

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

24 CFR Part 570

[Docket No. FR-4070-P-01]

RIN 2528-AA06

Office of the Assistant Secretary for Policy Development and Research; Hispanic-Serving Institutions Work Study Program

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 appropriated funds for HUD's Community Development Work Study Program (CDWSP). The Conference Report, H. Rep. 104-384, which serves as guidance for that statute, earmarked funds for a new Hispanic-Serving Institutions Work Study Program (HSI-WSP) as part of CDWSP. Elsewhere in today's issue of the Federal Register, HUD is publishing a Notice of Funding Availability (NOFA) for the HSI-WSP announcing the availability of \$3 million from amounts earmarked for the program. The NOFA states the requirements that will govern the use of these funds in FY 1996. HUD's intents to use the requirements contained in the NOFA, which is Appendix A to this document, as the basis for a final rule and invites public comment on the announced requirements.

DATES: Comments must be received by December 2, 1996.

ADDRESSES: Interested persons are invited to submit comments regarding the proposed requirements to the Office of the Rules Docket Clerk, Room 10276, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW, Washington, DC 20410. Comments should refer to the above docket number and title. A copy of each comment submitted will be available for public inspection and copying during regular business hours at the above address.

FOR FURTHER INFORMATION CONTACT: Jane Karadbil, Office of University Partnerships, U.S. Department of Housing and Urban Development, Room 8110, 451 Seventh Street SW, Washington, DC 20410, telephone (202) 708-1537. Hearing or speech-impaired individuals may call HUD's TTY number (202) 708-1455, or 1-800-877-8339 (Federal Information relay Service TTY). (Other than the "800" number,

these are not toll-free numbers.) Ms. Karadbil can also be contacted via the Internet at Jane__R__Karadbil@hud.gov.

SUPPLEMENTARY INFORMATION:

Background

The Conference Report (H. Rep. 104-384, dated December 6, 1995) serving as guidance accompanying "The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996" (Public Law 104-134) earmarked funds for a new community development work study program for Hispanic-Serving Institutions (HSIs). HUD has determined that this Report provides sufficient legal basis for establishing the HSI-WSP. The Report included this new program as a companion to the existing Community Development Work Study (CDWSP) program and the HSI-WSP will, therefore, be governed by the statutory requirements applicable to the CDWSP. CDWSP was created by Section 501(b)(2) of the Housing and Community Development Act of 1987 (Pub. L. 100-242, enacted on February 5, 1988), which added a new section 107(c) to the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.). Under this authority, HUD is authorized to award grants to institutions of higher education, either directly or through areawide planning organizations (APOs) or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate and undergraduate programs in community development, community planning, or community management. For the HSI-WSP, eligibility will be limited to two-year public or private non-profit institutions of higher education, designated as Hispanic-Serving Institutions by the U.S. Department of Education. A list of these institutions appears as Appendix A of the Notice of Funding Availability.

Elsewhere in today's issue of the Federal Register, HUD is publishing a Notice of Funding Availability (NOFA) for HSI-WSP announcing the availability of \$3 million from amounts earmarked for the program in the above-referenced Conference Report and stating the requirements that will govern the use of these funds.

HUD intends to use today's NOFA as the basis for a final rule amending 24 CFR part 570 and establishing requirements for the HSI-WSP. For this reason, HUD is inviting public comment on the requirements contained in the

NOFA, so that the final rule on the HSI-WSP will have the benefit of public participation.

Findings and Certifications

Information Collection Requirements

The information collection requirements contained in this proposed rule have been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2528-0182. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

Unfunded Mandates Reform Act

Title II of the Unfunded Mandates Reform Act of 1995, Pub.L. 104-4, established requirements for Federal agencies to assess the effects of their regulatory actions on State, local, and tribal governments and the private sector. This rule does not impose any Federal mandates on any State, local, or tribal governments or the private sector within the meaning of the Unfunded Mandates Reform Act of 1995.

Environmental Review

In accordance with 24 CFR 50.20(b) of the HUD regulations, the policies and procedures contained in this NOFA relate only to training grants and technical assistance and, therefore, are categorically excluded from the requirements of the National Environmental Policy Act.

The Regulatory Flexibility Act

The Secretary, in accordance with the Regulatory Flexibility Act (5 U.S.C. 605(b)), has reviewed and approved this proposed rule, and in so doing certifies that it will not have a significant economic impact on a substantial number of small entities. The rule only affects applicants and participants in the Hispanic-Serving Institutions Community Work Study Program, and will not have any meaningful economic impact on any entity.

Federalism

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that the policies and procedures contained in this proposed rule will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal government and the States, or on the distribution of power and responsibilities among the various levels of government. As a

result, the rule is not subject to review under the Order. Specifically, the rule solicits participation by institutions of higher education in creating community development work study programs for some of their economically disadvantaged and minority students. The rule does not impinge upon the relationships between the Federal Government and State or local governments.

The Family

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that this rule has the potential for beneficial impact on family formation, maintenance, and general well-being. The program will enable economically disadvantaged and minority students to get a college education, helping them to become self-sufficient. Accordingly, since the impact on the family is beneficial, no further review is necessary.

List of Subject in 24 CFR Part 570

Community development block grants-technical assistance and services, Education-higher education-general.

The Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance program number is 14.513.

