

**DEPARTMENT OF TRANSPORTATION****Coast Guard****33 CFR Part 175****[USCG-2001-10163]****RIN 2115-AG18****Federal Requirements For Propeller Injury Avoidance Measures****AGENCY:** Coast Guard, DOT.**ACTION:** Notice of proposed rulemaking; reopening of comment period.

**SUMMARY:** The Coast Guard is reopening the period for public comment concerning federal requirements for propeller injury avoidance measures. The president of the National Association of State Boating Law Administrators (NASBLA) asked that we reopen the comment period, which ended March 11, 2002, so its Committee could discuss the proposed rule at its meeting in April 2002 and so NASBLA could submit a comment to the docket. We are reopening the period until May 11, 2002, so that NASBLA and other interested persons can submit comments.

**DATES:** Comments must reach the docket on or before May 11, 2002.**ADDRESSES:** Identify your comments and related material by the docket number for this rulemaking [USCG-2001-10163]. To make sure they do not enter the docket more than once, please submit them by only one of the following means:

(1) By mail to the Docket Management Facility, U. S. Department of Transportation, room PL-401, 400 Seventh Street SW., Washington, DC 20590-0001.

(2) By hand-delivery to room PL-401 on the Plaza level of the Nassif Building, 400 Seventh Street SW., Washington, DC, between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. The telephone number is 202-366-9329.

(3) By fax to the Docket Management Facility at 202-493-2251.

(4) Electronically through the Internet Site for the Docket Management System at <http://dms.dot.gov>.

The Docket Management Facility maintains the public docket for this rulemaking. Comments and material received from the public, as well as documents mentioned in this preamble as being available in the docket, will become part of this docket and will be available for inspection or copying at room PL-401 on the Plaza level of the Nassif Building, at the address listed above between 9 a.m. and 5 p.m.,

Monday through Friday, except Federal holidays. You may also find this docket on the Internet at <http://dms.dot.gov>. You may obtain a copy of this notice by calling the Infoline of the U. S. Coast Guard at 1-800-368-5647, or read it on the Internet, at the Web Site for the Office of Boating Safety, at <http://www.uscgboating.org> or at <http://dms.dot.gov>.

**FOR FURTHER INFORMATION CONTACT:** For questions on this notice, contact Carlton Perry, Project Manager, Office of Boating Safety, U. S. Coast Guard, by telephone at 202-267-0979 or by e-mail at [cperry@comdt.uscg.mil](mailto:cperry@comdt.uscg.mil). For questions on viewing or submitting material to the docket, call Dorothy Beard, Chief, Dockets, Department of Transportation, telephone 202-366-5149.

**SUPPLEMENTARY INFORMATION:****Regulatory History**

The Coast Guard published a notice of proposed rulemaking entitled "Federal Requirements For Propeller Injury Avoidance Measures" on December 10, 2001 [66 FR 63645]. That document also contains a detailed history of the Coast Guard's previous regulatory efforts in the area of propeller injury prevention.

**Reason for Reopening the Comment Period**

In response to the notice of proposed rulemaking, we received more than 70 comments, including a request from the President of NASBLA to extend the comment period beyond April 15, 2002, to enable the Boats & Associated Equipment Committee of NASBLA to review the proposal at its meeting and allow NASBLA to submit a comment to the docket. We are reopening the comment period until May 11, 2002, to let the committee discuss the proposed rulemaking at their meeting and for NASBLA to submit a comment to the docket. During this time, we will also accept comments from any other interested party. The Coast Guard requests that you not re-submit comments already in the docket.

**Request for Comments**

We encourage you to participate in this rulemaking by submitting your comments to the Docket Management Facility as specified in **ADDRESSES**. We will consider comments received during this reopened comment period and may change the proposed rule in response to the comments.

Dated: March 16, 2002.

