

Priorities: This competition focuses on projects designed to meet the priority in section 511(d) of the HEA (29 U.S.C. 1103) (see 34 CFR 75.105(b)(2)(iv)).

The Secretary gives priority to a development grant application that contains satisfactory evidence that the HSI has entered into, or will enter into, a collaborative arrangement with at least one local educational agency or community-based organization to provide that agency or organization with assistance (from funds other than funds provided under Title V of the HEA) in reducing dropout rates for Hispanic students, improving rates of academic achievement for Hispanic students, and increasing the rates at which Hispanic secondary school graduates enroll in higher education.

Under 34 CFR 75.105(c)(3), we consider only applications that meet this priority.

This competition also focuses on projects designed to meet the priority in section 514(b) of the HEA (20 U.S.C. 1103c) (see 34 CFR 75.105(b)(2)(iv)).

The Secretary gives priority to grant applications for cooperative arrangements that are geographically and economically sound or will benefit the applicant HSI.

Invitational Priorities: Within the absolute priorities specified in this competition, we are particularly interested in applications that meet one or more of the following invitational priorities.

Invitational Priority 1

Cooperative arrangements between two-year and four-year IHEs aiming to increase transfer and retention of Hispanic students.

Invitational Priority 2

Cooperative arrangements between IHEs that develop and share technological resources in order to enhance each institution's ability to serve the needs of low-income communities or minority populations.

Invitational Priority 3

Cooperative arrangements between IHEs, where at least one does not currently have funding under the HSI Program.

Invitational Priority 4

Cooperative arrangements that involve institutional partners from more than one university or college system.

Under 34 CFR 75.105(c)(1), we do not give an application that meets one or more of the invitational priorities a competitive or absolute preference over other applications.

Special Funding Consideration: In tie-breaking situations described in 34 CFR

606.23, the HSI Program regulations require that we award one additional point to an application from an IHE that has an endowment fund for which the 1999–2000 market value per full-time equivalent (FTE) student was less than the comparable average per FTE student at a similar type IHE. We also award one additional point to an application from an IHE that had expenditures for library materials in 1999–2000 per FTE student that were less than the comparable average per FTE student at a similar type IHE.

For the purpose of these funding considerations, an applicant must be able to demonstrate that the market value of its endowment fund per FTE student and library expenditures per FTE student were less than the average expenditure per FTE student when calculated using the data submitted by applicants for the year 1999–2000.

If a tie still remains after applying the additional point(s), we will determine the ranking of applicants based on the lowest combined library expenditures per FTE student and endowment values per FTE student.

Application Procedures

Note: Some of the procedures in these instructions for transmitting applications differ from those in the Education Department General Administrative Regulations (EDGAR) (34 CFR 75.102). Under the Administrative Procedure Act (5 U.S.C. 553) the Department generally offers interested parties the opportunity to comment on proposed regulations. However, these amendments make procedural changes only and do not establish new substantive policy. Therefore, under 5 U.S.C. 553(b)(A), the Secretary has determined that proposed rulemaking is not required.

Pilot Project for Electronic Submission of Applications

In FY 2003, the U.S. Department of Education is continuing to expand its pilot project for electronic submission of applications to include additional formula grant programs and additional discretionary grant competitions. The HSI Program—84.031S is one of the programs included in the pilot project. If you are an applicant under the HSI Program, you may submit your application to us in electronic or paper format.

The pilot project involves the use of the Electronic Grant Application System (e-Application) portion of the Grant Administration and Payment System (GAPS). Users of e-Application will be entering data on-line while completing their applications. You may not e-mail a soft copy of a grant application to us. If you participate in this voluntary pilot

project by submitting an application electronically, the data you enter on-line will be saved into a database. We request your participation in e-Application. We shall continue to evaluate its success and solicit suggestions for improvement.

If you participate in e-Application, please note the following:

- Your participation is strictly voluntary.
- You will not receive any additional point value because you submit a grant application in electronic format, nor will we penalize you if you submit an application in paper format. When you enter the e-Application system, you will find information about its hours of operation.
- You may submit all documents electronically including the Application for Federal Assistance (ED 424), Budget Information—Non-Construction Programs (ED 524), and all necessary assurances and certifications.
- After you electronically submit your application, you will receive an automatic acknowledgement, which will include a PR/Award number (an identifying number unique to your application).

• Within three working days after submitting your electronic application, fax a signed copy of the Application for Federal Assistance (ED 424) to the Application Control Center after following these steps:

- (1) Print ED 424 form from the e-Application system.
- (2) The institution's Authorizing Representative must sign this form.
- (3) Place the PR/Award number in the upper right hand corner of the hard copy signature page of the ED 424.
- (4) Fax the signed ED 424 to the Application Control Center at (202) 260-1349.

• We may request that you give us original signatures on all other forms at a later date.

• **Closing Date Extension in Case of System Unavailability:** If you elect to participate in the e-Application pilot for the HSI Program and you are prevented from submitting your application on the closing date because the e-Application system is unavailable, we will grant you an extension of one business day in order to transmit your application electronically, by mail, or by hand delivery. For us to grant this extension—

- (1) You must be a registered user of e-Application, and have initiated an e-Application for this competition; and
- (2)(a) The e-Application system must be unavailable for 60 minutes or more between the hours of 8:30 a.m. and 3:30