Dated: August 22, 1996.

Michael A. Stegman,
Assistant Secretary for Policy Development
and Research.

Appendix A—Hispanic—Serving Institutions Work Study Program Notice of Funding Availability—FY 1996

AGENCY: Office of the Assistant Secretary for Policy Development and Research, HUD.

ACTION: Notice of Funding Availability (NOFA) for Fiscal Year (FY) 1996.

SUMMARY: This notice invites applications from certain institutions of higher education (i.e., public and private non-profit Hispanic-Serving community colleges) for grants under the Hispanic-Serving Institutions Work Study Program (HSI-WSP), to assist economically disadvantaged and minority students participating in work study programs. The HSI-WSP program was created through an earmarking of funds under the Community development Work Study Program. This notice announces the availability of up to \$3 million in grants from FY 1996 appropriations to fund the HSI-WSP.

EFFECTIVE DATE: October 2, 1996.

DATES: Applications must be physically received by the Office of University Partnerships, in care of the Division of Budget, Contracts, and Program Control, in Room 8230, Department of Housing and

Urban Development, 451 Seventh Street, SW., Washington, DC 20410, by 4:30 p.m. Eastern Time on December 11, 1996. Facsimiles will not be accepted. This deadline is firm as to date, hour, and place. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take this practice into account and make early submissions of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery-related problems. Applicants hand-delivering applications are advised that considerable delays may occur in attempting to enter the building because of security procedures.

ADDRESSES: Because of the limited number of institutions eligible to apply for the HSI-WSP, the Department will be sending an application kit directly to the President of each eligible institution, without requiring institutions to request them. Application kits may also be obtained by written request from the following address: HUD USER, ATTN: Hispanic-Serving Institutions Work Study Program, P.O. Box 6091, Rockville, MD 20850. Requests for application kits may be faxed to: 301-251-5767 (this is not a toll-free number). Such requests must include the applicant's name, mailing address (including zip code), telephone number (including area code), and must refer to "Document FR-4105." In addition, the application kit is available on the Internet from the Office of University Partnerships Clearinghouse. The Clearinghouse can be accessed from the World Wide Web at: <http://oup.aspensys.com:89>; or from a Gopher Server at: gopher://oup.aspensys.com:77.

FOR FURTHER INFORMATION CONTACT: Jane Karadbil, Office of University Partnerships, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410; telephone (202) 708-1537, extension 218. The TTY number for the hearing impaired is (202) 708-1455. (These are not toll-free numbers.) The Federal Information Relay Service toll free number is 800-877-8339. Ms. Karadbil can also be reached via the Internet at Jane_R_Karadbil@HUD.GOV.

SUPPLEMENTARY INFORMATION:

A. Background

"The Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996" (Public Law 104-134) appropriated funds for HUD's Community Development Work Study Program (CDWSP). The Conference Report, H. Rep. 104-384, dated December 6, 1995, which serves as guidance for that statute, earmarked funds for a new community development work study program for Hispanic-Serving Institutions (HSIs) as part of the existing CDWSP. HUD has determined that this Report provides sufficient legal basis for establishing the Hispanic-Serving Institutions Work Study Program (HSI-WSP).

CDWSP was created through section 501(b)(2) of the Housing and Community Development Act of 1987 (Public Law 100-

242, enacted on February 5, 1987), which added a new Section 107(c) to the Housing and Community Development Act of 1974 (42 U.S.C. 5301, et seq.). Under CDWSP regulations, HUD is authorized to provide grants to institutions of higher education, either directly or through area-wide planning organizations (APOs) or States, for the purpose of providing assistance to economically disadvantaged and minority students, including students with disabilities, who participate in community development work study programs and are enrolled in full-time graduate programs in community or economic development, community planning, or community management. While the statute creating CDWSP authorized funding for students enrolled in eligible undergraduate or graduate programs, a recently issued regulation has limited that program to graduate programs. HSI-WSP is subject to the same statutory requirements applicable to the CDWSP. For the HSI-WSP, however, eligibility will be limited to two-year public or private non-profit institutions of higher education, designated as Hispanic-Serving Institutions by the U.S. Department of Education (see Appendix A). It should be noted that while the term "undergraduate" was never construed under CDWSP to include two-year institutions of higher education, the U.S. Department of Education includes these institutions in its definition of "undergraduate."

B. Purpose of Notice

This notice announces the requirements that will govern the use of funds earmarked for HSI-WSP for fiscal year 1996. HUD believes good cause exists for making these requirements effective for fiscal year 1996 without prior public comment, because the failure to make these requirements effective immediately would prevent the use of HSI-WSP funds during the 1996-1997 school year. The time period remaining before the end of the 1996-1997 school year will not allow HUD to publish proposed requirements, respond to public comments, publish a notice containing revised requirements, select recipients, and permit the recipients to bring their programs into operation. Today's notice will make funds available to recipients at the earliest possible date (i.e., the second semester of the 1996-1997 school year). Elsewhere in today's issue of the Federal Register, HUD is publishing a notice of proposed rulemaking for the HSI-WSP, based on the requirements of this NOFA. The notice of proposed rulemaking incorporates this NOFA by reference, states HUD's intention to use the requirements contained in this NOFA as the basis for a final rule amending 24 CFR part 570, and invites public comment on the announced requirements that will be used in subsequent funding rounds.