**Kenneth T. Venuto,***Rear Admiral, Coast Guard, Director of Operations Policy.*

[FR Doc. 02-7230 Filed 3-25-02; 8:45 am]

**BILLING CODE 4910-15-P****CORPORATION FOR NATIONAL AND COMMUNITY SERVICE****45 CFR Parts 2520, 2521, 2522, 2524, 2525, 2526, 2528, and 2550****RIN 3045-AA32****AmeriCorps Grant Regulations****AGENCY:** Corporation for National and Community Service.**ACTION:** Proposed rule.

**SUMMARY:** The Corporation for National and Community Service (hereinafter the "Corporation") proposes to amend several provisions relating to the AmeriCorps national service program, including requirements for AmeriCorps grants and rules on how AmeriCorps members may use the AmeriCorps education award.

**DATES:** Written comments should be received on or before May 28, 2002.**ADDRESSES:** Comments may be mailed or delivered to Gary Kowalczyk, Coordinator of National Service Programs, Corporation for National and Community Service, 1201 New York Avenue NW, Washington, DC 20525, sent by facsimile transmission to (202) 565-2784, or sent electronically to [gkowalcz@cns.gov](mailto:gkowalcz@cns.gov). Copies of all communications received will be available for review at the Corporation by members of the public.**FOR FURTHER INFORMATION CONTACT:** Gary Kowalczyk, Coordinator of National Service Programs, Corporation for National and Community Service, (202) 606-5000, ext. 340. T.D.D. (202) 565-2799. This proposed rule may be requested in an alternative format for persons with visual impairments.

**SUPPLEMENTARY INFORMATION:** Pursuant to the National and Community Service Act of 1990, as amended (42 U.S.C. 12501 *et seq.*), the Corporation makes grants to support service performed by AmeriCorps members. In addition, the Corporation, through the National Service Trust, provides education awards and certain interest payments to AmeriCorps participants who successfully complete a term of service in an approved national service position.

The proposed rule reflects our efforts to eliminate requirements that are unnecessary and burdensome as well as

to conform our regulations to changes in law. Consistent with Executive Order 13198, entitled "Agency Responsibilities with respect to Religious and Community Initiatives," and issued on January 29, 2001, the Corporation has identified several AmeriCorps regulations that may impede effective religious and other community efforts to solve social problems. To this end, we also sought input from an April 2001 focus group of representatives from sixteen religious and small community-based organizations on how we could remove barriers to their participation. While some of the ideas suggested by the group would require statutory amendments, other ideas concern regulatory items that are not dictated by statute. In addition, we identified several changes to regulations that reflect recent changes in statute or that otherwise will promote the efficiency of national service programs.

The proposed rule:

1. Provides flexibility in the types of AmeriCorps member activities authorized in connection with disaster relief, homeland defense, or other compelling community needs.
2. Explicitly recognizes that religious organizations are eligible to receive AmeriCorps grants.
3. Eliminates the "six month rule" as a requirement for grantees.
4. Expands the types of educational expenses that may be paid with the education award.
5. Modifies the education award refund rules in the event a member does not complete a period of enrollment at an institution of higher education.
6. Provides that an AmeriCorps member's declaration under penalty of law may constitute sufficient documentation of that individual's attainment of a high school degree for purposes of enrolling as an AmeriCorps member and using the education award.
7. Modifies and strengthens the requirements relating to prohibited activities and clarifies that these requirements apply only to AmeriCorps programs funded under subtitle C of the National and Community Service Act.
8. Eliminates obsolete references to Palau.
9. Amends the regulations in conformance with the National and Community Service Act of 1990, as amended, to recognize that a Territory that establishes a state commission is eligible to apply for administrative grant funds to support the activities of the state commission.
10. Amends the definition of "Institution of Higher Education" to

conform with the Higher Education Amendments of 1998.

#### **Flexibility in Types of AmeriCorps Activities**

The proposed rule broadens the circumstances under which AmeriCorps members may engage in activities that provide an indirect benefit to their community. The Corporation may approve such activities with respect to disaster relief, homeland defense, and other compelling community needs.

