the submission of the application emphasizes the importance of the applicant's participation in and ongoing commitment to improving program quality and efficiency.

*Changes:* The Secretary has changed "that will be" to "that is" in § 657.21(c)(2).

*Comments:* None.

*Discussion:* The Secretary did not receive comments regarding the

awarding of additional points to applicants. However, the Secretary believes that the awarding of additional points should be done only when the Secretary establishes a competitive priority.

*Changes:* The Secretary has inserted the word "competitive" after the word "more" in the "Priorities" criterion (§ 657.21(i)).

*Comments:* None.

*Discussion:* Although the Secretary did not receive comments concerning whether fellowships for overseas programs were limited to foreign language studies, the Secretary believes that limiting the use of fellowships overseas for only foreign language programs at the specified proficiency levels reinforces the statutory purpose of providing specialized training opportunities to eligible students.

*Changes:* The Secretary has added the words "foreign language" after the word "overseas" in § 657.33(b)(1).

#### Paperwork Reduction Act of 1995

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number assigned to the collection of information in these final regulations is displayed at the end of the affected section of the regulations.

#### Intergovernmental Review

This program is subject to the requirements of Executive Order 12372 and the regulations in 34 CFR Part 79. The objective of the Executive order is to foster an intergovernmental partnership and a strengthened federalism by relying on processes developed by State and local government for coordination and review of proposed Federal financial assistance.

In accordance with the order, this document is intended to provide early notification of the Department's specific plans and actions for this program.

#### Assessment of Educational Impact

In the notice of proposed rulemaking, the Secretary requested comments on whether the proposed regulations would require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

Based on the response to the proposed regulations and on its own review, the Department has determined that the final regulations in this document do not require transmission of information that is being gathered by or is available from any other agency or authority of the United States.

#### List of Subjects in 34 CFR Part 657

Colleges and universities, Education, International education, Reporting and recordkeeping requirements.

Dated: September 18, 1996.

David A. Longanecker,

*Assistant Secretary for Postsecondary Education.*

(Catalog of Federal Domestic Assistance Number 84.015 National Resource Centers and Foreign Language and Area Studies Fellowships Programs.)

The Secretary amends Title 34 of the Code of Federal Regulations by revising Part 657 to read as follows:

### **PART 657—FOREIGN LANGUAGE AND AREA STUDIES FELLOWSHIPS PROGRAM**

#### **Subpart A—General**

Sec.

- 657.1 What is the Foreign Language and Area Studies Fellowship Program?
- 657.2 Who is eligible to receive an allocation of fellowships?
- 657.3 Who is eligible to receive a fellowship?
- 657.4 What regulations apply?
- 657.5 What definitions apply?

#### **Subpart B—How Does an Institution or a Student Submit an Application?**

- 657.10 What combined applications may an institution submit?
- 657.11 How does a student apply for a fellowship?

#### **Subpart C—How Does the Secretary Select an Institution for an Allocation of Fellowships?**

- 657.20 How does the Secretary evaluate an institutional application for an allocation of fellowships?
- 657.21 What criteria does the Secretary use in selecting institutions for an allocation of fellowships?
- 657.22 What priorities may the Secretary establish?

#### **Subpart D—What Conditions Must Be Met By a Grantee and a Fellow?**

- 657.30 What is the duration of and what are the limitations on fellowships awarded to individuals by institutions?
- 657.31 What is the amount of a fellowship?
- 657.32 What is the payment procedure for fellowships?
- 657.33 What are the limitations on the use of funds for overseas fellowships?
- 657.34 Under what circumstances must an institution terminate a fellowship?

Authority: 20 U.S.C. 1122, unless otherwise noted.

#### **Subpart A—General**

##### **§ 657.1 What is the Foreign Language and Area Studies Fellowships Program?**

Under the Foreign Language and Area Studies Fellowships Program, the Secretary awards fellowships, through

institutions of higher education, to students who are—

(a) Enrolled for graduate training in a Center or program approved by the Secretary under this part; and

(b) Undergoing performance-based modern foreign language training or training in a program for which performance-based modern foreign language instruction is being developed, in combination with area studies, international studies, or the international aspects of professional studies.