This notice also solicits applications for the \$3 million in funding available for HSI-WSP grants. The applications requirements and deadlines are set forth in sections XIV. through XVII. of the program description below.

C. HSI-WAP Program Description

I. Applicability and Objectives

Under the HSI-WSP, HUD will make grants to certain public and private non-profit HSIs of higher education for the purpose of providing assistance to economically disadvantaged and minority students who participate in a work study program while enrolled in full-time community college programs in community building, and to provide entry to pre-professional careers in these fields.

II. Eligible Institutions

Title III of the Higher Education Act of 1965 (20 U.S.C. 1059c(b)(1)) defines an HSI generally as an eligible institution of education that has an enrollment of undergraduate full-time students that is at least 25 percent Hispanic; in which not less than 50 percent of the Hispanic students are low-income individuals (i.e., their families' taxable income for the preceding year did not exceed 150 percent of the poverty level) who are first generation college students; and in which another 25 percent of the Hispanic students are either low-income individuals or first generation college students. The Department will use this definition to determine eligibility for the HSI-WSP. Further, the U.S. Department of Education has issued a list of all institutions meeting this definition. A list of the community colleges on this list appears as Appendix A to this Notice of Funding Availability. Only institutions on this list, or subsequently added to the U.S. Department of Education's list of qualified HSIs, prior to the application deadline, are eligible to apply for HSI-WSP funds under this Notice.

The Department has decided to limit eligibility under the HSI-WSP to community colleges for several reasons. There are currently 200 institutions of higher education certified by the U.S. Department of Education as "Hispanic-Serving." Of this number 60 are universities, 24 are four-year colleges, 27 are two-year proprietary, i.e., for-profit, colleges, and 89 are public or private non-profit community colleges. Hispanic-Serving universities are already eligible for the CDWSP and there is no compelling reason to make them eligible for both programs. Because community colleges are not eligible for the CDWSP, their students are not able to partake of the benefits the program has to offer. Hispanic-Serving four-year colleges are not eligible under this NOFA, nor under the new final rule for the CDWSP. Creating a program which makes community colleges and four-year colleges and universities all eligible would mean two sets of policies and requirements because of the very different nature of the educational programs they provide. Undue complexity would be created for the benefit of just a few institutions. The Department has also limited eligibility to community colleges because it believes it is important to encourage and assist their previously under-served disadvantaged student population to gain entry to pre-professional community building career paths. Increasing access to these career paths will not only benefit the students, but also the communities in which they live and will work.

The Department has decided to limit the program to non-profit two-year institutions of higher education because it does not believe that for-profit institutions should benefit from this program.

Areawide planning organizations (APOs) and States will not be eligible to apply for the HSI-WSP because the Department wishes to minimize the complexity of implementing a new program. With regard to the proposed rule published elsewhere in today's Federal Register, the Department requests comments on whether and under what circumstances, Hispanic-Serving community colleges could benefit from the eligibility of APOs and States.

III. Eligible Community Building Academic Programs

The statute authorizing the Community Development Work Study Program requires that participating students be enrolled in a full-time program in "community or economic development, community planning, or community management." The regulation governing the CDWSP (at 24 CFR part 570.415) construes this statutory language rather narrowly and specifies such academic disciplines as public administration, public policy, urban economics, urban management, or urban planning. However, because community colleges usually do not offer courses in these specific fields of study, it is necessary for the HSI-WSP to encompass a wider range of academic programs.

Accordingly, this notice uses the terms "community building associate degree program" and "community building academic program" to reference the types of academic programs encompassed in the statutory phrase "community or economic development, community planning, or community management," being construed broadly for purposes of the HSI-WSP. For the HSI-WSP, a community building associate degree program will encompass not only academic programs authorized under the CDWSP, but also other fields that promote community building or community or social services. For example, administration of justice, child development, and human services would all be eligible community building associate degree programs, while natural sciences, computer sciences, mathematics, accounting, electronics, engineering, and the humanities (such as English or history) would not.

IV. Eligible Work Experiences

Work experiences under the HSI-WSP must complement the field of study the student is pursuing. For example, a student pursuing a degree in child development might work in a day care center, or a student pursuing a degree in the administration of justice might work with parole officers. Students are expected to work 12-20 hours a week during the academic year and 35-40 hours a week during the summer.

V. Eligible Students

All students must be economically disadvantaged, regardless of whether they are members of a minority group. While the program is restricted to eligible Hispanic-Serving Institutions, the program may not be

restricted to Hispanic students nor provide any preferential treatment in the selection of students based on race or ethnicity.

Students must be attending the institution on a full-time basis, as defined by that institution, and pursuing an eligible community building associate degree. Students must have attained no more than half of the credits required for their degree at the time they first receive assistance under this program. If a student's participation terminates, the student may not be replaced; the grant will be reduced by the amount of unused funds allotted for that student.

Students are required to maintain a satisfactory level of performance, defined for this purpose as a B average. However, with regard to the proposed rule published elsewhere in today's Federal Register, because some community colleges provide only pass/fail grades, comments are requested on whether this definition is appropriate or what definition should be substituted for it.