#### **Eligibility of Religious Organizations for AmeriCorps Grants**

The proposed rule inserts references to religious organizations in several lists of types of organizations eligible to apply for AmeriCorps grants. This affirms that religious organizations are eligible on the same basis as any other private nonprofit organization to apply for AmeriCorps grants and operate AmeriCorps programs.

#### **Elimination of "Six Month Rule"**

The proposed rule eliminates a requirement under which grantees could not select any prospective AmeriCorps member who is or was previously employed by a prospective project sponsor within six months of the member's enrollment in the program. Our experience has shown this requirement to be burdensome for grantees. We believe that there are more effective and efficient ways to ensure that grantees are complying with rules against displacement, without imposing a blanket "six month rule." By continuing to require grantees to show how a proposed project will address unmet needs and by enforcing existing rules against displacement, the Corporation can ensure that any former employees enrolled as AmeriCorps member will perform service that goes well beyond—in both degree and kind—their former job duties.

#### **Use of Education Award for Educational Courses Offered by Title IV Institutions of Higher Education**

AmeriCorps members may use their education award to pay "current educational expenses" at institutions of higher education that have entered into program participation agreements with the U.S. Department of Education under Title IV of the Higher Education Act (HEA). In 1999, by regulation, we limited such expenses to those recognized in the "cost of attendance" definition under Title IV. As a result, AmeriCorps members pursuing educational interests outside a Title IV eligible program were precluded from

using their education award for their educational expenses.

We revisited this rule based on input from AmeriCorps members who want to use the education award to pay for continuing education and other non-Title IV eligible courses at Title IV institutions of higher education. We have concluded that section 148 of the National and Community Service Act (42 U.S.C. 12604), while tying the payment of current educational expenses to Title IV institutions of higher education, can be read to allow payment of educational expenses outside the definition of "cost of attendance." Such a reading will also advance the national service legislation's purpose of including all Americans, since older participants or participants with disabilities might be more likely to pursue educational opportunities outside degree-granting courses of study. This proposed rule allows the education award to be used to pay (1) the cost of attendance as currently permitted for individuals in Title IV eligible programs; and (2) other educational expenses attributable to courses offered by Title IV institutions of higher education. There is no change to the requirement, based in statute, that expenses be "current," that is, incurred after an individual enrolls in an AmeriCorps position.

#### **Refunds to the National Service Trust**

The current rule derives from the requirement in the NCSA that the Corporation provide, by regulation, for the refund to the Corporation of education awards disbursed to institutions of higher education, in the event that the student eligible for the education award withdraws or otherwise fails to complete the period of enrollment. The NCSA required the Corporation's refund regulations to be consistent with the fair and equitable refund policies required under section 484B of the HEA. That section of the HEA was amended in 1998 and now only applies to refunds of title IV funds. Consequently, the Corporation is amending its regulations to provide that refunds of the education award to the Corporation will be made consistent with each institution of higher education's published refund policy, or in the absence of such a published policy, on a pro-rata basis.

#### **Declaration Sufficient Documentation of Member's Attainment of High School Diploma**

To enroll in AmeriCorps, an individual must have obtained a high school diploma (or its equivalent) or agree to do so prior to using the

education award. Additionally, to use an education award, an individual must have obtained a high school diploma (or its equivalent). Because the education award is principally designed for use in connection with attending an institution of higher education, and high school attainment is normally a prerequisite for such attendance, the proposed rule provides that an individual's written declaration under penalty of law is sufficient to establish this element of eligibility without additional documentation.