(Authority: 20 U.S.C. 1122)

**§ 657.2 Who is eligible to receive an allocation of fellowships?**

(a) The Secretary awards an allocation of fellowships to an institution of higher education or to a combination of institutions of higher education that—

(1) Operates a Center or program approved by the Secretary under this part;

(2) Teaches modern foreign languages under a program described in paragraph (b) of this section; and

(3) In combination with the teaching described in paragraph (a)(2) of this section—

(i) Provides instruction in the disciplines needed for a full understanding of the area, regions, or countries in which the foreign languages are commonly used; or

(ii) Conducts training and research in international studies, the international aspects of professional and other fields of study, or issues in world affairs that concern one or more countries.

(b) In teaching those modern foreign languages for which an allocation of fellowships is made available, the institution must be either using a program of performance-based training or developing a performance-based training program.

(c) The Secretary uses the criteria in § 657.21 both to approve Centers and programs for the purpose of receiving an allocation of fellowships and to evaluate applications for an allocation of fellowships.

(d) An institution does not need to receive a grant under the National Resource Center Program (34 CFR Part 656) to receive an allocation of fellowships under this part.

(Authority: 20 U.S.C. 1122)

**§ 657.3 Who is eligible to receive a fellowship?**

A student is eligible to receive a fellowship if the student—

(a)(1) Is a citizen or national of the United States; or

(2) Is a permanent resident of the United States;

(b) Is accepted for enrollment or is enrolled—

(1) In an institution receiving an allocation of fellowships; and

(2) In a program that combines modern foreign language training with—

(i) Area or international studies; or

(ii) Research and training in the international aspects of professional and other fields of study;

(c) Shows potential for high academic achievement based on such indices as grade point average, class ranking, or similar measures that the institution may determine; and

(d) Is enrolled in a program of modern foreign language training in a language for which the institution has developed or is developing performance-based instruction.

(Authority: 20 U.S.C. 1122)

**§ 657.4 What regulations apply?**

The following regulations apply to this program:

(a) The regulations in 34 CFR Part 655.

(b) The regulations in this Part 657.

(Authority: 20 U.S.C. 1122)

**§ 657.5 What definitions apply?**

The following definitions apply to this part:

(a) The definitions in 34 CFR 655.4.

(b) *Center* means an administrative unit of an institution of higher education that has direct access to highly qualified faculty and library resources, and coordinates a concentrated effort of educational activities, including training in modern foreign languages and various academic disciplines, in its subject area.

(c) *Fellow* means a person who receives a fellowship under this part.

(d) *Fellowship* means the payment a fellow receives under this part.

(e) *Program* means a concentration of educational resources and activities in modern foreign language training and related studies.

(Authority: 20 U.S.C. 1122)

**Subpart B—How Does an Institution or a Student Submit an Application?**

**§ 657.10 What combined application may an institution submit?**

An institution that wishes to apply for an allocation of fellowships and for a grant to operate a Center under 34 CFR Part 656 may submit a combined application for both grants to the Secretary.

(Authority: 20 U.S.C. 1122)

**§ 657.11 How does a student apply for a fellowship?**

(a) A student shall apply for a fellowship directly to an institution of

higher education that has received an allocation of fellowships.

(b) The applicant shall provide sufficient information to enable the institution to determine whether he or she is eligible to receive a fellowship and whether he or she should be selected to receive a fellowship.

(Authority: 20 U.S.C. 1122)

**Subpart C—How Does the Secretary Select an Institution for an Allocation of Fellowships?**

**§ 657.20 How does the Secretary evaluate an institutional application for an allocation of fellowships?**

(a) The Secretary evaluates an application for an allocation of fellowships on the basis of the quality of the applicant's Center or program. The applicant's Center or program is evaluated and approved under the criteria in § 657.21.

(b) In general, the Secretary awards up to 140 possible points for these criteria. However, if priority criteria are used, the Secretary awards up to 150 possible points. The maximum possible points for each criterion are shown in parentheses.

(Authority: 20 U.S.C. 1122)

**§ 657.21 What criteria does the Secretary use in selecting institutions for an allocation of fellowships?**

(a) *Foreign language and area studies fellowships awardee selection procedures.* (15 points) The Secretary reviews each application to determine whether the selection plan is of high quality, showing how awards will be advertised, how students apply, what selection criteria are used, who selects the fellows, when each step will take place, and how the process will result in awards being made to correspond to any announced priorities.

