

# Report for Congress

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## **Reauthorization of Title III and Title V of the Higher Education Act: Issues for the 108<sup>th</sup> Congress**

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# Reauthorization of Title III and Title V of the Higher Education Act: Issues for the 108<sup>th</sup> Congress

## Summary

First enacted as part of the Higher Education Act (HEA) in 1965, Title III (Institutional Aid) authorizes grants to higher education institutions to strengthen academic quality, institutional management, and financial stability. Administered by the U.S. Department of Education (ED), Title III programs help institutions expand educational opportunities for low-income and minority students. The 1998 amendments to the HEA established Title V, a separate program for Hispanic-serving institutions (HSIs).

During FY2003, Title III programs were appropriated \$388.8 million and funded 497 institutions in FY2002. Additionally, the Historically Black College and University Capital Financing program under Title III was appropriated \$207,000 for FY2003 and provided loans to 14 institutions in FY2002. Title V was appropriated \$92.3 million for FY2003 and funded 191 institutions in FY2002.

The HEA is expected to be considered for reauthorization by the 108<sup>th</sup> Congress. Among the issues that may be considered during the reauthorization process are:

- The differences in authorized activities among programs and the difference in the amount of discretion accorded to each program;
- The wait out period (the time following a grant period before grantees can apply for another grant under the same Title and section) and its applicability among programs;
- The duration of federal support for individual grantees of Titles III and V; and
- The implications of expanding Titles III or V, to include additional groups of institutions.

This report will be updated as warranted.

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# Reauthorization of Title III and Title V of the Higher Education Act: Issues for the 108<sup>th</sup> Congress

## Introduction

First enacted as part of the Higher Education Act (HEA, P.L.89-329, as amended, 20 U.S.C. 1001) in 1965, Title III (Institutional Aid) authorizes grants to higher education institutions to strengthen academic quality, institutional management, and financial stability. Administered by the U.S. Department of Education (ED), Title III programs help institutions expand educational opportunities for low-income and minority students. The authority for the HEA, including Title III, was last amended and extended by the Higher Education Amendments of 1998 (P.L.105-244). This legislation also established Title V, which created a separate program for Hispanic-serving institutions (HSIs); previously HSIs were included as a section of Title III.

This report provides an overview of the various programs established by Titles III and V of the HEA. The report primarily focuses upon the structure of the programs, and includes data on participation and annual funding. It concludes with an analysis of possible issues related to Title III and Title V that may be considered during the HEA reauthorization. The HEA expires during the 108<sup>th</sup> Congress.<sup>1</sup>

## Title III: Institutional Aid

Title III is intended to provide support for less advantaged institutions serving students from low-income or racial minority backgrounds. There are seven sections that authorize programs for higher education institutions that serve select groups of students, including historically black colleges and universities (HBCUs), Alaskan Native and Native Hawaiian institutions, and tribally controlled colleges and universities (TCCUs). Additionally, Title III, Part A authorizes funding for less advantaged institutions and those serving low income students in general referred to in this report as “Part A institutions.” Each of the programs is described below.

### Part A-Strengthening Institutions

Part A authorizes 5-year development and 1-year planning grants (assistance to prepare and apply for a development grant) for institutions that serve “needy”

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<sup>1</sup> For an overview of the HEA reauthorization, See CRS Issue Brief, IB10097, *The Higher Education Act: Reauthorization Status and Issues*, by James Stedman.

students. In order for an institution to be eligible for a Part A grant at least 50% of enrolled degree seeking students must be recipients of need based financial assistance under Title IV of the HEA (Federal Perkins Loan, Federal Work Study, Federal Pell Grant or Federal Supplemental Educational Opportunity Grant), or the institution's Pell Grant recipients must exceed the median<sup>2</sup> percentage for similar institutions receiving Pell Grants. In addition to serving needy students, the institution's average educational and general expenditures must be low in comparison with other comparable institutions. According to Title III Part A program regulations the Secretary of Education may waive the needy student requirement for institutions under the following conditions:<sup>3</sup>