#### **Clarification of Statutory List of Prohibited Activities**

We first issued regulations in Part 2520 regarding prohibited activities in 1994 when virtually all AmeriCorps grants activities were conducted under subtitle C of the National and Community Service Act. Since 1994, we initiated several AmeriCorps programs, including the AmeriCorps Education Awards program and the AmeriCorps Promise Fellows program, under demonstration authority in subtitle H of the National and Community Service Act. We also added in sub-regulatory provisions several items to the statutory list of prohibited activities. The proposed rule strengthens the list of prohibited activities by including these additions, and clarifies that requirements relating to prohibited activities in subtitle C of the Act apply only to grant programs funded under subtitle C. Demonstration AmeriCorps grants programs continue to be governed by the general administrative provisions, including restrictions on activities, in Part 2540.

#### **Elimination of Obsolete References to Palau**

The proposed rule eliminates references to Palau, which became independent on October 1, 1994 and is no longer eligible as a U.S. Territory for AmeriCorps grants.

#### **Eligibility of Territories for Administrative Funds**

Under the National and Community Service Act of 1990, as amended, (NCSA), states, including territories, are eligible to apply for grants to establish and operate a state commission or alternative administrative entity. 42 U.S.C. 12576. Currently, however, 45 CFR § 2550 does not recognize that territories are eligible to apply for grants to support a state commission or alternative administrative entity. We are amending the regulations to include territories as entities eligible to apply for grants under this section, in order to comply with the NCSA.

#### **Definition of Institution of Higher Education**

The Higher Education Amendments of 1998 (Pub. L. 105-244) amended the National and Community Service Act of 1990, as amended by changing the reference to the definition of "Institution of Higher Education" from section 1201(a) of the Higher Education Act, to section 101 of the Higher Education Act. We have amended the regulations to conform with this statutory amendment.

#### **Executive Order 12866**

The Corporation has determined that this regulatory action is not a "significant" rule within the meaning of Executive Order 12866 because it is not likely to result in: (1) An annual effect on the economy of \$100 million or more, or an adverse and material effect on a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal government or communities; (2) the creation of a serious inconsistency or interference with an action taken or planned by another agency; (3) a material alteration in the budgetary impacts of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or (4) the raising of novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

#### **Regulatory Flexibility Act**

The Corporation has determined that this regulatory action will not result in (1) an annual effect on the economy of \$100 million or more; (2) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or geographic regions; or (3) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic and export markets. Therefore, the Corporation has not performed the initial regulatory flexibility analysis that is required under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) for major rules that are expected to have such results.

#### **Other Impact Analyses**

Because the proposed changes do not authorize any information collection activity outside the scope of existing regulations, this regulatory action is not subject to review and approval under the Paperwork Reduction Act of 1995

(44 U.S.C. 3500 *et seq.*). If the Corporation proposes to modify any of the forms used in connection with determining eligibility of individuals for payments from the National Service Trust, the Corporation will comply with clearance procedures as provided under the Paperwork Reduction Act.

For purposes of Title II of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. 1531-1538, as well as Executive Order 12875, this regulatory action does not contain any federal mandate that may result in increased expenditures in either Federal, State, local, or tribal governments in the aggregate, or impose an annual burden exceeding \$100 million on the private sector.

#### **List of Subjects**

##### *45 CFR Part 2510*

Grant programs-social programs, Volunteers.

##### *45 CFR Part 2520*

Grant programs-social programs, Volunteers.

##### *45 CFR Part 2521*

Grant programs-social programs, Volunteers.

##### *45 CFR Part 2522*

Grant programs-social programs, Reporting and recordkeeping requirements, Volunteers.

##### *45 CFR Part 2524*

Grant programs-social programs, Technical assistance, Volunteers.

##### *45 CFR Part 2525*

Grant programs-social programs, Student aid, Volunteers.

##### *45 CFR Part 2526*

Education, Grant programs-social programs, Student aid, Volunteers.

##### *45 CFR Part 2528*

Education, Grant programs-social programs, Student aid, Volunteers.

##### *45 CFR Part 2550*

Administrative practice and procedure, Grant programs-social programs.

