

**DEPARTMENT OF EDUCATION****34 CFR Part 692****RIN 1845-AA18****Special Leveraging Educational Assistance Partnership Program****AGENCY:** Office of Postsecondary Education, Department of Education.**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The proposed regulations govern the new Special Leveraging Educational Assistance Partnership (SLEAP) Program. These proposed regulations would implement changes made to the Higher Education Act of 1965, as amended (HEA), by the Higher Education Amendments of 1998, Public Law 105-481 (1998 Amendments).

**DATES:** We must receive your comments on or before September 11, 2000.

**ADDRESSES:** Address all comments about these proposed regulations to Jackie Butler, U.S. Department of Education, P.O. Box 23272, Washington, DC 20026-3272. If you prefer to send your comments through the Internet use the following address: sleapnprm@ed.gov.

If you want to comment on the information collection requirements you must send your comments to the Office of Management and Budget at the address listed in the Paperwork Reduction Act section of this preamble. You may also send a copy of these comments to the Department representative named in this section.

**FOR FURTHER INFORMATION CONTACT:** Jackie Butler, U.S. Department of Education, 400 Maryland Avenue, SW., room 3045, ROB-3, Washington, DC 20202-5447. Telephone: (202) 708-8242.

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339.

Individuals with disabilities may obtain this document in an alternate format (e.g., Braille, large print, audiotope, or computer diskette) on request to the contact person listed under **FOR FURTHER INFORMATION CONTACT**.

**SUPPLEMENTARY INFORMATION:****Invitation To Comment**

We invite you to submit comments regarding these proposed regulations. To ensure that your comments have maximum effect in developing the final regulations, we urge you to identify clearly the specific section or sections of the proposed regulations that each of your comments addresses and to arrange your comments in the same order as the proposed regulations.

We invite you to assist us in complying with the specific requirements of Executive Order 12866 and its overall requirement of reducing regulatory burden that might result from these proposed regulations. Please let us know of any further opportunities we should take to reduce potential costs or increase potential benefits while preserving the effective and efficient administration of the program.

During and after the comment period, you may inspect all public comments about these proposed regulations in Room 3053, ROB-3, 7th & D Streets, SW., Washington, DC, between the hours of 8:30 a.m. and 4 p.m., Eastern time, Monday through Friday of each week except Federal holidays.

**Assistance to Individuals With Disabilities in Reviewing the Rulemaking Record**

On request, we will supply an appropriate aid, such as a reader or print magnifier, to an individual with a disability who needs assistance to review the comments or other documents in the public rulemaking record for these proposed regulations. If you want to schedule an appointment for this type of aid, you may call (202) 205-8113 or (202) 260-9895. If you use a TDD, you may call the Federal Information Relay Service at 1-800-877-8339.

**Negotiated Rulemaking**

Section 492 of the HEA requires that, before publishing any proposed regulations for programs under Title IV of the HEA, we obtain public involvement in the development of the proposed regulations. After obtaining advice and recommendations, we must conduct a negotiated rulemaking process to develop the proposed regulations. All published proposed regulations must conform to agreements resulting from the negotiated rulemaking process unless we reopen the negotiated rulemaking process or provide a written explanation to the participants in that process why we have decided to depart from the agreements.

To obtain public involvement in the development of the proposed regulations, we held listening sessions in Washington, DC, Atlanta, Chicago, and San Francisco. We held four half-day sessions on September 13 and 14, 1999, in Washington, DC. In addition, we held three regional sessions; one in Atlanta on September 17, one in Chicago on September 24, and one in San Francisco on September 27, 1999. The Office of Student Financial Assistance's Customer Service Task

Force also conducted listening sessions to obtain public involvement in the development of our regulations.

We then published a notice in the **Federal Register** (64 FR 73458, December 30, 1999) to announce our intention to establish two negotiated rulemaking committees to draft proposed regulations affecting Title IV of the HEA. The notice requested nominations for participants from anyone who believed that his or her organization or group should participate in this negotiated rulemaking process. The notice announced that we would select participants for the process from the nominees of those organizations or groups. The notice also announced a tentative list of issues that each committee would negotiate.