- The state provides more than 30% of the institution's budget and the institution does not charge more than \$99.00 for tuition and fees for an academic year;
- At least 30% of the students served by the institution are low-income;
- The institution substantially contributes to higher education opportunities for educationally disadvantaged, underrepresented or minority students who are low-income;
- The institution significantly contributes to higher education opportunities for individuals residing in rural or isolated areas that are underserved by higher education institutions;
- The institution is located on or within 50 miles of a Native American reservation or in an area heavily comprised of Native Americans;
- The institution is a tribally controlled college or university as defined in Section 2 of the Tribally Controlled College or University Assistance Act of 1978; or
- The Secretary determines that an institution will increase the higher education opportunities for Black Americans, Hispanic Americans, Native Americans, Asian Americans, or Pacific Islanders, including Native Hawaiians.

In addition to serving needy students and having low general and education expenditures, Section 312(b) requires that the institution must also be legally authorized by its state to award baccalaureate degrees or be a junior or community college (or be the College of the Marshall Islands, the College of Micronesia/Federated States of Micronesia, and Palau Community College); and be accredited or pre-accredited by a nationally recognized accreditation association or agency. In determining an institution's eligibility for a Part A development or planning grant, the measure of serving needy students receives twice the weight as the low general and education expenditures measure.

Strengthening Institutions grants are awarded for 5 years, and institutions are ineligible to receive an additional grant under this section for 2 years after the date

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<sup>2</sup> Federal Pell Grant recipient percentages for base year 1998-1999 were as follows: 19.1% for 2-year public institutions, 30.6% for 2-year private institutions, 25.0% for 4-year public institutions and 25.2% for 4-year private institutions. These percentages continue to apply.

<sup>3</sup> 34 *Code of Federal Regulations* 606.3(b)

that the previous grant ends (the so-called “wait out period”). Institutions that are awarded a grant under Part A cannot concurrently receive a grant under any other section of Title III or Title V.

**Authorized Activities.** Development grant recipients are authorized to utilize funds for one or more of the following activities:

- acquisition of scientific or laboratory equipment;
- construction or improvement of instructional facilities, including the integration of computer technology into institutional facilities to create smart buildings;
- faculty exchange and development, and faculty fellowships for attaining advanced degrees;
- development and improvement of academic programs;
- purchase of educational materials;
- tutoring, counseling, and student services designed to improve academic success;
- management of funds and administration;
- joint use of facilities;
- establishment or improvement of a development office;
- establishment or improvement of an endowment fund (the grant recipient must match the federal share of funds and up to 20% of a recipient’s grant funds can be utilized for an endowment fund);
- creation or improvement of facilities for distance learning capabilities, including the Internet;
- other activities approved by the Secretary of Education.

**Special Consideration.** According to Part A regulations, in the event ED has funds to award one additional development grant and must choose between two applications with identical scores from the application review process, the selection is based on whether the institution:

- has an endowment with a market value (per full-time equivalent enrolled student) that is lower than comparable institutions’ endowment;
- has lower expenditures for library materials (per full-time equivalent enrolled student) than similar institutions; or
- in its grant application, proposes to address any of the following: faculty development, improvement of institutional management, strengthening of academic programs, equipment acquisition, joint use of facilities with other institutions, and provision of student services, such as academic counseling.

Grants may be made for cooperative arrangements involving funded institutions and institutions not receiving funding.

The FY2003<sup>4</sup> appropriation for Part A, excluding programs for Tribal Colleges, Alaskan Native and Native Hawaiian serving institutions, is \$81.5 million. During the 2002 fiscal year 229 Part A institutions were funded with an appropriation of \$73.6 million.

### **Part A, Section 316 — American Indian Tribally Controlled Colleges and Universities (TCCU)**

This section authorizes competitive grants for colleges and universities that are identified by Section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801) or are included in the Equity in Educational Land Grant Status Act of 1994 (7 U.S.C. 301). These institutions are referred to in this report as tribally controlled colleges and universities. TCCUs must satisfy the eligibility requirements in Section 312(b) (see description above under Part A Strengthening Institutions); however, the grants are intended to provide and expand opportunities for Native American students.