VI. Amount of Assistance to a Student

Unlike the CDWSP, the amount of assistance that can be provided to a student will be a lump sum, allowing the institution to determine how much will be used for various eligible expenditures. The maximum amount that may be provided per student is \$13,200 a year, for two years. Eligible expenditures are limited to tuition and fees, a work stipend, books, and an allowance of \$1,000 per student per year to cover the cost of the institution's administration of the program. While HUD will not set a maximum on how much can be spent for each eligible expenditure, except for the administrative allowance, the institution must be able to document that the amounts paid are based on usual student expenditures for that institution and that it has actually paid that amount to the student.

VII. Number of Students Assisted

The minimum number of students that may be assisted is three per participating institution of higher education and the maximum is ten students per participating institution of higher education.

VIII. Graduation Rates

The CDWSP regulations require that, in order for institutions of higher education to be eligible for funding competitions under that program, a 50-percent rate of graduation for students participating in that program be maintained. The regulations also include the rate of graduation from previous CDWSPs as a selection criterion. It is important to select institutions that are providing a high-quality education and other services that will ensure that their students graduate. However, because the HSI-WSP has no previous track experience, it is unclear whether such a threshold requirement and/or a selection criterion are appropriate. Since no previous rates of graduation will be available for the first funding round, this notice specifies no such threshold requirement or selection criterion. However, with regard to the proposed rule published elsewhere in today's Federal Register, the Department solicits comments on whether such a threshold requirement and/or selection criterion should

be included in the final rule for the program, as well as how these should be applied.

IX. Definitions

The following definitions apply to HSI-WSP:

Applicant means a public or private non-profit institution of higher education that offers two year degree programs and qualifies as a Hispanic-Serving Institution.

Community building means community and economic development, community planning, community management, land use, and housing activities.

Community building associate degree program or academic program means the undergraduate associate degree program whose purpose and focus is to educate students in community building. The terms "community building academic program" or "academic program" refer to the types of academic programs encompassed in the statutory phrase "community or economic development, community planning or community management." However, this statutory language is being construed broadly for the HSI-WSP to include but not be limited to associate degree programs in community and economic development, community planning, community management, public administration, public policy, urban economics, urban management, urban planning, and related fields of study. Related fields of study that promote community building, such as administration of justice, child development, and human services are eligible, while fields such as natural sciences, computer sciences, mathematics, accounting, electronics, engineering, and the humanities (such as English or history) would not.

Community building field means any of the fields of study eligible under a community building academic program.

Economically disadvantaged and minority students means students who satisfy all applicable guidelines established at the participating institution of higher education to measure financial need for academic scholarship or loan assistance, including, but not limited to, students who are Black, American Indian/Alaskan Native, Hispanic, Asian/Pacific Islands, and including students with disabilities.

Hispanic-Serving Institution is an institution of higher education that the U.S. Department of Education has determined meets the criteria set out at 20 U.S.C. 1059c(b)(1), including the following: an institution that has an enrollment of undergraduate full-time students that is at least 25 percent Hispanic; in which not less than 50 percent of the Hispanic students are low-income individuals (i.e., 150 percent of the poverty level) who are first generation college students and another 25 percent are either low-income individuals or first generation college students. The U.S. Department of Education has determined the eligibility of specific institutions and has issued a list of institutions meeting this definition. A list of the community colleges on this list appears as Appendix A of this NOFA. Only institutions on this list, or subsequently added to the U.S. Department of Education's list prior to the application deadline, are eligible to apply for HSI-WSP funds under this Notice.

HSI-WSP means the Hispanic-Serving Institutions Work Study Program.

Institution of higher education means a public or private non-profit educational institution that offers two-year associate degrees in a community building academic program and that is accredited by an accrediting agency or association recognized by the Secretary of Education.

Recipient means an approved applicant that executes a grant agreement with HUD.

Student means a person attending an institution of higher education on a full-time basis, as defined by that institution and pursuing an eligible community building degree. Students must have attained no more than half of the credits required for their degree at the time they first receive assistance under HSI-WSP.

Student with disabilities means a student who meets the definition of a "person with disabilities" in the Americans with Disabilities Act of 1990.

X. Assistance Provided

(a) Types of assistance available

HUD provides funding in the form of grants to recipients who make assistance available to eligible students. Grants are provided to cover the costs of student assistance and for an administrative allowance.

(b) Student assistance.

Grant funds may be provided to students in the form of student stipends, tuition support, and additional support.

(1) *Student stipend.* The amount of the student stipend should be based on the hourly rate for initial entry positions in the community building field and the number of hours worked by the student at the work placement assignment. The hourly rate should be sufficiently high to allow the student to earn the full stipend, as determined by the recipient, without working over 20 hours per week during the school year and 40 hours per week during the summer.

(2) *Tuition support.* The amount of tuition support may not exceed the tuition and required fees charges at the participating institution of higher education.

(3) *Additional support.* The recipient may provide additional support for books and for travel related to the academic program or work placement assignment. Costs associated with reasonable accommodations for students with disabilities including, but not limited to, interpreters for the deaf/hard of hearing, special equipment, and braille materials are eligible under this category.

(c) Administrative allowance.