For the reasons stated in the preamble, the Corporation for National and Community Service proposes to amend chapter XXV, title 45 of the Code of Federal Regulations as follows:

#### **PART 2510—OVERALL PURPOSES AND DEFINITIONS**

1. The authority citation for part 2510 continues to read as follows:

**Authority:** 42 U.S.C. 12501 *et seq.*

2. Amend § 2510.20 by revising the definition of "Institution of Higher Education," and by adding the definition "Subtitle C Program" after the definition "Subdivision of a State" to read as follows:

**§ 2510.20 Definitions**

\* \* \* \* \*

*Institution of higher Education.* The term *institution of higher education* has the same meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

\* \* \* \* \*

*Subtitle C Program.* The term *subtitle C program* means an AmeriCorps program authorized and funded under subtitle C of the National and Community Service Act of 1990, as amended. (NCSA) (42 U.S.C. 12501 *et seq.*) It does not include demonstration programs, or other AmeriCorps programs, funded under subtitle H of the NCSA.

\* \* \* \* \*

**PART 2520—GENERAL PROVISIONS: AMERICORPS SUBTITLE C PROGRAMS**

1. The authority citation for part 2520 continues to read as follows:

**Authority:** 42 U.S.C. 12501 *et seq.*

2. Revise the heading of part 2520 to read as shown above.

3. Revise § 2520.10 to read as follows:

**§ 2520.10 What is the purpose of the AmeriCorps subtitle C program described in parts 2520 through 2524 of this chapter?**

The purpose of the AmeriCorps subtitle C program is to provide financial assistance under subtitle C of the National and Community Service Act to support AmeriCorps programs that address educational, public safety, human, or environmental needs through national and community service, and to provide AmeriCorps education awards to participants in such programs.

4. Revise § 2520.20 to read as follows:

**§ 2520.20 What types of service activities are allowed for AmeriCorps subtitle C programs supported under parts 2520 through 2524 of this chapter?**

(a) Except as provided in paragraph (b) of this section, the service must either provide a direct benefit to the community where it is performed, or involve the supervision of participants or volunteers whose service provides a direct benefit to the community where it is performed. Moreover, the approved AmeriCorps activities must result in a specific identifiable service or improvement that otherwise would not

be provided and that does not duplicate the routine functions of workers or displace paid employees. Programs must develop service opportunities that are appropriate to the skill levels of participants and that provide a demonstrable, identifiable benefit that the community values.

(b) In certain circumstances, some activities may not provide a direct benefit to the communities in which the service is performed. Such activities may include, but are not limited to, clerical work and research. However, a participant may engage in such activities only if the performance of the activity is incidental to the program's provision of service that does provide a direct benefit to the community in which the service is performed, or if the Corporation approves such activities in connection with disaster relief, homeland defense, or other compelling community needs.

5. Revise § 2520.30 to read as follows:

**§ 2520.30 What activities are prohibited in AmeriCorps subtitle C programs?**

While charging time to the AmeriCorps program, accumulating service or training hours, or otherwise performing activities associated with the AmeriCorps program or the Corporation, staff and members may not engage in the following activities—

(a) Attempting to influence legislation;

(b) Organizing or engaging in protests, petitions, boycotts, or strikes;

(c) Assisting, promoting, or deterring union organizing;

(d) Impairing existing contracts for services or collective bargaining agreements;

(e) Engaging in partisan political activities, or other activities designed to influence the outcome of an election to any public office;

(f) Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;

(g) Engaging in religious instruction, conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization;

(h) Providing a direct benefit to—

(1) A business organized for profit;

(2) A labor union;

(3) A partisan political organization;

(4) A nonprofit organization that fails to comply with the restrictions contained in section 501(c)(3) of the Internal Revenue Code of 1986 except that nothing in this section shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative; and

(5) An organization engaged in the religious activities described in paragraph (g) of this section, unless Corporation assistance is not used to support those religious activities; and

(i) Such other activities as the Corporation may prohibit.

