

**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:** Notice of Proposed Rulemaking.

**SUMMARY:** The Secretary proposes to amend the regulations governing the Higher Education Programs in Modern Foreign Language Training and Area Studies—Foreign Language and Area Studies (FLAS) Fellowships Program. These amendments are needed in order 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 proposed changes is to markedly reduce the burden associated with the application review process. These 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 possible 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.

**DATES:** Comments must be received on or before April 29, 1996.

**ADDRESSES:** All comments concerning these proposed regulations should be addressed to Sara West, U.S. Department of Education, 600 Independence Avenue, S.W., Suite 600B, Portals Building, Washington, D.C. 20202-5331. Comments may also be sent through the Internet to "FLAS—Fellowship@ed.gov".

Comments that concern information collection requirements must be sent to the Office of Management and Budget at the address listed in the Paperwork Reduction Act section of this preamble. A copy of those comments may also be sent to the Department representative named in the preceding paragraph.

**FOR FURTHER INFORMATION CONTACT:** Sara West. Telephone: (202) 401-9782.

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.

**SUPPLEMENTARY INFORMATION:****Background**

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 (HEA). 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.

In the spirit of reinventing government, it is the Secretary's goal to simplify the application process and management of the Foreign Language and Area Studies Fellowships Program to benefit the public. The Secretary intends the proposed changes to add clarity to the review process, to decrease the current burden on applicants and peer reviewers, to facilitate the application of uniform standards among peer reviewers and in Federal fellowship program management, to increase cost-effectiveness of the program, and to increase flexibility in program management for funded grantees and for the Secretary.

The Secretary proposes to amend 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, and by easing restrictions on the use of fellowship awards abroad and clarifying that only academic year awards may be used for research abroad.

**Selection Criteria.** The selection criteria currently used are very general, leading to some misinterpretation of questions asked, frequent repetition of information, and inclusion of information that is not pertinent to the purpose of the Foreign Language and Area Studies Fellowships Program. The proposed changes seek to retain much of the sense of the current criteria while removing ambiguity regarding requested information. The purpose of the changes is to clarify what information should be presented so that (a) all applicants will provide more focused information

necessary for evaluation of a proposal under this program, (b) applicants will be able to present all relevant information within fewer pages of the proposal narrative, and (c) peer reviewers will be able to more easily and accurately evaluate and rank proposals based on comparative strengths.

A reorganized, broader point scale and clearly identified point allocations for individual paragraphs of the technical review criteria are proposed in order to (a) enable peer reviewers to score more carefully and accurately differentiate between proposals of high caliber, (b) discourage peer reviewers from overlooking any individual question to be scored, and (c) clarify for peer reviewers and applicants exactly what requested information corresponds to each point value.

**Undergraduate References.** The Higher Education Amendments of 1992, Pub. L. 102-325, amended section 603 of the HEA to limit the awarding of FLAS fellowships to graduate students. For that reason, the Secretary eliminates references to undergraduate students or programs and use of ambiguous terms such as "advanced." The purpose of these changes is to bring the regulations in line with the authorizing statute and to clarify program requirements for applicants and grantees.

**System of Allocation.** The Secretary proposes to increase cost-effectiveness, simplify the application process and program management for grantees, and bring the Foreign Language and Area Studies Fellowships Program more in line with other government fellowship programs by amending the system of allocation. Under the system of allocation currently used to administer this program, a FLAS fellowship consists of a student subsistence allowance and tuition plus all required fees. Grantees are expected to submit in their proposal budgets a variety of tuition rates for graduate students at differing levels of study and enrolled in different academic programs; for example, public institutions provide different rates based upon residency requirements, while both public and private institutions often have varying tuition rates for graduate students enrolled in arts and sciences or professional degree programs or at the dissertation level. Grant monies are then allocated based on a combination of awards at a variety of tuition rates for an individual grantee institution. Because the rates supplied are projections based on rates in effect at the time of application and not actual prospective tuition rates, and because the grantee institutions do not know at

the time of the grant competition which students will compete successfully for awards, the current system of allocation is imprecise. While the Secretary might allocate funds for five awards to an institution, there is no guarantee that the institution will make five awards in the amounts assumed. Depending on the students selected, it might actually make two awards at a high tuition rate or seven awards at a low tuition rate.