Once the two committees were established, they met to develop proposed regulations over the course of several months, beginning in February, 2000. The proposed regulations contained in this NPRM reflect the final consensus of Negotiating Committee II (committee), which was made up of the following members:

American Association of Collegiate Registrars and Admissions Officers  
 American Association of Cosmetology Schools  
 American Association of State Colleges and Universities (in coalition with American Association of Community Colleges)  
 American Council on Education  
 Association of Jesuit Colleges and Universities  
 Career College Association  
 Coalition of Publicly Traded Educational Institutions  
 Consumer Bankers Association  
 Legal Services  
 NAFSA: Association of International Educators  
 National Accrediting Commission of Cosmetology Arts and Sciences, Inc.  
 National Association of College and University Business Officers  
 National Association of Independent Colleges and Universities  
 National Association of Student Financial Aid Administrators  
 National Association for State Student Grant and Aid Programs  
 National Association of State Universities and Land-Grant Colleges  
 National Council of Higher Education Loan Programs  
 National Direct Student Loan Coalition  
 Student Loan Servicing Alliance  
 The College Fund/United Negro College Fund  
 United States Department of Education  
 United States Student Association  
 US Public Interest Research Group

University Continuing Education Association

As stated in the committee protocols, consensus means that there must be no dissent by any member in order for the committee to be considered to have reached agreement. Consensus was reached on all of the proposed regulations in this document.

### Proposed SLEAP Regulations

The 1998 Amendments added a new section 415E to subpart 4 of Title IV of the HEA to establish the SLEAP Program. The SLEAP Program is an additional component of the Leveraging Educational Assistance Partnership (LEAP) Program, which was formerly known as the State Student Incentive Grant (SSIG) Program. The SLEAP Program was created by Congress to provide incentive grants to States to assist them in providing financial assistance to eligible needy postsecondary students and services to eligible needy preschool, elementary school, and secondary school students.

These proposed SLEAP Program regulations were developed as a result of the new statutory provisions in the HEA that created the SLEAP Program. All of the proposed regulations support the specific SLEAP provisions in the HEA, including the requirement that every LEAP statutory provision that is not inconsistent with a specific SLEAP provision applies to the SLEAP Program. The proposed SLEAP Program regulations are presented under the reserved subpart B in title 34 of the Code of Federal Regulations (CFR) by amending part 692 (LEAP Program regulations).

### Significant Proposed Regulations

We discuss issues under the sections of the proposed regulations to which they pertain. Generally, we do not address proposed regulatory provisions that are technical or otherwise minor in effect.

#### *Section 692.53 What Requirements Must a State Satisfy to receive SLEAP Program Funds?*

Proposed § 692.53 specifies the requirements that a State must meet to receive funds under the SLEAP Program. The proposed regulations provide that the State must participate in the LEAP Program to be able to receive SLEAP Program funds for a specific fiscal year and thus, meet all the requirements under the LEAP Program. The State is required to submit a SLEAP application in accordance with proposed § 692.60 in addition to satisfying the other requirements discussed later under that section.

Further, the proposed regulations require the State to have a SLEAP Program that provides assistance only to eligible students as discussed later under proposed § 692.54. Under the proposed regulations, the SLEAP Program must be administered by the same single State agency that administers the LEAP Program. That agency would have to submit all required SLEAP Program reports. These reports include an annual performance report detailing how the Federal dollars and non-Federal dollars were expended for the SLEAP Program. The proposed regulations also require that the State's SLEAP Program not allow any student or parent to be charged a fee that is payable to any organization, other than the State, for the collection of information needed to determine financial need.

A State's SLEAP Program that gives financial assistance to postsecondary students must ensure that all public and private nonprofit institutions of higher education and all postsecondary vocational institutions in the State are eligible to participate in the SLEAP Program unless the participation of certain types of institutions is in violation of the constitution of the State or a State statute enacted prior to October 1, 1978. If the State awards funds to independent students or less-than-full-time students enrolled in an institution of higher education, the proposed regulations require that the State's SLEAP Program for postsecondary students ensure that a reasonable portion of the State's SLEAP allocation be awarded to those students.