**PART 2521—ELIGIBLE AMERICORPS SUBTITLE C PROGRAM APPLICANTS AND TYPES OF GRANTS AVAILABLE FOR AWARD**

1. The authority citation for part 2521 continues to read as follows:

**Authority:** 42 U.S.C. 12501 *et seq.*

2. Revise the heading of part 2521 to read as shown above.

3. Amend § 2521.10 by revising the heading and paragraph (a) to read as follows:

**§ 2521.10 Who may apply to receive an AmeriCorps subtitle C grant?**

(a) States (including Territories), subdivisions of States, Indian tribes, public or private nonprofit organizations (including religious organizations and labor organizations), and institutions of higher education are eligible to apply for AmeriCorps subtitle C grants. However, the fifty States, the District of Columbia and Puerto Rico must first receive Corporation authorization for the use of a State Commission or alternative administrative or transitional entity pursuant to part 2550 of this chapter in order to be eligible.

\* \* \* \* \*

4. Amend § 2521.20 as follows:

a. By revising the heading, paragraph (a)(2)(ii) and the first sentence of paragraph (b)(2)(ii);

b. Removing paragraph (c); and

c. Redesignating paragraphs (d) and (e) as (c) and (d) respectively.

The revisions read as follows:

**§ 2521.20 What types of AmeriCorps subtitle C program grants are available for award?**

\* \* \* \* \*

(a) \* \* \*

(2) \* \* \*

(ii) Subdivisions of States, Indian Tribes, public or private nonprofit organizations (including religious organizations and labor organizations), and institutions of higher education

may apply either to a State or directly to the Corporation for planning grants.

\* \* \* \* \*

(b) \* \* \*

(2) \* \* \*

(ii) Subdivisions of States, Indian Tribes, public or private nonprofit organizations (including religious organizations and labor organizations), and institutions of higher education may apply either to a State or directly to the Corporation for operational grants.

\* \* \* \* \*

5. Amend § 2521.30 by revising the heading, the introductory text, paragraph (b)(1), footnote 1, and the first sentence of paragraph (b)(3) to read as follows:

**§ 2521.30 How will AmeriCorps subtitle C program grants be awarded?**

In any fiscal year, the Corporation will award AmeriCorps subtitle C program grants as follows:

\* \* \* \* \*

(b) \* \* \*

(1) One percent of available funds will be distributed to the U.S. Territories<sup>1</sup> that have applications approved by the Corporation according to a population-based formula.<sup>2</sup>

\* \* \* \* \*

(3) The Corporation will use any funds available under this part remaining after the award of the grants described in paragraphs (a) and (b) (1) and (2) of this section to make direct competitive grants to subdivisions of States, Indian tribes, public or private nonprofit organizations (including religious organizations and labor organizations), institutions of higher education, and Federal agencies.

\* \* \* \* \*

**PART 2522—AMERICORPS PARTICIPANTS, PROGRAMS, AND APPLICANTS**

1. The authority citation for part 2522 continues to read as follows:

*Authority:* 42 U.S.C. 12501 *et seq.*

2. Amend § 2522.100 by revising the heading and the first sentence of the introductory text, and removing the last sentence of paragraph (g)(1) to read as follows:

<sup>1</sup> The United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

<sup>2</sup> The amount allotted as a grant to each such territory or possession is equal to the ratio of each such Territory's population to the population of all such territories multiplied by the amount of the one percent set-aside.

**§ 2522.100 What are the minimum requirements that AmeriCorps subtitle C grantees must meet?**

Although a wide range of programs may be eligible to apply for and receive support from the Corporation, all AmeriCorps subtitle C programs must meet certain minimum program requirements.

\* \* \* \* \*

3. Amend § 2522.200 by redesignating paragraphs (b) through (d) as (c) through (e) respectively, adding a new paragraph (b), and revising the heading of the newly redesignated (e) to read as follows:

**§ 2522.200 What are the eligibility requirements for an AmeriCorps participant?**

\* \* \* \* \*

(b) Written declaration regarding high school diploma sufficient for enrollment. For purposes of enrollment, if an individual provides a written declaration under penalty of law that he or she meets the requirements in paragraph (a) of this section relating to high school education, a program need not obtain additional documentation of that fact.