Under the proposed system of allocation, a FLAS fellowship consists of a student subsistence allowance and a standard institutional payment (rather than full tuition plus fees) to be established by the Secretary and announced in the application notice. This system of allocation is commonly referred to as the "cost-of-education allowance" system. By applying for an allocation of fellowship awards, the institution agrees to accept the institutional payment published in the application notice in lieu of any additional costs of tuition and fees. In cases in which the institutional payment is greater than the actual cost of tuition and fees at the institution, the excess institutional payment funds must be applied toward additional fellowship awards. The purpose of this amendment is to (a) simplify the budget portion of the application process for applicants; (b) make the Foreign Language and Area Studies Fellowships Program more "user-friendly" for the public by adopting a system of allocation currently used for a variety of Federal fellowship programs administered by the U.S. Department of Education and other agencies; (c) simplify grantee institutions' own competitions for fellowship candidates by treating each applicant equally, regardless of tuition rate; (d) eliminate imprecision in how funds will actually be used by grantees and increase the accountability of grantee institutions by requiring them to make a minimum number of awards with their grant allocations; and (e) increase the cost-effectiveness of the program by requiring institutions with high tuition rates to accept a standard institutional payment in lieu of full tuition and fees.

*Easing Limits on Overseas Use of Fellowships.* Proposed changes to the limitations on the use of funds for overseas fellowships seek to expand grantees' program management options and clarify the appropriate use of awards. The requirement that students using awards at overseas language programs be at the advanced level of language study is expanded to include intermediate-level study for all eligible languages as well as beginning-level study of languages for which

appropriate instruction is not available in the United States. Additional modifications are intended to clarify that only academic year awards may be used abroad for research, and summer fellowships are to be used for intensive language training rather than for short-term dissertation research.

#### Explanation of Changes

The Secretary proposes to make the following changes:

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

*Section 657.1(a).* The Secretary proposes to modify this section to clarify that only graduate-level students are eligible to receive awards since the 1992 reauthorization of the HEA. The current language indicates that students who receive fellowships must be enrolled in "advanced" training. The Secretary believes that substituting the word "graduate" for "advanced" more clearly states the statutory requirement.

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

*Section 657.2(d).* The Secretary proposes to eliminate the reference to the Undergraduate International Studies and Foreign Language Program because undergraduate students are no longer eligible to receive awards since the 1992 reauthorization of the HEA.

##### *Section 657.3 Who is eligible to receive a fellowship?*

*Section 657.3(a)(3).* The Secretary proposes to eliminate the entire paragraph referring to students who are permanent residents of the Trust Territory of the Pacific Islands, because there is no longer a Trust Territory of the Pacific Islands.

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

*Section 657.20(b).* The Secretary proposes to expand the range of possible points for applications in order to enable peer reviewers in scoring to more carefully and accurately differentiate between proposals of high caliber. It has been the Secretary's experience that competition for grants under the Foreign Language and Area Studies Fellowships Program is strong; recent winning applicants have scored within a 15-point range on the current scale. As a result, there has been narrow point differentiation among winning applicants and the highest scoring unsuccessful applicants. The Secretary believes that expanding the possible point range would facilitate funding

decisions by providing peer reviewers with a larger scale on which to rank applications, allowing for greater differentiation of scores for applications of similar but different merit. The changed point scale, reflecting changes in the selection criteria and their point allocations, would add 40 possible points for competitions for which there are no announced competitive priorities and 50 possible points for competitions for which competitive priorities have been announced.

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

The Secretary proposes extensive changes in this section in order to improve the program's application review process and to reflect current standards in the field of foreign language, area and international studies. The proposed selection criteria identify specific information to be provided in an application, thereby facilitating proposal writing for applicants and evaluation for peer reviewers. The proposed criteria incorporate most aspects of the current criteria but are restructured to enable applicants to present information in a more succinct and less repetitious manner.