HUD provides an allowance to recipients to cover the administrative costs of the program. The administrative allowance is \$1,000 per year for each student participating in the program; however no more than 20 percent of the grant may be used for planning and program administrative costs. The maximum amount that can be provided for each student is \$13,200 a year, including \$1,000 for the administrative allowance. HUD will not set a maximum on how much should be spent for each eligible expenditure, aside from the \$1,000 limit on administrative costs. However, the institution must be able

to document that the amounts paid are based on usual student expenditures for that institution and that it has actually paid that amount to the student.

(d) Number of students assisted.

The minimum number of students that may be assisted in three students per participating institution of higher education. The maximum number of students that may be assisted is ten students per participating institution of higher education.

XI. Recipient Eligibility and Responsibilities

(a) Recipient eligibility.

Hispanic-Serving Institutions of higher education offering undergraduate two-year associate degrees in a community building associate degree program are eligible for assistance under the HSI-WSP.

(b) Recipient responsibilities.

The recipient is responsible for administering the program, for compliance with all program requirements, and for coordination of program activities carried out by the work placement agencies. The recipient must:

(1) Recruit and select students for participation in the HSI-WSP. The recipient shall establish recruitment procedures that identify eligible economically disadvantaged and minority students pursuing careers in community building, and make them aware of the availability of assistance opportunities. While the program is restricted to HSIs, the recipient may neither restrict the program to any particular minority group or groups nor provide any preferential treatment in the selection of students based on race or ethnicity. Students must be selected before the beginning of the semester for which funding is being provided. If a student's participation terminates, the student may not be replaced; the grant will be reduced by the amount of unused funds allotted for that student.

(2) Provide the educational component for participating students.

(3) Recruit and select work placement agencies, and negotiate and execute an agreement covering each work placement assignment.

(4) Refer participating students to work placement agencies and assist students in the selection of work placement assignments.

(5) Assign sufficient staff to administer and supervise the program on a day-to-day basis.

(6) Encourage participating students to obtain post-graduation employment with a unit of State or local government, APO, Indian tribe or nonprofit organization engaged in community building.

(7) Maintain records by racial and ethnic categories for each economically disadvantaged and minority student participating in the HSI-WSP.

(8) Keep such records and make such reports as HUD may require.

(9) Comply with all other applicable Federal requirements.

XII. Work Placement Agencies Eligibility and Responsibilities

(a) Work placement agency eligibility

To be eligible to participate in the HSI-WSP, the work placement agency must be an agency of a State or local government, an

areawide planning organization, an Indian tribe, or a private nonprofit organization involved in community building activities.

(b) *Work placement agency responsibilities*
Work placement agencies must:

(1) Provide practical experience and training in the community building field to participating students through work placement assignments.

(2) Consult with the institution of higher education to ensure that the student's work placement assignment provides the requisite experience and training to meet the required number of work hours specified in the student work place agreement.

(3) Provide a sufficient number of work placement assignments to provide participating students with a wide choice of work experience.

(4) Require each student to devote 12–20 hours per week during the regular school year, and 35–40 hours a week during the summer, to the work placement assignment. Work placement agencies may provide flexibility in the work period, if such a schedule is consistent with the requirements of the student's academic program. However, a participating student may receive a stipend payment only during the period when the student is placed with the work placement agency.

(5) Comply with all other applicable Federal requirements.

(6) Maintain such records as HUD may require.

XIII. Students Eligibility, Selection, and Responsibilities

(a) *Student eligibility.*

Students apply directly to recipients receiving grants under the HSI-WSP. To be eligible for the HSI-WSP, the student:

(1) Must satisfy all applicable guidelines established at the participating institution of higher education to measure financial need for academic scholarship or loan assistance.

(2) Must be a full-time student enrolled in a community building associate degree program at the participating institution of higher education. The student must have attained no more than 50 percent of the credits required for his/her degree at the time the student first receives assistance under this program.

(3) Must demonstrate an ability to maintain a satisfactory level of performance in a community building associate degree program (i.e., maintain a B average, as defined by the institution) and in work placement assignments, and comply with the professional standards set by the recipient and the work placement agencies.

(4) May not have previously participated in the HSI-WSP.

(b) *Student selection.*

In selecting among the eligible students, the recipient must consider the extent to which each student has demonstrated:

(1) Financial need under the applicable guidelines established at the institution of higher education;

(2) An interest in, and commitment to, a career in community building;

(3) The ability to satisfactorily complete the academic and work placement responsibilities under the HSI-WSP.

(c) *Student responsibilities.*

Participating students must:

(1) Enroll or be enrolled in a two-year community building associate degree program. A student's academic and work placement responsibilities include: Full-time enrollment in an approved academic program; maintenance of a satisfactory level of performance in the community building associate degree program and in work placement assignments; and compliance with the professional conduct standards set by the recipient and by the work placement agency. A satisfactory level of academic performance consists of maintaining a B average, as defined by the institution. A student's participation in the HSI-WSP shall be terminated for failure to meet these responsibilities and standards. If the student's participation is terminated, the student is ineligible for further HSI-WSP assistance.

(2) Agree to make a good-faith effort to obtain post-graduation employment in community building with a unit of State or local government, and APO, and Indian tribe, or a non-profit organization. However, if the student does not obtain such employment, the student is not required to repay the assistance received.

