

governments, or the private sector that will result in an annual expenditure of \$100 million or more.

FDA has analyzed this final rule in accordance with the principles set forth in Executive Order 13132. FDA has determined that the rule does not contain policies that have federalism implications as defined in the order and, consequently, a Federalism summary impact statement is not required.

VII. Federalism

FDA has analyzed this final rule in accordance with the principles set forth in Executive Order 13132. FDA has determined that the rule does not contain policies that have federalism implications as defined in the order and, consequently, a federalism summary impact statement is not required.

List of Subjects in 21 CFR Part 314

Administrative practice and procedure, Confidential business information, Drugs, Reporting and recordkeeping requirements.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 314 is amended as follows:

PART 314—APPLICATIONS FOR FDA APPROVAL TO MARKET A NEW DRUG

1. The authority citation for 21 CFR part 314 continues to read as follows:

Authority: 21 U.S.C. 321, 331, 351, 352, 353, 355, 371, 374, 379e.

2. Section 314.420 is amended by removing and reserving paragraph (a)(1) and by revising the second sentence of paragraph (a)(5) to read as follows:

§ 314.420 Drug master files.

(a) * * *

(1) [Reserved]

* * * * *

(5) * * * (A person wishing to submit information and supporting data in a drug master file (DMF) that is not covered by Types II through IV DMF's must first submit a letter of intent to the Drug Master File Staff, Food and Drug Administration, 12229 Wilkins Ave., Rockville, MD 20852). * * *

* * * * *

Dated: September 1, 1999.

Margaret M. Dotzel,

Acting Associate Commissioner for Policy.
[FR Doc. 00-648 Filed 1-11-00; 8:45 am]

BILLING CODE 4160-01-F

DEPARTMENT OF EDUCATION

34 CFR Part 611

RIN 1840-AC65

Teacher Quality Enhancement Grants Program

AGENCY: Office of Postsecondary Education, Department of Education.

ACTION: Final regulations.

SUMMARY: The Assistant Secretary for Postsecondary Education issues regulations to implement a requirement of section 204(e) of the Higher Education Act (HEA), as amended by the Higher Education Amendments of 1998. Section 204(e) requires that students in teacher preparation programs funded under the Teacher Recruitment Program must repay scholarships provided with program funds if they do not teach in high-need local educational agencies for the period of time for which they receive scholarship assistance. These regulations also would apply to any scholarships awarded to students in teacher preparation programs funded under the State and Partnership Programs authorized in sections 202 and 203 of the HEA.

DATES: These regulations are effective January 12, 2000.

FOR FURTHER INFORMATION CONTACT: Dr. Louis Venuto, Higher Education Programs, Office of Postsecondary Education, Office of Policy, Planning, and Innovation, 1990 K Street, NW., Washington, DC 20006-8525; Telephone: (202) 502-7763. Inquiries also may be sent by e-mail to: Louis_Venuto@ed.gov or by FAX to: (202) 502-7699. 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, audiotape, or computer diskette) on request to the contact person listed in the preceding paragraph.

SUPPLEMENTARY INFORMATION:

Background

On October 8, 1998, the President signed into law the Higher Education Amendments of 1998 (Pub. L. 105-244). Title II of this law addresses the Nation's need to ensure that new teachers enter the classroom prepared to teach all students to high standards by authorizing, as Title II of the Higher Education Act (HEA), Teacher Quality Enhancement Grants for States and Partnerships.

The new Teacher Quality Enhancement Grants Program consists of three different competitive grant programs. Together, the State Grants Program, the Partnership Grants for Improving Teacher Preparation Program, and the Teacher Recruitment Program, these programs are designed to increase student achievement by supporting comprehensive approaches to improving teacher quality.

One key aspect of the Teacher Recruitment Grants Program is the availability of scholarships to students who are enrolled in teacher preparation programs at the grantee institutions of higher education (IHEs) (or at IHEs working with State Teacher Recruitment Program grantees), and who agree to teach in high-need school districts. As provided in section 204(e) of the HEA, in exchange for scholarship support recipients must agree to incur a contractual obligation, under terms the Department establishes, to teach in high-need LEAs for a period equivalent to the period for which they receive the scholarship.