\* \* \* \* \*

(e) Secondary documentation of citizenship or immigration status.

\* \* \* \* \*

**PART 2524—AMERICORPS TECHNICAL ASSISTANCE AND OTHER SPECIAL GRANTS**

1. The authority citation for part 2524 continues to read as follows:

*Authority:* 42 U.S.C. 12501 *et seq.*

2. Amend § 2524.10 by revising paragraph (a) introductory text to read as follows:

**§ 2524.10 For what purposes will technical assistance and training funds be made available?**

(a) To the extent appropriate and necessary, the Corporation may make technical assistance available to States, Indian tribes, labor organizations, religious organizations, organizations operated by young adults, organizations serving economically disadvantaged individuals, and other entities eligible to apply for assistance under parts 2521 and 2522 of this chapter that desire—

\* \* \* \* \*

**PART 2525—NATIONAL SERVICE TRUST: PURPOSE AND DEFINITIONS**

1. The authority citation for part 2525 continues to read as follows:

*Authority:* 42 U.S.C. 12601–12604.

2. Amend § 2525.20 by revising the definition “Current educational

expenses” and by adding the definitions “Educational Expenses” after the definition of “Education Award” and “Period of Enrollment” after the definition of “Institution of Higher Education” to read as follows:

**§ 2525.20 Definitions.**

\* \* \* \* \*

*Current educational expenses.* The term *current educational expenses* means the cost of attendance, or other costs attributable to an educational course offered by an institution of higher education that has in effect a program participation agreement under Title IV of the Higher Education Act, for a period of enrollment that begins after an individual enrolls in an approved national service position.

\* \* \* \* \*

*Educational expenses* at a Title IV institution of higher education. The term *educational expenses* means—

(1) Cost of attendance as determined by the institution, or

(2) Other costs attributable to a non-title IV educational course as follows:

(i) Tuition and fees normally assessed a student for a course or program of study by the institution, including costs for rental or purchase of any books or supplies required of all students in the same course of study;

(ii) For a student engaged in a course of study by correspondence, only tuition and fees and, if required, books, and supplies;

(iii) For a student with a disability, an allowance (as determined by the institution) for those expenses related to the student's disability, including special services, personal assistance, transportation, equipment, and supplies that are reasonably incurred and not provided for by other assisting agencies; and

(iv) For a student engaged in a work experience under a cooperative education program or course, an allowance for reasonable costs associated with such employment (as determined by the institution).

\* \* \* \* \*

*Period of Enrollment.* Period of enrollment means the period that the title IV institution has established for which institutional charges are generally assessed (i.e., length of the student's course, program, or academic year.)

\* \* \* \* \*

**PART 2526—ELIGIBILITY FOR AN EDUCATION AWARD**

1. The authority citation for part 2526 continues to read as follows:

*Authority:* 42 U.S.C. 12601–12604.

2. Amend § 2526.10 by redesignating paragraphs (c) and (d) as paragraphs (d) and (e) respectively, and adding a new paragraph (c) to read as follows:

**§ 2526.10 Who is eligible to receive an education award from the National Service Trust?**

\* \* \* \* \*

(c) *Written declaration regarding high school diploma sufficient for disbursement.* For purposes of disbursing an education award, if an individual provides a written declaration under penalty of law that he or she meets the requirements in paragraph (b) of this section relating to high school education, no additional documentation is needed.

\* \* \* \* \*

**PART 2528—USING AN EDUCATION AWARD**

1. The authority citation for part 2528 continues to read as follows:

*Authority:* 42 U.S.C. 12601–12604.