TCCUs also receive 5-year development grants and 1-year planning grants but, unlike Part A institutions, they do not have to wait 2 years before applying for another grant. Further, unlike Part A grantees, TCCUs are required to submit as a part of their application, a 5-year plan for improving the assistance provided to Native American students, the rates at which they attend postsecondary educational institutions, as well as their retention rates. TCCUs that receive grants under Section 316 are not eligible to concurrently receive a grant under any other section of Title III or Title V.

**Authorized Activities.** TCCUs are permitted to carry out similar activities to those authorized for Part A recipients. However, there are some additional allowable activities specifically designed for Native American students such as: academic instruction in disciplines in which the group is underrepresented; establishment or enhancement of a teacher education program that is designed to prepare individuals to teach in elementary and secondary schools; and community outreach programs that encourage Native American students to pursue postsecondary education.

Thirty-three institutions received grants during the 2002 fiscal year with an appropriation of \$17.5 million. The FY2003 appropriation is \$22.8 million.

### **Part A, Section 317-Alaska Native and Native Hawaiian Serving Institutions**

Section 317 authorizes grants and assistance to Alaskan Native and Native Hawaiian serving institutions to enable them to improve and expand higher education opportunities afforded to these two groups. An institution is eligible for a grant under this section if at least 20% of the undergraduate students are Alaskan Native

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<sup>4</sup> All FY2003 appropriation levels reflect the application of across the board cuts as shown in the ED Budget Service Table of February 20, 2003.

or 10% are Native Hawaiian. In addition to the percentage requirement, these institutions must also satisfy the eligibility requirements set forth in Section 312(b) of Title III (see description above under Part A Strengthening Institutions).

Alaskan Native and Native Hawaiian serving institutions seeking to receive a grant under this section must also submit a 5-year plan. Unlike TCCUs, their plan must only include how the institution intends to improve the assistance afforded to the designated students, not the enrollment and retention rates for these students. Alaskan Native and Native Hawaiian serving institutions are not required to wait any specified amount of time prior to applying for another grant, and they are not eligible to concurrently receive any other grants under this Title or Title V.

**Authorized Activities.** Similar to TCCUs, Alaskan Native and Native Hawaiian institutions are permitted to undertake some of the activities that are authorized for Part A institutions, and they are authorized to develop activities that specifically address the needs of Alaskan Native and Native Hawaiian students. The delineated activities are more limited than those identified for Part A institutions, focusing on equipment acquisition, facilities' improvement, faculty development, curriculum and instruction, funds and administrative management, joint use of facilities, and student support services. Additionally, Alaskan Native and Native Hawaiian institutions cannot utilize any of the grant money for the establishment of, or to increase, their institutional endowment.

In FY2002 17 institutions received grants and the program was appropriated \$6.5 million. The FY2003 appropriation is \$8.2 million.

## **Part B — Strengthening Historically Black Colleges and Universities (HBCU)**

Part B is the only program in Title III that distributes funds according to a formula rather than the competitive process that is used in the other programs. Part B provides 5-year, formula grants to eligible historically black colleges and universities. To qualify as an HBCU the institution must have been established prior to 1964 and have as its principal mission the education of African Americans. Institutions that receive a grant under Part B cannot concurrently receive a grant under any other section of this Title or Title V. HBCUs are not required to meet many of the eligibility requirements delineated for Part A institutions, except they must be authorized by their state to provide baccalaureate degrees or be a junior or community college and be either pre-accredited or accredited by an authorized agency or association. For example, unlike other grant programs under Title III, HBCUs are not required to serve "needy" students and they do not have to adhere to the general and educational expenditure requirements that were previously outlined.