#### *Section 692.54 What Eligibility Requirements Must a Student Satisfy to Participate in the SLEAP Program?*

Proposed § 692.54 specifies the eligibility requirements that postsecondary students must meet to receive SLEAP financial assistance and non-postsecondary students must meet to receive services under the SLEAP Program. This proposed regulation, by referencing § 692.40, requires a postsecondary student to meet the relevant eligibility requirements contained in § 668.32 to receive SLEAP financial assistance. These include, among other things, the requirements that the student:

- Be a regular student;
- Not be enrolled in either an elementary or secondary school;
- Satisfy citizenship and residency requirements;
- Maintain satisfactory progress;
- Not be in default on a title IV, HEA program loan;

- Not owe a title IV, HEA overpayment; and

- Satisfy the Selective Service registration requirements.

The proposed regulation, by referencing § 692.40, requires the postsecondary student to also demonstrate financial need according to a system the State establishes and that we approve. This would be the same requirement that exists under the LEAP Program for having an approved system for determining need. To determine financial need, the State may use one of the following systems:

- A system that uses part F of title IV of the HEA;
- The State's own need analysis system, if approved by the Secretary; or
- A combination of these systems, if approved by the Secretary.

To receive program services under the SLEAP Program, the proposed regulations require a preschool, elementary school, or secondary school student to meet the relevant citizenship and residency requirements contained in § 668.33, and demonstrate financial need as determined by the State. The State would not need to receive our approval of the system it uses to determine the financial need of these non-postsecondary students under the proposed regulations.

#### *Section 692.60 What Must a State Do To Receive an Allotment Under the SLEAP Program?*

Proposed § 692.60 specifies the procedures that a State must follow to receive a SLEAP allotment. A State is required to submit an application for each fiscal year for which it wants to participate in the SLEAP Program. The application must be submitted by the same single State agency that administers the State's LEAP Program. In the application to participate in the SLEAP Program, the State is responsible for identifying the authorized activities, included in § 692.71, that it will fund under the SLEAP Program.

Under the proposed regulations, the State must satisfy the SLEAP maintenance-of-effort (MOE) requirement and assure us of that fact on its application. To satisfy the SLEAP MOE requirement, a State receiving SLEAP funding for a fiscal year would have to expend non-Federal funds, in total or per student, in the preceding fiscal year for authorized activities that were not less than it expended in the second preceding fiscal year. Note that although the statute and regulations refer to funding in terms of a fiscal year, States receive and award LEAP and

SLEAP funds operationally on an award year (July 1 through June 30) basis. Therefore, the States' MOE and matching requirements are also measured on an award year basis.

For example, a State wants to participate in the SLEAP Program for the 2000–2001 award year. In the 1999–2000 award year the total State expenditures for authorized SLEAP activities totaled \$150,000. In the 1998–1999 award year, the State spent \$100,000 on the authorized activities. The State expenditures for the activities for the 1999–2000 award year exceed the expenditures for the 1998–1999 award year and thus, satisfy the SLEAP MOE requirement.

In calculating the SLEAP MOE under the proposed regulations, the State reports any non-Federal funds that it spends for any activity or program that meets the definition of any of the authorized SLEAP activities, even if the State does not use those funds in the SLEAP Program. For the purpose of the SLEAP MOE, this applies even if the non-Federal funds were used to match another Federal program.

For example, if a State participates in the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) Program, the State matching dollars for GEAR UP would be included as part of the State's SLEAP MOE because GEAR UP activities meet the

definition of SLEAP authorized activity seven, which includes early intervention and mentoring programs. However, those State matching dollars used for GEAR UP, while acceptable for SLEAP MOE purposes, can not be used as matching dollars for any of the SLEAP authorized activities, because those State dollars are already used to match another Federal program which would be in violation of § 80.24 of the Education Department General Administrative Regulations (EDGAR). As another example, assume that a State awards teaching scholarships to students, which corresponds with SLEAP activity five, but does not use those funds as matching dollars for the SLEAP Program. Those State dollars for teaching scholarships would still be included in the State's SLEAP MOE.

The proposed regulations also require that the Federal SLEAP Program funds be matched with non-Federal funds. For every Federal SLEAP dollar a State spends, it must spend at least two matching dollars from non-Federal funds. A State may use any non-Federal funds that are spent for any of the authorized SLEAP activities, as long as those funds are not also being used to match other Federal programs. Non-Federal funds include, but are not limited to, State-appropriated funds or privately donated funds. The proposed regulations allow the Federal SLEAP

dollars to be spent by the State for one authorized SLEAP activity and the non-Federal funds to be spent for a different authorized SLEAP activity.