*Section 657.21(a).* The Secretary proposes to eliminate the current Plan of operation criterion and substitute a Foreign language and area studies awardee selection procedures criterion that incorporates elements of the current Plan of operation and Need and potential impact criteria. It has been the Secretary's experience that the language of the current criterion has led to some confusion among grantees and peer reviewers regarding what information should be presented. For example, one question in the Plan of operation criterion asks about the extent to which the objectives of the project relate to the purpose of the program. Applicants and peer reviewers are often uncertain whether "program" refers to the Foreign Language and Area Studies Fellowships Program or to the applicant's training program. The Secretary believes that the proposed language would eliminate uncertainty and assist applicants in writing, and peer reviewers in evaluating, proposals for fellowship awards.

*Section 657.21(b).* The Secretary proposes to replace the Quality of key personnel criterion with a criterion called Quality of staff resources. The staff resources criterion would ask the same kind of questions as the current key personnel criterion, but would also require explicit information to be

presented regarding faculty and staff involvement in fellowship program activities and oversight and professional development opportunities.

*Section 657.21(c).* The Secretary proposes to eliminate the current Evaluation plan criterion. The Secretary proposes an Impact and evaluation criterion that would combine related aspects of the current Need and potential impact, Evaluation plan, and Plan of operation criteria. Combining elements of these criteria is logical due to the interrelatedness of questions about past performance and evaluating future performance.

*Section 657.21(d).* The Secretary proposes to modify the language of the Commitment to the subject area on which the center or program focuses criterion by clarifying those areas for which institutional support should be identified. In the past, some applicant institutions have shown support for the applicant's students by offering matching funds or tuition waivers for fellowship grants received. Although the Foreign Language and Area Studies Fellowships Program does not have a cost-matching requirement, the Secretary would like to encourage institutional efforts to promote the cost-effectiveness of the program as well as institutional commitment to the applicant's training program. For this reason, this criterion also asks applicants to provide information about the extent to which the institution provides financial support to graduate students in fields related to the applicant's teaching program.

*Section 657.21(e).* The Secretary proposes to modify and redesignate the Strength of library criterion. Due to the changes in information technology and the rising costs of maintaining traditional collections, a library's book and periodical holdings are no longer the only factor that should be considered in evaluating the strength of an applicant institution's library. The proposed regulations would clarify information to be presented and take into account that library resources can be provided in print and non-print media, through cooperative collections and access arrangements with other library collections, and through on-line, electronic data bases.

*Section 657.21(f).* The Secretary proposes to add a new criterion called Quality of the applicant's non-language instructional program. The proposed criterion would incorporate related elements of the current Quality of the applicant's instructional program and Quality of the applicant's relationships within the institution criteria. The Secretary believes that including all

questions related to non-language course offerings in one section would allow grantees to streamline their proposals and avoid repetition. It has been the Secretary's experience that combining questions about non-language and language courses in the same criterion can lead to applicants neglecting to provide full information about both non-language and language training. For that reason, the Secretary proposes to ask parallel questions regarding the quality of language and non-language training under two separate criteria. It is the opinion of the Secretary that separate criteria would emphasize the importance to the Foreign Language and Area Studies Fellowships Program of both language and area or international studies training.

*Section 657.21(g).* The Secretary proposes to address under this criterion the Quality of the applicant's language instructional program. Questions asked under this criterion are similar to questions currently asked under Quality of the applicant's instructional program criterion but more specifically identify information to be provided.

*Section 657.21(h).* The Secretary proposes to replace the current Overseas activities criterion with a criterion called Quality of curriculum design. Relevant questions about overseas activities would be asked under the proposed Quality of curriculum design, Commitment to the subject area on which the applicant focuses, and Quality of staff resources criteria. It has been the Secretary's experience in this program that overseas activities have been critical to providing successful training options for students and professional development opportunities for faculty. Therefore, the Secretary believes that it is more appropriate and more clearly related to the purpose of the Foreign Language and Area Studies Fellowships Program to ask questions regarding overseas activities in the context of curriculum design and staff resources. The proposed Quality of curriculum design criterion would combine elements of the current Overseas activities and Quality of the applicant's relationships within the institution criteria. The new criterion would allow applicants to focus on the issue of training options for students within the context of a single criterion.