XIV. Application Process

HUD has developed an application package describing the information that applicants for HSI-WSP assistance must submit. The application due date is December 11, 1996. Because of the limited number of institutions eligible to apply for the HSI-WSP, the Department will be sending an application kit directly to the President of each eligible institution, without requiring institutions to request them. A list of the eligible institutions appears in Appendix A of this NOFA. Application kits may also be obtained by written request from the following address: HUD USER, ATTN: Hispanic-Serving Institutions Work Study Program, P.O. Box 6091, Rockville, MD 20850. Request for application kits may be faxed to: 301–251–5767 (this is not a toll-free number). Such requests must include the applicant's name, mailing address (including zip code), telephone number (including area code), and must refer to "Document FR–4105." In addition, the application kit is available on the Internet from the Office of University Partnerships Clearinghouse. The Clearinghouse can be accessed from the World Wide Web at: <http://oup.aspensys.com:89>; or from a Gopher Server at: <gopher://oup.aspensys.com:77>.

XV. Submitting Applications and Deadline Date and Time

Applications for funding under this NOFA must be complete and must be physically received in the place designated in the application kit for receipt, by 4:30 p.m. Eastern Time on December 11, 1996. Facsimiles will not be accepted. The deadline date and time will be firm as to date, hour, and place. In the interest of fairness to all competing applicants, the Department will treat as ineligible for consideration any application that is received after the deadline. Applicants should take

this practice into account and make early submission of their materials to avoid any risk of loss of eligibility brought about by unanticipated delays or other delivery related problems. Applicants hand-delivering applications are advised that considerable delays may occur in attempting to enter the building because of security procedures.

XVI. Selection process

The selection process for applications under the HSI-WSP consists of a threshold review, rating of eligible applications, and final selection.

(a) *Threshold.* To be eligible for rating and ranking, an applicant must meet all of the following threshold requirements:

(1) The application must be filed in the application form prescribed by HUD and physically received at the appropriate location by the required due date;

(2) The applicant must demonstrate that it is an HSI;

(3) The applicant must demonstrate that it is eligible to participate; and

(4) The applicant must demonstrate that it has the required academic programs to carry out its activities under the HSI-WSP.

(b) *Rating.* All applications that meet the threshold requirements will be rated according to the following selection factors.

1. Quality of the Academic Program (40 points)—In rating this factor, HUD will evaluate: (i) The quality of the academic program in terms of community building course offerings and academic requirements for students, including its appropriateness to prepare students for careers in community building fields (25 points); and

(ii) the qualifications of the faculty members and the percentage of time they will teach in the academic program and the qualifications of the academic supervisor to direct and manage the program (15 points).

2. Quality of the Proposed Student Work Placement Assignments (20 points)—In rating this factor, HUD will evaluate the extent to which the participating students will receive a sufficient number and variety of work placement assignments that will provide practical and useful experience and further the participating students' preparation for professional careers in community building.

3. Likelihood of Fostering Students' Permanent Post-Graduation Employment in Community Building (10 points)—In rating this factor, HUD will evaluate the extent to which the institution's educational program (based on past experience), including the assistance it provides to its students in finding post graduation permanent employment, has led directly and immediately to career opportunities in community building fields.

4. Effectiveness of Program Administration (20 points)—In rating this factor, HUD will evaluate: (i) the degree to which the Program Director has clear responsibility, ample percentage of time, and sufficient institutional or academic authority to coordinate the overall administration of the program; and (ii) the adequacy of the applicant's plan for placing students in work placement assignments and keeping track of students during the two-year academic period and work placement assignments.

5. Demonstrated Commitment of the Applicant to Meeting Economically Disadvantaged and Minority Students' Needs (10 points)—In rating this factor, HUD will evaluate the extent to which the applicant's recruitment activities, special education programs, and other means, including the provision of reasonable accommodations for students with disabilities, demonstrates an active, aggressive, and imaginative effort to identify, attract, and retain qualified minorities and economically disadvantaged students, including students with disabilities; and the extent to which the HSI-WSP award will not result in a decrease in the amount of the institution's own financial support available for minority and economically disadvantaged students, including students with disabilities, in the academic areas or the institution as a whole.

(c) *Corrections to Deficient Applications.* After the submission deadline date, HUD will screen each application to determine whether it is complete. If an application lacks certain technical items or contains a technical error, such as an incorrect signatory, HUD will notify the applicant in writing that it has 14 calendar days from the date of HUD's written notification to cure the technical deficiency. If the applicant fails to submit the missing material within the 14-day cure period, HUD may disqualify the application.

This 14-day cure period applies only to non-substantive deficiencies or errors. Any deficiency capable of cure will involve only items not necessary for HUD to assess the merits of an application against the factors specified in this NOFA. Substantive deficiencies or errors may not be corrected.

(d) *Final selection.* All applications that are rated will be rank ordered based on their total scores on the selection factors. Applications will be considered for selection based on their rank order. HUD may make awards out of rank order to achieve geographic diversity, and may provide assistance to support a number of students that is less than the number requested under an application in order to provide assistance to as many highly ranked applications as possible.

If there is a tie in the point scores of two applications, the rank order will be determined by the applicants' scores on selection factor (1). The application with the most points on selection factor (1) will be given the higher rank. If there is still a tie, the rank order will be determined by the applicants' scores on selection factor (5). The application with the most points for selection factor (5) will be given the higher rank.