#### *Section 692.70 How Does the Secretary Allot Funds to the States?*

Proposed § 692.70, by referencing § 692.10, specifies the formula used to allocate SLEAP funds to the participating States. Under the proposed regulations, Federal SLEAP funds are allocated to each State in the SLEAP Program based on the same formulas used for the LEAP Program. The LEAP and SLEAP programs are funded under one appropriation. The initial \$30 million of the appropriation funds the LEAP Program. Any amount in excess of the initial \$30 million must be used to carry out authorized activities under the SLEAP Program.

The proposed regulations require that a State's SLEAP allocation from the first \$76,452,287 appropriated for both LEAP and SLEAP be calculated by a formula that provides a statutory hold-harmless provision based on the funds allocated as SSIG funds to the State for the 1979 fiscal year. The formula would calculate the State's SLEAP portion of the total LEAP and SLEAP appropriation that does not exceed the \$76,452,287 amount that was provided to States in the 1979 fiscal year as follows:

$$\frac{\text{Students Per State (1979 Enrollment Data)}}{\text{Total Number of Students for All States (1979 Enrollment Data)}} \times \text{SLEAP Portion of First \$76,452,287 Appropriated for LEAP and SLEAP} = \text{Amount for SLEAP Allocation Per State}$$

When the total LEAP and SLEAP appropriation exceeds \$76,452,287, the amount of the appropriation that exceeds \$76,452,287 also has to be allocated to each participating State for

its SLEAP Program. The proposed regulations require that a set formula be used to calculate the additional SLEAP amount that must be added to the results of the formula shown above to

derive the total SLEAP allocation for a State. To determine this portion of the SLEAP allocation, when applicable, the formula is as follows:

$$\frac{\text{Students Deemed Eligible Per State (Latest Data)}}{\text{Total Number of Students Deemed Eligible for All States (Latest Data)}} \times \frac{\text{Amount of Appropriation Above \$76,452,287}}{\text{Amount of Appropriation Above \$76,452,287}} = \text{Additional Amount of SLEAP Allocation Per State}$$

#### *Section 692.71 What Activities May be Funded Under the SLEAP Program?*

Proposed § 692.71 specifies the authorized SLEAP activities for which a State may use SLEAP program funds. The authorized activities assist States in providing assistance to eligible students who demonstrate financial need. The proposed regulations allow a State to

implement one or more of the activities under the SLEAP Program. Under the proposed regulations, a State may use SLEAP funds to do one or more of the following:

(1) *LEAP Grant Supplement*—Supplement its LEAP Program by increasing LEAP grant amounts for postsecondary students who

demonstrate financial need (including exceeding the \$5,000 maximum LEAP grant limit), or by increasing the number of LEAP recipients. This supplement may consist of Federal SLEAP funds or SLEAP matching funds, or both, and is accounted for and reported under the SLEAP Program and not the LEAP Program.

(2) *Transition Programs*—Implement transition programs for students who demonstrate financial need and are enrolled in secondary school or who have graduated from secondary school and are accepted for enrollment in a postsecondary institution.

(3) *Aid Programs for Critical Careers*—Award financial aid to postsecondary students who demonstrate financial need and wish to enter careers in information technology, or other fields of study that the State determines are critical to the State's workforce needs.

(4) *Community Service Work-Study Jobs*—Pay wages or salaries for community service work-study jobs to postsecondary students who demonstrate financial need.

(5) *Teaching Scholarship Programs*—Establish a postsecondary scholarship program that makes awards to students who demonstrate financial need and wish to become teachers, and award financial aid from that program.

(6) *Mathematics, Computer Science, or Engineering Scholarship Programs*—Establish a postsecondary scholarship program that makes awards to students who demonstrate financial need and wish to pursue a program of study leading to a degree in mathematics, computer science, or engineering, and award financial aid from that program.

(7) *Early Intervention, Mentoring, and Career Education Programs*—Implement early intervention, mentoring, and career education programs for preschool, elementary school, or secondary school students who demonstrate financial need.

(8) *Merit and Academic Scholarships*—Award merit or academic scholarships for any field of study, including teaching, mathematics, computer science, and engineering to postsecondary students who demonstrate financial need.

#### Executive Order 12866

##### 1. Potential Costs and Benefits

Under Executive Order 12866, we have assessed the potential costs and benefits of this regulatory action.