*Section 657.21(i).* The Secretary proposes to eliminate the current Need and potential impact criterion because related questions would be asked under the proposed Foreign language and area studies fellowships awardee selection procedures and Impact and evaluation criteria. The Secretary proposes to

redesignate the current Priorities criterion as § 657.21(i) and to decrease the point value from 20 points to 10. It has been the Secretary's experience that most proposals submitted for competitions under this program succeed in securing almost all of the points allocated to the competitive priority. A 20-point allocation to the competitive priority can result in applications with weaker scores on the mandatory criteria ranking higher than quality proposals that do not meet the priority. A 10-point competitive priority allocation would continue to ensure that quality proposals that meet the competitive priority are funded before quality proposals that do not meet the priority. The Secretary proposes to decrease the total possible points allocated for priorities in order to maintain proportion in the competition and to ensure that only high quality proposals are funded.

*Section 657.21(j).* The Secretary proposes to eliminate this paragraph because the Priorities criterion would be included under § 657.21(i).

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

The Secretary proposes to change the system of allocation of fellowship award monies in order to simplify the administration of awards for grantees, increase cost-effectiveness of the program, and increase uniformity of procedures among federally funded fellowship programs. The Secretary proposes to specify that each fellowship awarded would consist of a standard institutional payment and a subsistence allowance to be announced in the application notice published in the Federal Register. The Secretary also proposes to delete references to education levels of recipients since all recipients must be at the graduate level.

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

*Section 657.32(d).* The Secretary proposes to limit the use of fellowship funds by stating that funds not used by one fellowship recipient for reasons of withdrawal are to be used for alternate recipients to the extent that funds are available for a full subsistence allowance. In addition, if actual tuition rates are less than the institutional payment, excess funds must be used to fund additional fellowships to the extent that funds are available for a full subsistence allowance. This provision would maximize the cost-efficiency of the fellowship funds by ensuring that low-tuition institutions use excess funds to support additional fellows.

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

The Secretary proposes changes to this section that would ease restrictions on and clarify appropriate use of overseas awards. It has been the Secretary's experience that students at an intermediate level of language study can benefit as much from an overseas study experience as advanced students if enrolled in a high-quality language program. Furthermore, appropriate instruction (particularly for less-commonly-taught languages) is not always available in the United States.

*Section 657.33(b)(1).* The Secretary proposes to allow students at the intermediate level of language study to enroll in overseas language programs. Currently, only advanced students may use awards abroad. Additionally, the Secretary proposes to allow the use of fellowship awards for overseas study at the beginning level of languages for which instruction is frequently not available in the United States.

*Section 657.33(b)(2).* In order to clarify for grantees that summer fellowships are to be used for intensive language training rather than short-term dissertation research, the Secretary proposes to specify that awards may be approved for dissertation research during the academic year only.

Executive Order 12866

*Clarity of the Regulations*

Executive Order 12866 requires each agency to write regulations that are easy to understand.

The Secretary invites comments on how to make these proposed regulations easier to understand, including answers to questions such as the following: (1) Are the requirements in the regulations clearly stated? (2) Do the regulations contain technical terms or other wording that interferes with their clarity? (3) Does the format of the regulations (grouping and order of sections, use of headings, paragraphing, etc.) aid or reduce their clarity? Would the regulations be easier to understand if they were divided into more (but shorter) sections? (A "section" is preceded by the symbol "§" and a numbered heading; for example, § 657.2 *Who is eligible to receive an allocation of fellowships?*) (4) Is the description of the proposed regulations in the "Supplementary Information" section of this preamble helpful in understanding the proposed regulations? How could this description be more helpful in making the proposed regulations easier to understand? (5) What else could the

Department do to make the regulations easier to understand?

A copy of any comments that concern how the Department could make these proposed regulations easier to understand should also be sent to Stanley M. Cohen, Regulations Quality Officer, U.S. Department of Education, 600 Independence Avenue, S.W. (Room 5100 FB-10B), Washington, D.C. 20202-2241.

*Regulatory Flexibility Act Certification*

The Secretary certifies that these proposed regulations would not have a significant economic impact on a substantial number of small entities.