On November 5, 1999, the Secretary published a notice of proposed rulemaking (NPRM) for this part in the **Federal Register** (64 FR 60632). In the preamble to the NPRM, the Secretary discussed on pages 60632 through 60638 the proposed terms and conditions of this contractual agreement. The major issues addressed by the NPRM included—

- Whether all with Teacher Recruitment Program scholarship recipients should have to meet their service obligations by teaching in high-need schools of high-need LEAs;
 - The definition of a "high-need LEA" and a "high-need school" in which scholarship recipients would need to teach in order to avoid responsibility for repaying their scholarships;
 - How, in order to retain the financial assistance as a scholarship, the Department will calculate the period of time in which the scholarship recipient must teach in a high-need school of a high-need LEA;
 - Conditions under which the Department may defer a scholarship recipient's service obligation;
 - The amount of the scholarship recipient's indebtedness to the Federal government for failure to meet the service obligation, terms of repayment, and any limited circumstances under which the Department would discharge this indebtedness;
 - The content of the scholarship agreement that the scholarship recipient would execute;

- The respective responsibilities of the scholarship recipient, teacher preparation program in which the recipient is enrolled, and the LEA in which he or she is later employed, to provide periodically to the Department basic employment and other information on the recipient until the Department has determined that the recipient has fulfilled the service obligation or has repaid the scholarship, interest, and any costs of collection; and

- Whether the rules governing the receipt of scholarships provided under the Teacher Recruitment Program should also apply to the receipt of scholarships that grantees provide under the State and Partnership Programs.

In response to public comment received on the NPRM, these final regulations have been renumbered to enhance clarity. They also contain three changes to the proposed regulations announced in the NPRM. These regulations now—

(1) Clarify that a middle or secondary school may be considered “high need” if it either has at least 50 percent of its enrolled students eligible for free and reduced lunch subsidies, or is otherwise eligible to operate as a schoolwide program under Title I of the Elementary and Secondary Education Act (ESEA) (§ 611.1);

(2) Require program grantees offering teacher recruitment scholarships, in collaboration with the high-need LEA(s) participating in their projects, to ensure that scholarship recipients are placed, to the extent possible, in the highest-need schools of those LEAs (§ 611.52(c)); and

(3) Provide two ways in which a scholarship recipient may meet his or her responsibility to ensure that the Department has timely information confirming that the recipient is meeting the service obligation. The first, as proposed in the NPRM, is by having the LEA in which he or she teaches submit the needed employment information to the Department in the time periods the regulation specifies. The second is by submitting to the Department, within the required time periods, a notarized statement that the recipient has asked the LEA to provide this information to the Department along with a copy of the information the LEA has been asked to provide. Where a scholarship recipient chooses the second option, the Department’s determination that he or she is meeting the service obligation is only provisional; the recipient maintains a responsibility to work to have the LEA submit the needed information as soon as possible (§§ 611.46(a) and 611.47(a)).

Corresponding changes also have been made to the proposed terms and conditions of the scholarship agreement and LEA reporting form, which were included in the November 5, 1999 notice as Appendices A and B to the NPRM, respectively. In all other respects, these regulations are the same as those published in the NPRM.

Analysis of Comments and Changes

In response to the Assistant Secretary’s invitation in the NPRM, we received eight comments. An analysis of these comments and of the changes in the regulations since publication of the NPRM is published in an appendix at the end of these final regulations. Generally, we do not address technical and other minor changes—and suggested changes the law does not authorize the Secretary to make.

Goals 2000: Educate America Act

The Goals 2000: Educate America Act (Goals 2000) focuses the Nation’s education reform efforts on the eight National Education Goals and provides a framework for meeting them. Goals 2000 promotes new partnerships to strengthen schools and expands the Department’s capacities for helping communities to exchange ideas and obtain information needed to achieve the goals.

These proposed regulations would address the National Education Goal that the Nation’s teaching force will have the content knowledge and teaching skills needed to instruct all American students for the next century.

Paperwork Reduction Act of 1995

The Paperwork Reduction Act of 1995 does not require you to respond to a collection of information unless it displays a valid OMB control number. We display the valid OMB control numbers assigned to the collections of information in these final regulations at the end of the affected sections of the regulations.

Intergovernmental Review

This program is subject to the requirements of Executive Order 12372 and the regulations in 34 CFR Part 79. The objective of the Executive order is to foster an intergovernmental partnership and a strengthened federalism by relying on processes developed by State and local governments for coordination and review of proposed Federal financial assistance.

