

## DEPARTMENT OF EDUCATION

[CFDA NO.: 84.031H]

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

*Purpose of This Notice:* This notice supersedes the institutional eligibility notice published in the **Federal Register** of September 23, 1998 (63 FR 50960–50961) for the Strengthening Institutions and Hispanic-Serving Institutions (HSI) Programs. This notice incorporates statutory changes to the institutional eligibility provisions in those programs that were made by the Higher Education Amendments of 1998, Public Law 105–244, and became effective on October 1, 1998. Those changes include, for example, the addition of a waiver option for American Indian Tribally Controlled Colleges and Universities. This notice also replaces the low-income table set forth in the September 23, 1998 notice with a Base Year 1996–97 Low-Income Levels Table.

Because the statutory changes made by the Higher Education Amendments of 1998 to the Strengthening and HSI Programs became effective on October 1, 1998, the Department will not have adequate time to implement the “early application procedures” contained in the September 23, 1998 notice for this year. Therefore, the Department will not use those early application procedures for this fiscal year. As a result, the Department will not accept amended or corrected applications after the deadline dates set forth in this notice.

For the reader's convenience, this notice repeats all the relevant application information contained in the September 23, 1998 **Federal Register** notice in order to provide a single reference point for information about the institutional eligibility application process.

**Purpose of These Programs**

Under the Strengthening Institutions Program authorized under Part A of Title III of the Higher Education Act of 1965, as amended (HEA), institutions of higher education, including American Indian Tribally Controlled Colleges and Universities and Alaska Native and Native Hawaiian—Serving Institutions,

are eligible to receive funds if they meet specific statutory and regulatory requirements. Similarly, Hispanic-Serving Institutions may receive funds under the HSI Program, now authorized under Title V of the HEA, if they meet specific statutory and regulatory requirements.

An institution that is designated as an eligible institution under those programs may receive a grant under those programs, and may also receive a waiver of certain non-Federal share requirements under the Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work Study (FWS), and Undergraduate International Studies and Foreign Language Programs (UISFLP). These first two programs are student financial assistance programs authorized under Title IV of the HEA; the third program is authorized under Title VI of the HEA. Qualified institutions may receive these waivers even if they are not recipients of grant funds under the Title III or Title V programs.

*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, FWS, or UISFLP waivers. Accordingly, if an institution is interested in applying both for a grant and a waiver, it must submit its application by February 15, 1999.

*Applications Available:* January 15, 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, including an American Indian Tribally Controlled College or University or an Alaska Native or Native Hawaiian Serving Institution, 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 junior or community colleges (except that an American Indian Tribally Controlled College or University merely must qualify as a junior or community college) or 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 1996–1997 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 institutions'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 1996–1997 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 as set forth 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:

FY 1996–97 ANNUAL LOW-INCOME LEVELS

Size of family unit	Contiguous 48 States, the District of Columbia and outlying	Alaska	Hawaii
1 .....	11,610	14,490	13,365
2 .....	15,540	19,410	17,880
3 .....	19,470	24,330	22,395
4 .....	23,400	29,250	26,910
5 .....	27,330	34,170	31,425
6 .....	31,260	39,090	35,940
7 .....	35,190	44,010	40,455
8 .....	39,120	48,930	44,970

For family units with more than eight members, add the following amount for each additional family member: \$3,930 for the contiguous 48 states, the District

of Columbia and outlying jurisdictions; \$4,920 for Alaska; and \$4,515 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 § 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:** Regulations applicable to the eligibility process include the Strengthening Institutions Program Regulations in 34 CFR part 607, and the Education Department General Administrative Regulations in 34 CFR parts 74, 75, 77, 82, 85, and 86.

**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, S.W., (Portals CY–80) Washington, D.C. 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, audio tape, 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: December 28, 1998.

**David A. Longanecker,**

*Assistant Secretary for Postsecondary Education.*

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