**Authorized Activities.** HBCUs are permitted to carry out activities similar to Part A institutions, however, there are some authorized activities specifically for African American students such as academic instruction in disciplines in which the group is underrepresented. Similar to TCCUs, HBCUs are permitted to establish or enhance a teacher education program and community outreach programs, however, the programs and activities do not have to specifically address African Americans.



**Formula.** HBCUs receive funds under Title III, Part B according to a formula rather than a competitive process. There are three factors that ED utilizes in determining how much each grantee receives:

- number of Pell Grant recipients,
- number of graduates, and
- number of graduates who within 5 years of graduating are in attendance at a graduate or professional school in a degree granting program in which Blacks are underrepresented.

The formula allocates funds to each institution as follows: 50% of the funds are based upon the grantees' number of Pell Grant recipients compared with the number of Pell Grant recipients at all Part B institutions. Twenty-five percent of the funds are based upon the number of graduates at the respective institution as a proportion of all graduates from Part B institutions. The remaining 25% is contingent upon the percentage of the institution's graduates who enroll in a graduate or professional degree program in a discipline in which Blacks are underrepresented, compared with the percentage at all Part B institutions. No institution can receive less than \$500,000.

There were 99 institutions that received a grant in FY2002 and the appropriations for that year were \$206 million. This number of participating institutions has fluctuated over the years as institutions cease operation, gain or lose accreditation, or merge with other institutions. The FY2003 appropriation is \$214 million.

## **Part B, Section 326 — Historically Black Graduate and Professional Institutions**

Section 326 authorizes grants to 18 graduate and professional institutions that significantly contribute to the number of Blacks in the legal, medical, dental, veterinary, math, engineering and the physical and natural science fields. Each institution receives \$1 million, unless the institution demonstrates that it will match 50% of the allotted amount with non-federal dollars. However, the first \$1 million does not have to be matched. For example, if an institution requests \$1.5 million, it must demonstrate that it is able to match \$250,000 of the federal award with non-federal funds. Each grant cannot exceed 5 years.

**Activities.** Under this section, institutions are authorized to provide activities similar to those of undergraduate HBCUs, however, they are also able to provide scholarships and fellowships to assist students with the enrollment and completion of postbaccalaureate and professional degrees in the aforementioned disciplines. It is the sole discretion of the chancellor or president of each institution to determine which professional or graduate school(s) or program(s) at the institution receives the funds appropriated under this section.

**Funding Rule.** Annually, the first \$26.6 million appropriated for Section 326 is reserved for 16 of these institutions (those in the program prior to the 1998 amendments); the next \$2 million is reserved for two institutions added by the 1998 amendments. Any annually appropriated funds in excess of \$28.6 million are

awarded among the 18 institutions based on a formula<sup>5</sup> developed by the Secretary of Education using certain specified factors. The FY2002 appropriation was \$49 million and the FY2003 appropriation is \$53.4 million.

## **Part C — Endowment Challenge Grants**

The purposes of the endowment challenge grants are to either establish or increase endowments, and to increase independence and self-sufficiency. To be eligible for a challenge grant, an institution must also be eligible for Part A or B under this Title although the Secretary may waive the eligibility requirement if the institution makes a significant contribution to medical education for minorities and economically disadvantaged students. However, priority is given to current and past Part A and B grant recipients.

Grants are not to exceed \$500,000 and institutions must provide matching funds equal to half of the grant. A grant recipient is ineligible to receive another grant for 10 years after the termination of the grant period.<sup>6</sup> Except for emergency purposes, an institution cannot spend more than 50% of the total aggregate endowment fund income earned prior to the time of expenditure. In the case of an emergency,<sup>7</sup> the Secretary can waive the 50% requirement.

Part C has not been funded since FY1995.