(b) *Quality of staff resources.* (15 points) The Secretary reviews each application to determine—

(1) The extent to which teaching faculty and other staff are qualified for the current and proposed activities and training programs, are provided professional development opportunities (including overseas experience), and participate in teaching, supervising, and advising students (5 points);

(2) The adequacy of applicant staffing and oversight arrangements and the extent to which faculty from a variety of departments, professional schools, and the library are involved (5 points); and

(3) The extent to which the applicant, as part of its nondiscriminatory employment practices, encourages applications for employment from persons who are members of groups that

have been traditionally underrepresented, such as members of racial or ethnic minority groups, women, persons with disabilities, and the elderly (5 points).

(c) *Impact and evaluation.* (20 points) The Secretary reviews each application to determine—

(1) The extent to which the applicant's activities and training programs have contributed to an improved supply of specialists on the program's subject as shown through indices such as graduate enrollments and placement data; and the extent to which the applicant supplies a clear description of how the applicant will provide equal access and treatment of eligible project participants who are members of groups that have been traditionally underrepresented, such as members of racial or ethnic minority groups, women, persons with disabilities, and the elderly (15 points); and

(2) The extent to which the applicant provides an evaluation plan that is comprehensive and objective and that will produce quantifiable, outcome-measure-oriented data; and the extent to which recent evaluations have been used to improve the applicant's program (5 points).

(d) *Commitment to the subject area on which the applicant or program focuses.* (10 points) The Secretary reviews each application to determine—

(1) The extent to which the institution provides financial and other support to the operation of the applicant, teaching staff for the applicant's subject area, library resources, and linkages with institutions abroad (5 points); and

(2) The extent to which the institution provides financial support to graduate students in fields related to the applicant's teaching program (5 points).

(e) *Strength of library.* (15 points) The Secretary reviews each application to determine—

(1) The strength of the institution's library holdings (both print and non-print, English and foreign language) for graduate students; and the extent to which the institution provides financial support for the acquisition of library materials and for library staff in the subject area of the applicant (10 points); and

(2) The extent to which research materials at other institutions are available to students through cooperative arrangements with other libraries or on-line databases (5 points).

(f) *Quality of the applicant's non-language instructional program.* (25 points) The Secretary reviews each application to determine—

(1) The quality and extent of the applicant's course offerings in a variety of disciplines, including the extent to which courses in the applicant's subject matter are available in the institution's professional schools (10 points);

(2) The extent to which the applicant offers depth of specialized course coverage in one or more disciplines on the applicant's subject area (5 points);

(3) The extent to which the institution employs a sufficient number of teaching faculty to enable the applicant to carry out its purposes and the extent to which instructional assistants are provided with pedagogy training (5 points); and

(4) The extent to which interdisciplinary courses are offered for graduate students (5 points).

(g) *Quality of the applicant's language instructional program.* (20 points) The Secretary reviews each application to determine—

(1) The extent to which the applicant provides instruction in the languages of the applicant's subject area and the extent to which students enroll in the study of the languages of the subject area through programs or instruction offered by the applicant or other providers (5 points);

(2) The extent to which the applicant provides three or more levels of language training and the extent to which courses in disciplines other than language, linguistics, and literature are offered in appropriate foreign languages (5 points);

(3) Whether sufficient numbers of language faculty are available to teach the languages and levels of instruction described in the application and the extent to which language teaching staff (including faculty and instructional assistants) have been exposed to current language pedagogy training appropriate for performance-based teaching (5 points); and

(4) The quality of the language program as measured by the performance-based instruction being used or developed, the adequacy of resources for language teaching and practice, and language proficiency requirements (5 points).

(h) *Quality of curriculum design.* (20 points) The Secretary reviews each application to determine—

(1) The extent to which the applicant's curriculum provides training options for graduate students from a variety of disciplines and professional fields and the extent to which these programs and their requirements (including language requirements) are appropriate for an applicant in this subject area and result in graduate training programs of high quality (10 points);

(2) The extent to which the applicant provides academic and career advising services for students (5 points); and

(3) The extent to which the applicant has established formal arrangements for students to conduct research or study abroad and the extent to which these arrangements are used; and the extent to which the institution facilitates student access to other institutions' study abroad and summer language programs (5 points).