2. Amend § 2528.10 by revising paragraph (a)(2) to read as follows:

**§ 2528.10 For what purposes may an education award be used?**

(a) \* \* \*

(2) To pay all or part of the current educational expenses at an institution of higher education in accordance with § 2528.30 through § 2528.50;

\* \* \* \* \*

3. Amend § 2528.30 by revising the heading, paragraph (a), introductory text, and paragraphs (a)(2)(iii), (iv), and (v) to read as follows:

**§ 2528.30 What steps are necessary to use an education award to pay all or part of the current educational expenses at an institution of higher education?**

(a) *Required information.* Before disbursing an amount from an education award to pay all or part of the current educational expenses at an institution of higher education, the Corporation must receive—

\* \* \* \* \*

(2) \* \* \*

(iii) If an individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the institution of higher education will ensure an appropriate refund to the Corporation of the unused portion of the education award under its own published refund policy, or if it does not have one, provide a pro-rata refund to the Corporation of the unused portion of the education award;

(iv) Individuals using education awards to pay for the current educational expenses at that institution do not comprise more than 15 percent of the institution's total student population;

(v) The amount requested will be used to pay all or part of the individual's cost of attendance or other educational expenses attributable to a course offered by the institution;

\* \* \* \* \*

4. Amend § 2528.50 by revising paragraph (a) to read as follows:

**§ 2528.50 What happens if an individual withdraws or fails to complete the period of enrollment in an institution of higher education for which the Corporation has disbursed all or part of that individual's education award?**

(a)(1) If an individual for whom the Corporation has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, an institution of higher education that receives a disbursement of education award funds from the Corporation must provide a refund to the Corporation in an amount determined under that institution's published refund requirements.

(2) If an institution for higher education does not have a published refund policy, the institution must provide a pro-rata refund to the Corporation of the unused portion of the education award.

\* \* \* \* \*

5. Amend § 2528.60 by revising paragraph (a)(2)(iii) to read as follows:

**§ 2528.60 What steps are necessary to use an education award to pay expenses incurred in participating in an approved school-to-work program?**

(a) \* \* \*

(2) \* \* \*

(iii) If an individual who has used an education award withdraws or otherwise fails to complete the period of enrollment for which the education award was provided, the school-to-work program will ensure an appropriate refund to the Corporation of the unused portion of the education award under its own published refund policy, or if it does not have one, provide a pro-rata refund to the Corporation of the unused portion of the education award;

\* \* \* \* \*

6. Amend § 2528.70 by revising paragraph (a) to read as follows:

**§ 2528.70 What happens if an individual withdraws or fails to complete the period of enrollment in an approved school-to-work program for which the Corporation has disbursed all or part of that individual's education award?**

(a)(1) If an individual for whom the Corporation has disbursed education award funds withdraws or otherwise fails to complete a period of enrollment, an approved school-to-work program that receives a disbursement of education award funds from the Corporation must provide a refund to the Corporation determined under that program's published refund policy.

(2) If a school-to-work program does not have a published refund policy, the program must provide a pro-rata refund to the Corporation of the unused portion of the education award.

\* \* \* \* \*

**PART 2550—REQUIREMENTS AND GENERAL PROVISION FOR STATE COMMISSIONS, ALTERNATIVE ADMINISTRATIVE ENTITIES AND TRANSITIONAL ENTITIES**

1. The authority citation for part 2550 continues to read as follows:

*Authority:* 42 U.S.C. 12501 *et seq.*

2. Amend section 2550.10 by revising the first sentence of paragraph (c) to read as follows:

**§ 2550.10 What is the purpose of this part?**

\* \* \* \* \*

(c) The Corporation will distribute grants of between \$125,000 and \$750,000 to States to cover the Federal share of operating the State Commissions, AAEs, or Transitional Entities. \* \* \*

3. Amend § 2550.20 by revising paragraph (k) to read as follows:

**§ 2550.20 Definitions.**

\* \* \* \* \*

(k) State. As used in this part, the term State refers to each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

\* \* \* \* \*

Dated: March 13, 2002.

**Gary Kowalczyk,**

*Director of Planning and Program Integration.*

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