The potential costs associated with the proposed regulations are those resulting from statutory requirements and those we have determined as necessary for administering this program effectively and efficiently.

In assessing the potential costs and benefits—both quantitative and qualitative—of this regulatory action, we have determined that the benefits would justify the costs.

We have also determined that this regulatory action would not unduly

interfere with State, local, and tribal governments in the exercise of their governmental functions.

##### 2. Clarity of the Regulations

Executive Order 12866 and the President's Memorandum of June 1, 1998, on "Plain Language in Government Writing" require each agency to write regulations that are easy to understand.

We invite comments on how to make these proposed regulations easier to understand, including answers to questions such as the following:

- Are the requirements in the proposed regulations clearly stated?
- Do the proposed regulations contain technical terms or other wording that interferes with their clarity?
- Does the format of the proposed regulations (grouping and order of sections, use of headings, paragraphing, etc.) aid or reduce their clarity?
- Would the proposed regulations be easier to understand if we divided them into more (but shorter) sections? (A "section" is preceded by the symbol "\$" and a numbered heading; for example, § 692.70 *How does the Secretary allot funds to the States?*)
- Could the description of the proposed regulations in the **SUPPLEMENTARY INFORMATION** section of this preamble be more helpful in making the proposed regulations easier to understand? If so, how?
- What else could we do to make the proposed regulations easier to understand?

Send any comments that concern how the Department could make these proposed regulations easier to understand to the person listed in the **ADDRESSES** section of the preamble.

##### Regulatory Flexibility Act Certification

We certify that these proposed regulations would not have a significant economic impact on a substantial number of small entities. These proposed regulations would affect institutions of higher education that participate in title IV, HEA programs, States, and State agencies. The U.S. Small Business Administration Size Standards define institutions as "small entities" if they are for-profit or nonprofit institutions with total annual revenue below \$5,000,000 or if they are institutions controlled by governmental entities with populations below 50,000. Although States and State agencies are impacted by these regulations, they are not defined as "small entities" in the Regulatory Flexibility Act. Therefore, these proposed regulations would not have a significant economic impact on small entities.

##### Paperwork Reduction Act of 1995

Proposed § 692.60 contains information collection requirements. These requirements are accounted for under OMB No. 1845-0034, the information collection clearance package for the application to participate in the SLEAP Program. Proposed § 692.53 contains information collection requirements. These requirements will be accounted for in an information collection clearance package for the SLEAP Program performance report that will be submitted to OMB for review and approval. Therefore, all collection requirements found in 34 CFR part 692 will be accounted for in the previously mentioned information collection clearance packages for the reports and not the regulations.

Under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), we have submitted a copy of these sections to the Office of Management and Budget (OMB) for its review.

Collection of information: Special Leveraging Educational Assistance Partnership Program—§ 692.60—What must a State do to receive an allotment under the SLEAP Program?—Application to Participate in the Special Leveraging Educational Assistance Partnership (SLEAP) Program—OMB No. 1845-0034. Section 415C(a) of the HEA requires a State that desires to obtain a payment under this program for any fiscal year to submit an annual application containing information necessary to enable us to carry out the functions under this program. The current application is approved for use through September 30, 2000. A new form will be developed and submitted to OMB for approval.

Section 76.720 of EDGAR requires a State to submit an annual performance report, unless we allow less frequent reporting. Although a performance report has not currently been developed for the SLEAP Program, we expect to have a form approved and available for distribution to participating States before October 1, 2001, the deadline for States to report their 2000-2001 award year SLEAP Program expenditures.

The annual Application to Participate in the SLEAP Program provides data used in program management. The complete application shows State qualifications for Federal funds, including the matching requirements, MOE capability, and methods of determining student financial need. With its signed assurances, the document commits a State to administer the Federal funds and State matching funds in compliance with the statute.

If you want to comment on the information collection requirements, please send your comments to the Office of Information and Regulatory Affairs, OMB, room 10235, New Executive Office Building, Washington, DC 20503; Attention: Desk Officer for U.S. Department of Education. You may also send a copy of these comments to the Department representative named in the ADDRESSES section of this preamble.

We consider your comments on these proposed collections of information in—

- Deciding whether the proposed collections are necessary for the proper performance of our functions, including whether the information will have practical use;
- Evaluating the accuracy of our estimate of the burden of the proposed collections, including the validity of our methodology and assumptions;
- Enhancing the quality, usefulness, and clarity of the information we collect; and
- Minimizing the burden on those who must respond. This includes exploring the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology; *e.g.*, permitting electronic submission of responses.