In accordance with the order, we intend this document to provide early notification of specific plans and actions for this program.

Assessment of Educational Impact

In the NPRM we requested comments on whether the proposed regulations would require transmission of information that any other agency or authority of the United States gathers or makes available.

Based on the response to the NPRM and on our review, we have determined that these final regulations do not require transmission of information that any other agency or authority of the United States gathers or makes available.

Waiver of Delayed Effective Date

5 U.S.C. 553(d) provides that the effective date of regulations generally must be at least 30 days after their publication in the **Federal Register**, but permits the Secretary to establish an earlier effective date for good cause found and published with the regulations. The Secretary makes these regulations effective as of the date of publication because program grantees need them immediately in order to award scholarships with grant funds for the academic term beginning January 2000.

Electronic Access to This Document

You may review this document, as well as all other Department of Education documents published in the **Federal Register**, in text or portable document format (PDF) on the World Wide Web at either of the following sites: <http://ocfo.ed.gov/fedreg.htm>, <http://www.ed.gov/news.html>. To use the PDF you must have the Adobe Acrobat Reader Program with Search, which is available free at either of these sites. If you have questions about using the PDF, call the U.S. Government Printing Office at (202) 512–1530 or, toll free, at 1–888–293–6498.

Note: The official version of the 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 84.336: Teacher Quality Enhancement Grants Program)

List of Subjects in 34 CFR part 611

Colleges and universities, Elementary and secondary education, Grant programs—education.

Dated: January 6, 2000.

A. Lee Fritschler,

Assistant Secretary for Postsecondary Education.

For the reasons stated in the preamble, the Secretary amends Chapter VI of title 34 of the Code of Federal Regulations by revising part 611 to read as follows:

PART 611—TEACHER QUALITY ENHANCEMENT GRANTS PROGRAM

Subpart A—General Provisions

Sec.

611.1 What definitions apply to the Teacher Quality Enhancement Grants Program?

Subpart B [Reserved]

Subpart C [Reserved]

Subpart D [Reserved]

Subpart E—Scholarships

611.41 Under what circumstances may an individual receive a scholarship of program funds to attend a teacher training program?

611.42 How does the Secretary calculate the period of the scholarship recipient's service obligation?

611.43 What are the consequences of a scholarship recipient's failure to meet the service obligation?

611.44 Under what circumstances may the Secretary defer a scholarship recipient's service obligation?

611.45 Under what circumstances does the Secretary discharge a scholarship recipient's obligation to repay for failure to meet the service obligation?

611.46 What are a scholarship recipient's reporting responsibilities upon graduation from the teacher preparation program?

611.47 What are a scholarship recipient's reporting responsibilities upon the close of the LEA's academic year?

611.48 What are a scholarship recipient's reporting responsibilities upon failure to graduate or withdrawal of scholarship support?

611.49 What are a grantee's responsibilities for implementing the scholarship requirements before awarding a scholarship?

611.50 What are a grantee's reporting responsibilities?

611.51 How does a grantee ensure that a scholarship recipient understands the terms and conditions of the scholarship before the recipient leaves the teacher preparation program?

611.52 What are a grantee's programmatic responsibilities for ensuring that scholarship recipients become successful teachers in high-need schools?

Subpart F—Other Grant Conditions

611.61 What is the maximum indirect cost rate for States and local educational agencies?

Authority: 20 U.S.C. 1021 *et seq.* and 1024(e), unless otherwise noted.

Subpart A—General Provisions

§ 611.1 What definitions apply to the Teacher Quality Enhancement Grants Program?

The following definitions apply to this part:

High-need local educational agency (LEA) means an LEA that meets one of the following definitions:

(1) An LEA with at least one school—
(i) In which 50 percent or more of the enrolled students are eligible for free and reduced lunch subsidies; or

(ii) That otherwise is eligible, without receipt of a waiver, to operate as a schoolwide program under Title I of the Elementary and Secondary Education Act.

(2) An LEA that has one school where—

(i) More than 34 percent of academic classroom teachers overall (across all academic subjects) do not have a major, minor, or significant course work in their main assignment field; or

(ii) More than 34 percent of the main assignment faculty in two of the core-subject departments do not have a major, minor, or significant work in their main assigned field.

(3) An LEA that serves a school whose attrition rate among classroom teachers was 15 percent or more over the last three school years.