## **Part D — HBCU Capital Financing**

This program provides federal insurance for bonds issued to support capital financing projects at HBCUs, generally for the repair, renovation, and, in exceptional circumstances, the construction or acquisition of facilities used for instruction, research, or housing. A designated bonding authority is charged with raising funds in the bond market; in turn, these funds are lent to HBCUs. Repayments on these loans are used to make principal and interest payments on outstanding bonds. Borrowers deposit a portion of their loans into an escrow account to cover principal and interest payments on outstanding bonds in the event borrowers are delinquent in repaying their loans. Federal insurance is provided if this escrow account cannot cover all principal and interest payments due on outstanding bonds. The total outstanding principal and unpaid accrued interest on these loans cannot exceed \$375 million (of this amount, \$250 million is for private HBCUs and \$125 million is for public HBCUs). The FY2003 appropriation is \$207,000. The appropriated amount is solely for the administrative expenses to carry out the program (no “insurance payments” were necessary). During FY2002, insurance was provided on 14 loans, and the appropriation was \$208,000.

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<sup>5</sup> For specific factors regarding the formula please see HEA, Title III, Section 326(f)(3).

<sup>6</sup> The period of a grant is defined as not more than 10 years, during which time the endowment fund principal cannot be withdrawn or expended.

<sup>7</sup> Eligible emergencies include: financial (pending insolvency or temporary liquidity problems), life threatening situation caused by natural disaster or arson, and any other unusual occurrence or exigent circumstance.

## Part E — Minority Science and Engineering Improvement Program (MSEIP)

The MSEIP was created by the National Science Foundation Act of 1950, Section 3(a)(1) and was transferred to ED under Title III by the Department of Education Organization Act of 1979 (P.L.96-88), Section 304(a)(1). MSEIP provides grants to predominantly minority institutions<sup>8</sup> to improve science and engineering education and to increase the number of minorities and women in science and technology. Priority is given to institutions that have not previously received a grant under this section, prior grantees successful in increasing the number of women and minorities in science and technology, or projects that provide balance in one of the following ways: geographical, academic discipline or project type.

**Authorized Activities.** There are four different types of grants: institutional, cooperative, design projects and special projects. The authorized activities vary according to the type of grant awarded. For example, design projects are permitted to utilize grant funds for developing planning, management and evaluation systems, while special projects are authorized to conduct science seminars, and host or conduct conferences and workshops for science faculty. However, unlike many of the other grants authorized by Title III, MSEIP specifically states that the delineated authorized activities are not an exhaustive list of the permissible uses for grant funds.

During FY2002 101 institutions received a MSEIP grant and the appropriation was for \$8.5 million. The FY2003 appropriation is \$8.9 million.

## Part F — General Provisions

This Part contains the general provisions, including waiver authorities, that apply to the administration of these programs and authorizes appropriations for the various programs. For example, Part F requires that all of the Secretary's policies and procedures governing Title III applications be published in the *Federal Register*. Section 394(2) states that the Secretary shall assure that representatives from institutions that serve a substantial number of Hispanics, Native Americans, Asian Americans and Pacific Islanders and representatives from HBCUs and TCCUs are included as readers in the application review process.

## Title V: Developing Institutions

In 1998 Congress authorized the inclusion of grants to Hispanic Serving Institutions (HSIs) under Title V of the HEA. Prior to 1998, the HSI program was a section of Title III, Part A. Title V provides grants to institutions that provide and increase the number of educational opportunities available to Hispanic and other low-income students. To qualify as an HSI for the purposes of Title V, an institution must: have at least 25% full time, Hispanic undergraduate student enrollment, and

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<sup>8</sup> An institution is deemed a minority higher education institution if its enrollment of one group of minorities or combination of minorities exceeds 50% of its total enrollment.

not less than 50% of its Hispanic student population must be low income. In addition to these eligibility criteria, HSIs must also satisfy requirements similar to those for Title III, Part A institutions including the following: they must serve needy students and have low general and education expenditures in comparison with other similar institutions. Title V grants are awarded for 5 years, with a minimum two year wait out period. Institutions may also apply for a 1-year planning grant.