OMB is required to make a decision concerning the collection of information contained in these proposed regulations between 30 and 60 days after publication of this document in the **Federal Register**. Therefore, to ensure that OMB gives your comments full consideration, it is important that OMB receive the comments within 30 days of publication. This does not affect the deadline for your comments to us on the proposed regulations.

#### Intergovernmental Review

The SLEAP Program is subject to Executive Order 12372 and the regulations in 34 CFR part 79. One of the objectives of the Executive order is to foster an intergovernmental partnership and a strengthened federalism. The Executive order relies on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

This document provides early notification of our specific plans and actions for this program.

#### Assessment of Educational Impact

We particularly request comments on whether these proposed regulations would require transmission of information that any other agency or authority of the United States gathers or makes available.

#### Electronic Access to This Document

You may view this document in text or Adobe Portable Document Format (PDF) on the Internet at the following sites:

<http://ocfo.ed.gov/fedreg.htm>

[http://ifap.ed.gov/csb\\_html/fedlreg.htm](http://ifap.ed.gov/csb_html/fedlreg.htm)

To use PDF you must have Adobe Acrobat Reader Program, which is available free at the first of the previous sites. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll free, at 1-888-293-6498; or in the Washington, DC area at (202) 512-1530.

**Note:** The official version of this document is the document published in the **Federal Register**. Free Internet access to the official edition of the **Federal Register** and the Code of Federal Regulations is available on GPO Access at: <http://www.access.gpo.gov/nara/index.html>

(Catalog of Federal Domestic Assistance Number: 84.069 Special Leveraging Educational Assistance Partnership Program)

#### List of Subjects in 34 CFR Part 692

Grant programs—education, Postsecondary education, State administered—education, Student aid—education, Reporting and recordkeeping requirements.

Dated: July 19, 2000.

**Richard W. Riley,**

*Secretary of Education.*

For the reasons stated in the preamble, the Secretary proposes to amend title 34 of the Code of Federal Regulations by amending part 692 as follows:

#### PART 692—LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM

1. The authority citation for part 692 continues to read as follows:

**Authority:** 20 U.S.C. 1070c through c-4, unless otherwise noted.

2. Subpart B is revised to read as follows:

#### Subpart B—Special Leveraging Educational Assistance Partnership Program

##### General

Sec.

692.50 What is the Special Leveraging Educational Assistance Partnership Program?

692.51 What other regulations apply to the SLEAP Program?

692.52 What definitions apply to the SLEAP Program?

692.53 What requirements must a State satisfy to receive SLEAP Program funds?

692.54 What eligibility requirements must a student satisfy to participate in the SLEAP Program?

#### How Does a State Apply to Participate in the SLEAP Program?

692.60 What must a State do to receive an allotment under the SLEAP Program?

#### What Is the Amount of Assistance and How May It Be Used?

692.70 How does the Secretary allot funds to the States?

692.71 What activities may be funded under the SLEAP Program?

#### How Does a State Administer Its Community Service Work-Study Program?

692.80 How does a State administer its community service work-study program?

#### Subpart B—Special Leveraging Educational Assistance Partnership Program

##### General

#### § 692.50 What is the Special Leveraging Educational Assistance Partnership Program?

The Special Leveraging Educational Assistance Partnership (SLEAP) Program assists States in providing—

(a) Grants, scholarships, and community service work-study assistance to eligible postsecondary education students who demonstrate financial need;

(b) Assistance to fund early intervention, mentoring, and career education programs for eligible students enrolled in preschool, elementary school, or secondary school who demonstrate financial need; and

(c) Assistance to fund transition programs for eligible students enrolled in secondary school who demonstrate financial need.

(Authority: 20 U.S.C. 1070c-3a)

#### § 692.51 What other regulations apply to the SLEAP Program?

The regulations listed in § 692.3 also apply to the SLEAP Program.

(Authority: 20 U.S.C. 1070c-3a)

#### § 692.52 What definitions apply to the SLEAP Program?

The following definitions apply to the SLEAP Program:

(a) The definitions listed in § 692.4.

(b) The definitions of the following terms in 34 CFR 77.1 (EDGAR):

Elementary school.