High-need school means an elementary, middle, or secondary school operated by a high-need LEA in which the school's students or teaching staff meet the elements in paragraphs (1), (2), or (3) of the definition of a high-need LEA.

Main assignment field means the academic field in which teachers have the largest percentage of their classes.

Significant course work means four or more college- or graduate-level courses in the content area.

(Authority: 20 U.S.C. 1024(e))

Subparts B–D [Reserved]

Subpart E—Scholarships

§ 611.41 Under what circumstances may an individual receive a scholarship of program funds to attend a teacher training program?

(a) *General: The service obligation.* An individual, whom a grantee finds eligible to receive a scholarship funded under this part to attend a teacher preparation program, may receive the scholarship only after executing a binding agreement with the institution of higher education (IHE) offering the scholarship that, after completing the program, the individual will either—

(1) Teach in a high-need school of a high-need LEA for a period of time

equivalent to the period for which the individual receives the scholarship; or
(2) Repay, as set forth in § 611.43, the Teacher Quality Enhancement Grant Program funds provided as a scholarship.

(b) *Content of the scholarship agreement.* To implement the service-obligation requirement, the scholarship agreement must include terms, conditions, and other information consistent with §§ 611.42–611.49 that the Secretary determines to be necessary.

(Approved by the Office of Management and Budget under control number 1840–0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.42 How does the Secretary calculate the period of the scholarship recipient's service obligation?

(a) *Calculation of period of scholarship assistance.*

(1) The Secretary calculates the period of time for which a student received scholarship assistance on the basis of information provided by the grantee under § 611.50.

(2) The period for which the recipient received scholarship assistance is the period during which an individual enrolled in the teacher preparation program on a full-time basis, excluding the summer period, would have completed the same course of study.

(b) *Calculation of period needed to teach to meet the service obligation.* (1) The period of the scholarship recipient's service obligation is the period of the individual's receipt of scholarship assistance as provided in paragraph (a) of this section.

(2) The Secretary calculates the period that a scholarship recipient must teach in a high-need school of a high-need LEA in order to fulfill his or her service obligation by—

(i) Comparing the period in which the recipient received a scholarship as provided in paragraph (a) of this section with the information provided by the high-need LEA under §§ 611.46 and 611.47 on the period the recipient has taught in one of its high-need schools; and

(ii) Adjusting the period in which the recipient has taught in a high-need school to reflect the individual's employment, if any, as a teacher on a part-time basis relative to classroom teachers the LEA employs on a full-time basis under the LEA's standard yearly contract (excluding any summer or intersession period).

(c) The Secretary adjusts the period of a scholarship recipient's service obligation as provided in paragraph (b) of this section to reflect information the

high-need LEA provides under §§ 611.46 and 611.47 that the scholarship recipient also has taught in a high-need school in a summer or intersession period.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.43 What are the consequences of a scholarship recipient's failure to meet the service obligation?

(a) *Obligation to repay: General.* (1) A scholarship recipient who does not fulfill his or her service obligation must—

(i) Repay the Department the full amount of the scholarship, including the principal balance, accrued interest, and any collection costs charged under paragraphs (c) and (d) of this section; or

(ii) Be discharged of any repayment obligation as provided in § 611.45.

(2) Unless the service obligation is deferred as provided in § 611.44 or the repayment requirement is discharged, the obligation to repay the amount provided in paragraph (a)(1) of this section begins six months after the date the recipient—

(i) Completes the teacher training program without beginning to teach in a high-need school of a high-need LEA; or

(ii) Is no longer enrolled in the teacher training program.

(3) The Secretary determines whether a scholarship recipient has fulfilled the service obligation on the basis of information that the Department receives as provided in §§ 611.46 and 611.47.

(b) Obligation to Repay: Partial performance of the service obligation.

(1) A scholarship recipient who teaches in a high-need school of a high-need school district for less than the period of his or her service obligation must repay—

(i) The amount of the scholarship that is proportional to the unmet portion of the service obligation;

(ii) Interest that accrues on this portion of the scholarship beginning six months after the recipient's graduation from the teacher preparation program; and

(iii) Costs of collection, if any.

(2) Unless the service obligation is deferred or the repayment requirement is discharged, the obligation to repay the amount provided in paragraph (b)(1) of this section begins six months after the date the recipient is no longer employed as a teacher in a high-need school of a high-need LEA.

(c) Availability of payment schedule.