XVII. Application Content

Applicants must complete and submit applications in accordance with instructions contained in the application kit. The following is a checklist of the application content that will be specified in the application kit:

(a) Transmittal letter, identifying the agency accrediting the institutions of higher education on whose behalf the application is filed and further stating that such accrediting agency(ies) are recognized by the U.S. Department of Education. The transmittal letter should also include the name, address, phone number, facsimile number and e-mail address (if any) of the person responsible for administering the program.

(b) A completed and signed Standard Form 424, Application For Federal Assistance.

(c) Abstract.

(d) Table of Contents.

(e) Proposal narrative statement addressing the factors for award.

(f) Sample copy of student/recipient binding agreement.

(g) Sample copy of recipient/student work placement agreement.

(h) Management/Workplan.

(i) Resumes of key staff and faculty.

(k) Budget for the program.

(l) Audit/financial management system information.

(m) Certification by IPA or cognizant audit agency of applicant's financial management system.

(n) Drug-Free Workplace Certification.

(o) Disclosure of Lobbying Activities on SF-LLL, if applicable.

XVIII. Agreements

(a) *Grant agreement.*

The responsibilities of the recipient under the HSI-WSP will be incorporated in a grant agreement executed by HUD and the recipient.

(b) *Student agreement.*

The recipient and each participating student must execute a written agreement incorporating their mutual responsibilities under the HSI-WSP. The agreement must be executed before the student can be enrolled in the program. A student's participation in the HSI-WSP shall be terminated for failure to meet the responsibilities and standards in the agreement.

(c) *Work placement assignment agreement.*

The recipient, the student, and the work placement agency must execute a written agreement covering each work placement assignment. The agreement must address the responsibilities of each of the parties, the educational objectives, the nature of the supervision, the standards of evaluation, and the student's time commitments under the work placement assignment.

XIX. Grant Administration

(a) *Initial obligation of funds.*

When HUD selects an application for funding, HUD will obligate funds to cover the amount of the approved grant. The term of the award will be for two calendar years, unless subsequently altered by HUD at its discretion for good cause.

(b) *Disbursement.*

Recipients will receive grant payments by direct deposit. If that is not possible, grant payments will be made by U.S. Treasury Checks.

(c) *Deobligation.*

HUD may deobligate amounts for grants if proposed activities are not begun or completed within a reasonable period of time after selection.

XX. Other Federal Requirements

(a) *Applicability of part 570*

The HSI-WSP shall be subject to the policies and procedures set forth in subparts A, K, and O of 24 CFR part 570, as applicable, except as modified or limited under the provisions of this Notice. The provisions of subparts C and J of part 570 shall not apply to the HSI-WSP.

b. *Uniform Administrative requirements*

Recipients under the HSI-WSP shall comply with the requirements and standards of OMB Circular No. A-22, "Cost Principles for Educational Institutions." Recipients that are private institutions of higher education shall comply with OMB Circular A-133, "Non-Federal Audit Requirements for Institutions of Higher Education and other Nonprofit Institutions," which is implemented at 24 CFR part 45. Recipients that are public institutions of higher education shall comply with OMB circular A-128, "Non-Federal Audit Requirements for State and Local Governments," which is implemented at 24 CFR part 44. Audits shall be conducted annually. In addition, all recipients under the HSI-WSP shall comply with the provisions of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations," which is implemented at 24 CFR part 84. OMB Circular A-110 shall apply to recipients in its entirety.

Other Matters

Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of Section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) and the HUD implementing regulations at 24 CFR Part 87. These authorities prohibit recipients of federal contracts, grants or loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant or loan. The prohibition also covers the awarding of contracts, grant, cooperative agreements or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR Part 87, applicants, recipients and subrecipients of assistance exceeding \$100,000 must certify that no federal funds have been or will be spent on lobbying activities in connection with the assistance. *Required Reporting.* A certification is required at the time application for funds is made that Federally appropriated funds are not being or have not been used in violation of section 319 and the disclosure will be made of payments for lobbying with other than federally appropriated funds. Also, there is a standard disclosure form, SF-LLL, "Disclosure Form to Report Lobbying", which must be used to disclose lobbying with other than Federally appropriated funds at the time of application.

1. Information Collection Requirements

The information collection requirements contained in this NOFA have been approved by the Office of Management and Budget (OMB) in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520), and assigned OMB control number 2528-0182. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number.

2. Federalism Impact

The General Counsel, as the Designated Official under section 6(a) of Executive Order 12612, *Federalism*, has determined that the policies and procedures contained in this notice will not have substantial direct effects on States or their political subdivisions, or the relationship between the Federal Government and the States, or on the distribution of power and responsibilities among the various levels of government. This notice merely invites applications from certain institutions of higher education for grants under the Hispanic-Serving Institutions Work Study Program. As a result, the notice is not subject to review under the Order.

3. Impact on the Family

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that this notice will likely have a beneficial impact on family formation, maintenance, and general well-being. This notice invites applications from certain institutions of higher education for grants under the Hispanic-Serving Institutions Work Study Program. Accordingly, since the impact on the family is beneficial, no further review is considered necessary.

4. Accountability in the Provision of HUD Assistance

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (HUD Reform Act) and the final rule codified at 24 CFR part 4, subpart A, published on April 1, 1996 (61 FR 1448), contain a number of provisions that are designed to ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. On January 14, 1992, HUD published, at 57 FR 1942, a notice that also provides information on the implementation of section 102. The documentation, public access, and disclosure requirements of section 102 are applicable to assistance awarded under this NOFA as follows:

Documentation and public access requirements. HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its Federal Register notice of all recipients of HUD assistance awarded on a competitive basis.