(i) *Priorities.* (10 points) If one or more competitive priorities have been established under § 657.22, the Secretary reviews each application for information that shows the extent to which the Center or program meets these priorities.

(Approved by the Office of Management and Budget under control number 1840-0068)

(Authority: 20 U.S.C. 1122)

#### **§ 657.22 What priorities may the Secretary establish?**

(a) The Secretary may establish one or more of the following priorities for the allocation of fellowships:

(1) Specific world areas, or countries, such as East Asia or Mexico.

(2) Languages, such as Chinese.

(3) Levels of language offerings.

(4) Academic disciplines, such as linguistics or sociology.

(5) Professional studies, such as business, law, or education;

(6) Particular subjects, such as population growth and planning, or international trade and business.

(7) A combination of any of these categories.

(b) The Secretary announces any priorities in the application notice published in the Federal Register.

(Authority: 20 U.S.C. 1122)

#### **Subpart D—What Conditions Must Be Met by a Grantee and a Fellow?**

##### **§ 657.30 What is the duration of and what are the limitations on fellowships awarded to individuals by institutions?**

(a) *Duration.* An institution may award a fellowship to a student for—

(1) One academic year; or

(2) One summer session if the summer session provides the fellow with the equivalent of one academic year of modern foreign language study.

(b) *Vacancies.* If a fellow vacates a fellowship before the end of an award period, the institution to which the fellowship is allocated may reaward the balance of the fellowship to another student if—

(1) The student meets the eligibility requirements in § 657.3; and

(2) The remaining fellowship period comprises at least one full academic

quarter, semester, trimester, or summer session as described in paragraph (a)(2) of this section.

(Authority: 20 U.S.C. 1122)

**§ 657.31 What is the amount of a fellowship?**

(a)(1) An institution shall award a stipend to fellowship recipients.

(2) Each fellowship includes an institutional payment and a subsistence allowance to be determined by the Secretary.

(3) If the institutional payment determined by the Secretary is greater than the tuition and fees charged by the institution, the institutional payment portion of the fellowship is limited to actual tuition and fees. The difference between actual tuition and fees and the Secretary's institutional payment shall be used to fund additional fellowships to the extent that funds are available for a full subsistence allowance.

(4) If permitted by the Secretary, the fellowship may include an allowance for travel and an allowance for dependents.

(b) The Secretary announces in an application notice published in the Federal Register—

(1) The amounts of the subsistence allowance and the institutional payment for an academic year and the subsistence allowance and the institutional payment for a summer session;

(2) Whether travel and dependents' allowances will be permitted; and

(3) The amount of travel and dependents' allowances.

(Authority: 20 U.S.C. 1122)

**§ 657.32 What is the payment procedure for fellowships?**

(a) An institution shall pay a fellow his or her subsistence and any other allowance in installments during the term of the fellowship.

(b) An institution shall make a payment only to a fellow who is in good standing and is making satisfactory progress.

(c) The institution shall make appropriate adjustments of any overpayment or underpayment to a fellow.

(d) Funds not used by one recipient for reasons of withdrawal are to be used for alternate recipients to the extent that funds are available for a full subsistence allowance.

(Authority: 20 U.S.C. 1122)

**§ 657.33 What are the limitations on the use of funds for overseas fellowships?**

(a) Before awarding a fellowship for use outside the United States, an institution shall obtain the approval of the Secretary.

(b) The Secretary may approve the use of a fellowship outside the United States if the student is—

(1) Enrolled in an overseas foreign language program approved by the institution at which the student is enrolled in the United States for study at an intermediate or advanced level or at the beginning level if appropriate equivalent instruction is not available in the United States; or

(2) Engaged during the academic year in research that cannot be done effectively in the United States and is affiliated with an institution of higher education or other appropriate organization in the host country.

(Authority: 20 U.S.C. 1122)

**§ 657.34 Under what circumstances must an institution terminate a fellowship?**

An institution shall terminate a fellowship if—

(a) The fellow is not making satisfactory progress, is no longer enrolled, or is no longer in good standing at the institution; or

(b) The fellow fails to follow the course of study, including modern foreign language study, for which he or she applied, unless a revised course of study is otherwise approvable under this part.

(Authority: 20 U.S.C. 1122)

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