**Authorized Activities.** HSIs are authorized to use their funds for specific activities that parallel those delineated under Title III Part A, including endowment building with a 20% cap. Additionally, HSIs can use their funds to:

- establish or enhance teacher education programs;
- establish community outreach programs to provide elementary and secondary school students with the interest and skills to pursue postsecondary education; and
- expand courses and institutional resources in order to increase the number of Hispanic and other underrepresented graduate or professional students that the institution can serve.

Priority is given to HSIs collaborating with local elementary and secondary school districts to reduce Hispanic dropout rates and increase Hispanic achievement and college attendance. An HSI receiving funds under Title V cannot concurrently be awarded funds under Title III Parts A or B.

ED estimates that 131 institutions meet the 25% Hispanic enrollment threshold. It is not known precisely how many institutions meet all of the HSI eligibility requirements. The FY2003 appropriation is \$92.3 million. During FY2002, 191 institutions were awarded grants and the program was appropriated \$86 million.

## **Appropriations for 1993-2003**

This section briefly reviews the FY1993-FY2003 appropriations for Title III and Title V. As noted by the table below, appropriations for the programs have remained steady with slight increases over the years. Title III, Part B and Title V are the only programs that have had significant increases over the last 5 years. The funding for Part A grantees has fluctuated the most, however this may be due in part to the inclusion of separate funding for Hispanic-serving Institutions beginning in 1995 and Tribally Controlled Colleges and Universities, Alaskan Native and Native Hawaiian-serving institutions beginning in 1999. For consistency purposes, HSIs are separately listed as Title V in 1995-1998 even though they were included under Section 316 of Part A of Title III during this period.

**Table 1. Title III and Title V Authorization: FY1993-FY2003**  
(dollars in thousands)

<b>Program</b>	<b>FY1993</b>	<b>FY1994</b>	<b>FY1995</b>	<b>FY1996</b>	<b>FY1997</b>	<b>FY1998</b>	<b>FY1999</b>	<b>FY2000</b>	<b>FY2001</b>	<b>FY2002</b>	<b>FY2003</b>
<i>HEA, Title III</i>											
Strengthening Institutions (Part A)	\$86,257	\$88,586	\$80,000	\$55,450	\$55,450	\$55,450	\$60,250	\$60,250	\$73,000	\$73,625	\$81,467
Strengthening Tribally Controlled Colleges/Universities (Part A, Section 316)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$6,000	\$15,000	\$17,500	\$22,850
Strengthening Alaska Native/Native Hawaiian-Serving Institutions (Part A, Section 317)	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000	\$5,000	\$6,000	\$6,500	\$8,180
Strengthening HBCUs (Part B)	\$98,208	\$100,860	\$108,990	\$108,990	\$108,990	\$118,495	\$136,000	\$148,750	\$185,000	\$206,000	\$214,015
Strengthening Historically Black Graduate Institutions (Part B, Section 326)	\$11,501	\$15,859	\$19,606	\$19,606	\$19,606	\$25,000	\$30,000	\$31,000	\$45,000	\$49,000	\$53,415
Endowment Challenge Grants (Part C, and Part C Section 332)	\$5,525	\$5,674	\$6,045	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HBCU Capital Financing Plan (Part D)	\$0	\$200	\$346	\$166	\$104	\$104	\$96	\$207	\$208	\$208	\$207
Minority Science and Engineering Improvement (Part E)	\$5,892	\$5,892	\$5,839	\$5,255	\$5,255	\$5,255	\$7,500	\$7,500	\$8,500	\$8,500	\$8,942
<i>HEA, Title V</i>											
Developing Hispanic-Serving Institutions (HEA V)	\$0	\$0	\$12,000	\$10,800	\$10,800	\$12,000	\$28,000	\$42,250	\$68,500	\$86,000	\$92,396

**Please note:** All FY2003 appropriation levels reflect application of across the board cuts as shown in the ED Budget service table of February 20, 2003.

## Reauthorization Issues

Like the rest of the HEA, Titles III and V are expected to be considered for reauthorization in the 108<sup>th</sup> Congress. This section presents brief analyses of several issues that may be considered during the reauthorization discussions.