Disclosures. HUD will make available to the public for five years all applicant disclosure reports (HUD Form 2880) submitted in connection with this NOFA. Update reports (also Form 2880) will be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports—both

applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15.

5. Prohibition Against Advance Information on Funding Decisions

HUD's regulation implementing section 103 of the HUD Reform Act, codified as 24 CFR part 4, applies to the funding competition announced today. The requirements of the rule continue to apply until the announcement of the selection of successful applicants.

HUD employees involved in the review of applications and in the making of funding decisions are restrained by part 4 from providing advance information to any person (other than persons authorized to receive such information) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants or employees who have ethics related questions should contact the HUD Office of Ethics (202) 708-3815 (voice), (202) 708-1112 (TTY). (These are not toll-free numbers.) For HUD employees who have specific program questions, the employee should contact the appropriate Field Office Counsel or Headquarters Counsel for the program to which the question pertains.

6. Environmental Impact

In accordance with 24 CFR 50.20(b) of the HUD regulations, the policies and procedures contained in this NOFA relate only to training grants and technical assistance and, therefore, are categorically excluded from the requirements of the National Environmental Policy Act.

7. The Catalog of Federal Domestic Assistance Program

The Catalog of Federal Domestic Assistance Number is 14.513.

Dated: August 28, 1996.
Michael A. Stegman,
Assistant Secretary for Policy Development and Research.

Appendix A—Hispanic-Serving Community Colleges (As Designated by the U.S. Department of Education)

SOURCE: 1993 Integrated Post-Secondary Education Data System (IPEDS) of the U.S. Department of Education

State	Institution
AZ	Arizona Western College.
AZ	Central Arizona College.
AZ	Cochise College
AZ	Prima Community College.
AZ	South Mountain Community College.
CA	Bakersfield College.
CA	Cerritos College.
CA	Chaffey Community College.
CA	Citrus College.
CA	College of the Desert.
CA	College of the Sequoias.

State	Institution
CA	Compton Community College.
CA	Don Bosco Technical Institute.
CA	East Los Angeles College.
CA	Evergreen Valley College.
CA	Fresno City College.
CA	Gavilan College.
CA	Hartnell College.
CA	Imperial Valley College.
CA	Kelsey-Jenney Business College.
CA	Kings River Community College.
CA	Los Angeles City College.
CA	Los Angeles Harbor College.
CA	Los Angeles Mission College.
CA	Los Angeles Southwest College.
CA	Los Angeles Trade Technical College.
CA	Los Angeles Valley College.
CA	Merced College.
CA	Mount San Antonio College.
CA	Fullerton College.
CA	Oxnard College.
CA	Palo Verde College.
CA	Pasadena City College.
CA	Porterville College.
CA	Rancho Santiago College.
CA	Rio Hondo College.
CA	San Bernardino Valley College.
CA	San Diego City College.
CA	San Jose City College.
CA	Skyline College.
CA	Southwestern College.
CA	West Hills Community College.
CO	Community College of Denver.
CO	Otero Junior College.
CO	Pueblo Community College.
CO	Trinidad State Junior College.
FL	Miami-Dade Community College/ North Campus (Main).
FL	Miami-Dade Community College/ Homestead College.
FL	Miami-Dade Community College/ Wolfson Campus.
IL	City Colleges of Chicago—Harry S Truman College.
IL	City Colleges of Chicago—Malcolm X College.
IL	City Colleges of Chicago—Richard J. Daley College.
IL	City Colleges of Chicago—Wilbur Wright College.
IL	Lexington Institute of Hospitality Careers.
IL	MacCormac Junior College.
IL	Morton College.
IL	Saint Augustine College.
NJ	Hudson County Community College.
NJ	Passaic County Community College.
NM	Albuquerque Technical Vocational Institute.
NM	Eastern New Mexico University—Roswell Campus.
NM	New Mexico State University—Carlsbad Campus.
NM	New Mexico State University—Dona Ana Campus.
NM	New Mexico State University—Grants Campus.
NM	Northern New Mexico Community College.
NM	Santa Fe Community College.
NM	University of New Mexico—Los Alamos Campus.
NM	University of New Mexico—Valencia Campus.

State	Institution
NY	CUNY Bronx Community College.
NY	CUNY Hostos Community College.
NY	CUNY F.H. La Guardia Community College.
PR	Collegio Tecnologico Del Municipio de San Juan.
PR	Collegio Universitario Del Este.
PR	University of Puerto Rico—Aguadilla Regional College.
PR	University of Puerto Rico—Carolina Regional College.
PR	University of Puerto Rico—La Montana Regional College.
TX	Bee County College.
TX	Del Mar College.
TX	El Paso Community College.
TX	Laredo Community College.
TX	Odessa Community College.
TX	Palo Alto College.
TX	San Antonio College.
TX	Southwest Texas Junior College.
TX	St. Philips College.
TX	Texas Southmost College.
TX	Texas State Technical College—Harlingen.

[FR Doc. 96-25052 Filed 10-1-96; 8:45 am]

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