Preschool.

Secondary school.

(Authority: 20 U.S.C. 1070c-3a)

#### § 692.53 What requirements must a State satisfy to receive SLEAP Program funds?

To receive SLEAP Program funds for any fiscal year, a State must—

(a) Participate in the LEAP Program;

(b) Meet the requirements in § 692.60; and

(c) Have a program that—

(1) Provides assistance only to students who meet the eligibility requirements in § 692.54;

(2) Satisfies the requirements in §§ 692.21(a) and (k); and

(3)(i) Satisfies the requirements in §§ 692.21(e), (f), (g), and (j), if that program provides students with postsecondary education assistance; or

(ii) Provides that no student or parent may be charged a fee that is payable to an organization other than the State for the purpose of collecting data to make a determination of financial need for preschool, elementary, or secondary school students.

(Authority: 20 U.S.C. 1070c–3a)

**§ 692.54 What eligibility requirements must a student satisfy to participate in the SLEAP Program?**

(a) To receive postsecondary financial assistance under the SLEAP Program, a student must meet the eligibility requirements contained in § 692.40.

(b) To receive early intervention, mentoring, career education or transition program services under the SLEAP Program, a preschool, elementary, or secondary school student must—

(1) Meet the applicable citizenship and residency requirements in 34 CFR 668.33; and

(2) Demonstrate financial need as determined by the State.

(Authority: 20 U.S.C. 1070c–3a)

**How Does a State Apply To Participate in the SLEAP Program?**

**§ 692.60 What must a State do to receive an allotment under the SLEAP Program?**

To receive an allotment under the SLEAP Program, a State must—

(a) Submit an application in accordance with the provisions in § 692.20;

(b) Identify the activities in § 692.71 that it plans to carry out;

(c) Provide an assurance that for the fiscal year prior to the fiscal year for which the State is requesting Federal funds, the amount the State expended from non-Federal sources per student, or the aggregate amount the State expended, for all the authorized activities in § 692.71 will be no less than the amount the State expended from non-Federal sources per student, or in the aggregate, for those activities for the second fiscal year prior to the fiscal year for which the State is requesting Federal funds; and

(d) Ensure that the Federal share will not exceed one-third of the total funds expended under the SLEAP Program.

(Authority: 20 U.S.C. 1070c–3a)

**What Is the Amount of Assistance and How May It Be Used?**

**§ 692.70 How does the Secretary allot funds to the States?**

For each fiscal year, the Secretary allots to each eligible State that applies for SLEAP funds an amount in accordance with the provisions in § 692.10.

(Authority: 20 U.S.C. 1070c–3a)

**§ 692.71 What activities may be funded under the SLEAP Program?**

A State may use the funds it receives under the SLEAP Program to implement one or more of the following:

(a) Increase the dollar amount of grants awarded under the LEAP Program to eligible students who demonstrate financial need as determined in § 692.41.

(b) Carry out transition programs from secondary school to postsecondary education for eligible students who demonstrate financial need as determined by the State.

(c) Carry out a financial aid program for eligible students who demonstrate

financial need as determined in § 692.41 and who wish to enter careers in information technology or other fields of study determined by the State to be critical to the State's workforce needs.

(d) Make funds available for community service work-study activities for eligible students who demonstrate financial need as determined in § 692.41.

(e) Create a postsecondary scholarship program for eligible students who demonstrate financial need as determined in § 692.41 and who wish to enter teaching.

(f) Create a scholarship program for eligible students who demonstrate financial need as determined in § 692.41 and who wish to enter a program of study leading to a degree in mathematics, computer science, or engineering.

(g) Carry out early intervention programs, mentoring programs, and career education programs for eligible students who demonstrate financial need as determined by the State.

(h) Award merit or academic scholarships to eligible students who demonstrate financial need as determined in § 692.41.

(Authority: 20 U.S.C. 1070c–3a)

**How Does a State Administer Its Community Service Work-Study Program?**

**§ 692.80 How does a State administer its community service work-study program?**

When administering its community service work-study program, a State must follow the provisions in § 692.30, other than the provisions of paragraph (a)(1) of that section.

(Authority: 20 U.S.C. 1070c–3a)

[FR Doc. 00–18971 Filed 7–26–00; 8:45 am]

BILLING CODE 4000–01–U