### Authorized Activities

At present, for most of the programs, the legislation is very specific about which activities are authorized for grant recipients under Title III and Title V. However, the existing language is not consistent among programs. For example, Alaskan Native and Native Hawaiian-serving institutions are not specifically authorized to utilize Title III grant money for endowment building, while other Part A institutions are permitted to do so, as are HBCUs and HSIs. Additionally, HSIs are allowed to use funds to establish outreach programs that address the drop out and retention rate within their community, but none of the other programs is specifically provided comparable authority.

During reauthorization Congress may consider the differences between programs' authorized activities. There may be some activities that are inherently applicable to certain populations, such as the establishment of teacher's education programs to train more teachers to instruct Native American students. However, other activities, such as endowment building, do not appear to be activities that necessarily apply only to certain institutions.

Additionally, there is a difference in the amount of discretion programs are granted to develop activities that are not specifically authorized by the legislation. The provisions permit Part A institutions to propose activities in their application that contribute to *carrying out the purposes of the program* and require they be approved by the Secretary of Education. However, the provisions for TCCUs permit the proposal of activities not specifically listed so long as they *contribute to carrying out the specified activities* and the Secretary of Education approves them. The Minority Science and Engineering Improvement Program provides wide latitude for designing activities to address the population they are funded to serve. Unlike the other programs in Title III and Title V, MSEIP specifically states that the delineated activities are "not limited to" those listed. This language provides grantees with the authority to develop activities that meet the general statutory purposes of the program.

Congress may revisit how much flexibility institutions should be granted especially for activities that are not listed among the authorized activities. The original congressional rationale for these limits may or may not continue to apply. Providing institutions greater latitude to establish activities that are not specifically addressed in the legislation may enable them to design activities that cater to the needs of the students who they serve, but it also may make it more difficult to hold programs accountable and to compare programs' effectiveness.

## **Wait Out Period**

The Congress may debate the merit of having a wait out period for some grantees but not for others. The general Part A grantees and HSIs are required to wait at least 2 years after the termination of a grant period before applying for another grant. In 2000 Congress eliminated the wait out period for TCCUs, Alaskan Native and Native Hawaiian-serving institutions. HBCUs do not have a wait out period.

The wait out period acknowledges that there are more eligible institutions than available funds, thus allowing new institutions to receive funds. Conversely, since the grants are intended to provide assistance to less advantaged, developing institutions, preventing them from reapplying for 2 successive years may be perceived as stymying their development.

## **Duration**

Congress may debate the duration of support for individual institutions applying for grants. The federal government has funded these programs and their predecessors for more than 40 years; it is likely that many institutions have received substantial support from these programs for numerous years. Given that a purpose of these programs is to improve the fiscal stability and self sufficiency of the participating institutions, some may question whether these programs have been successful and whether individual institutions should continue to receive aid for unlimited periods of time.

Conversely, the programs' purpose is not solely aiding institutions to attain financial stability and self sufficiency. Most programs are authorized to undertake activities to help meet the academic and other needs of disadvantaged students, such as through student service programs. These would appear to be objectives that may require ongoing funding.

## **Institutional Eligibility**

In 1998 the Congress expanded the range of institutions eligible for Title III grants. Alaskan Native and Native Hawaiian-serving institutions were newly included, and HSIs were moved to a separate title (Title V). To be eligible under these programs an institution is required to enroll a numerical percentage of students from a specified racial/ethnic group. In light of this fact, Congress might consider the inclusion of institutions serving other racial/ethnic groups under Title III or a separate title, due to their high representation in select higher education institutions or geographical areas.

Implications associated with including groups based upon racial or ethnic criteria might be considered during the reauthorization of the HEA. For example, is it preferable to focus on more general eligibility criteria, such as a large percentage of pupils from low income families? How many other groups or institutions might seek inclusion based on existing or alternative criteria? Finally, would adding new institutions negatively affect existing grant recipients or would appropriations increase to accommodate the growth in eligibility?