These proposed regulations merely correct or simplify and clarify provisions contained in previous regulations and would impose minimal requirements to ensure the proper expenditure of program funds. The small entities that would be affected by these proposed regulations are institutions of higher education receiving Federal funds under this program. However, the regulations would not have a significant economic impact on the institutions affected because the regulations would not impose excessive regulatory burdens or require unnecessary Federal supervision.

*Paperwork Reduction Act of 1995*

Section 657.21 contains information collection requirements. As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), the Department of Education has submitted a copy of this section to the Office of Management and Budget (OMB) for its review.

Collection of Information: Foreign Language and Area Studies Fellowships Program.

Institutions of higher education and consortia of institutions of higher education are eligible to apply for grants under these regulations. The information to be collected is specified by the proposed technical review criteria and includes information currently collected under regulations for this program. This information is needed and used by the Department to make grants.

The Secretary estimates that this information collection will decrease the current estimated burden of 155 hours per response to 100 hours per response. The estimated burden includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the application to be submitted. Competitions for the Foreign Language and Area Studies Fellowships Program

are held every three years, with approximately 160 respondents per competition.

Organizations and individuals desiring to submit comments on the information collection requirements should direct them to the Office of Information and Regulatory Affairs, OMB, Room 10235, New Executive Office Building, Washington, D.C. 20503; Attention: Wendy Taylor.

The Department considers comments by the public on this proposed collection of information in—

- Evaluating whether the proposed collection of information is necessary for the proper performance of the functions of the Department, including whether the information will have practical utility;
- Evaluating the accuracy of the Department's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;
- Enhancing the quality, usefulness, and clarity of the information to be collected; and
- Minimizing the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology; e.g., permitting electronic submission of responses.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the Federal Register. Therefore, a comment to OMB is best assured of having its full effect if OMB receives it within 30 days of publication. This does not affect the deadline for the public to comment to the Department on the proposed 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 governments 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.

### Invitation to Comment

Interested persons are invited to submit comments and recommendations regarding these proposed regulations. All comments submitted in response to these proposed regulations will be available for public inspection, during and after the comment period, in Suite 600B, Portals Building, 1280 Maryland Avenue, S.W., Washington, D.C. between the hours of 8:30 a.m. and 4:00 p.m., Monday through Friday of each week, except Federal holidays.

### Assessment of Educational Impact

The Secretary particularly requests comments on whether the proposed regulations in this document would 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.

(Catalog of Federal Domestic Assistance Number 84.015)

Dated: March 25, 1996.

David A. Longanecker,  
Assistant Secretary for Postsecondary Education.

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

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

1. The authority citation for Part 657 continues to read as follows:

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

### **§ 657.1 [Amended]**

2. Section 657.1 is amended by revising the heading by removing the word "Fellowship" and adding, in its place, the word "Fellowships" and by removing the word "advanced" and adding, in its place, "graduate" in paragraph (a).

### **§ 657.2 [Amended]**

3. Section 657.2 is amended by removing "or the Undergraduate International Studies and Foreign Language Program, 34 CFR part 658," in paragraph (d).

### **§ 657.3 [Amended]**

4. Section 657.3 is amended by removing paragraph (a)(3), adding the word "or" at the end of paragraph (a)(1), and removing the word "or" at the end of paragraph (a)(2).

5. Section 657.20 is amended by revising paragraph (b) to read as follows:

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

\* \* \* \* \*

(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.

6. Section 657.21 is revised to read as follows:

### **§ 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—

(1) 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; and

(2) Whether the applicant provides information about current and prospective applicant/award ratios.

(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 will be 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

teaching 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 those language courses (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 teaching 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 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.

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

7. Section 657.31 is amended by revising paragraphs (a)(2) and (b)(1), and adding new paragraph (a)(3) to read as follows:

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

(a) \* \* \*

(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;

\* \* \* \* \*

8. Section 657.32 is amended by adding a new paragraph (d) to read as follows:

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

\* \* \* \* \*

(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.

9. Section 657.33 is amended by revising paragraph (b) to read as follows:

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

\* \* \* \* \*

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

(1) Enrolled in an overseas 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.

[FR Doc. 96-7593 Filed 3-27-96; 8:45 am]

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