(1) Upon request to the Secretary, the

scholarship recipient may repay the scholarship and accrued interest according to a payment schedule that the Secretary establishes.

(2) A payment schedule must permit the full amount of the scholarship and accrued interest to be repaid within ten years. The minimum monthly payment is \$50 unless a larger monthly payment is needed to enable the full amount that is due to be paid within this timeframe.

(d) *Interest.* In accordance with 31 U.S.C. 3717 and 34 CFR part 30, the Secretary charges interest on the unpaid balance that the scholarship recipient owes. (The grantee offering the scholarship must ensure that scholarship agreement the recipient executes includes the current rate of interest, as provided by the Department.) However, except as provided in § 611.44(d), the Secretary does not charge interest for the period of time that precedes the date on which the scholarship recipient is required to begin repayment.

(e) *Failure to meet requirements.* A scholarship recipient's failure to satisfy the requirements of §§ 611.42-611.48 in a timely manner results in the recipient being—

(1) In non-compliance with the terms of the scholarship;

(2) Liable for repayment of the scholarship and accrued interest; and

(3) Subject to collection action.

(f) *Action by reason of default.* The Secretary may take any action authorized by law to collect the amount of scholarship, accrued interest and collection costs, if any, on which a scholarship recipient obligated to repay under this section has defaulted. This action includes, but is not limited to, filing a lawsuit against the recipient, reporting the default to national credit bureaus, and requesting the Internal Revenue Service to offset the recipient's Federal income tax refund.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.44 Under what circumstances may the Secretary defer a scholarship recipient's service obligation?

(a) Upon written request, the Secretary may defer a service obligation for a scholarship recipient who—

(1) Has not begun teaching in a high-need school of a high-need LEA as required by § 611.41(a); or

(2) Has begun teaching in a high-need school of a high-need LEA, and who requests the deferment within six months of the date he or she no longer teaches in this school.

(b) To obtain a deferment of the service obligation, the recipient must provide the Secretary satisfactory information of one or more of the following circumstances:

(1) Serious physical or mental disability that prevents or substantially impairs the scholarship recipient's employability as a teacher.

(2) The scholarship recipient's inability, despite due diligence (for reasons that may include the failure to pass a required teacher certification or licensure examination), to secure employment as a teacher in a high-need school of a high-need school LEA.

(3) Membership in the armed forces of the United States on active duty for a period not to exceed three years.

(4) Other extraordinary circumstances that the Secretary accepts.

(c) Unless the Secretary determines otherwise—

(1) A scholarship recipient must apply to renew a deferment of the service obligation on a yearly basis; and

(2) The recipient has 60 days from the end of the deferment period to begin teaching in a high-need school of a high-need LEA or become liable for repayment of the scholarship, any accrued interest, and any costs of collection.

(d)(1) As provided in § 611.43(a)(2), during periods for which the Secretary defers a scholarship recipient's service obligation, the scholarship recipient does not have an obligation to repay the scholarship. However, interest continues to accrue on the amount of the scholarship.

(2) If the scholarship recipient fulfills his or her service obligation after the end of the deferment, the Secretary waives the obligation to repay accrued interest.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.45 Under what circumstances does the Secretary discharge a scholarship recipient's obligation to repay for failure to meet the service obligation?

(a) The Secretary discharges the obligation of a scholarship recipient to repay the scholarship, interest, and any costs for failure to meet the service obligation based on information acceptable to the Secretary of—

(1) The recipient's death; or

(2) The total and permanent physical or mental disability of the recipient that prevents the individual from being employable as a classroom teacher.

(b) Upon receipt of acceptable documentation and approval of the discharge request, the Secretary returns

to the scholarship recipient, or for a discharge based on death to the recipient's estate, those payments received after the date the eligibility requirements for discharge were met. The Secretary returns these payments whether they are received before or after the date the discharge was approved.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.46 What are a scholarship recipient's reporting responsibilities upon graduation from the teacher preparation program?

(a) Within six months of graduating from a teacher preparation program, a scholarship recipient must either—

(1) Have the LEA in which the recipient is employed as a teacher provide the Department information, which the Secretary may require, to confirm—

(i) The home address, phone number, social security number, and other identifying information about the recipient;

(ii) That he or she is teaching in a high-need school of a high-need LEA; and

(iii) Whether the individual is teaching full- or part-time and, if part-time, the full-time equivalency of this teaching compared to the LEA's full-time teachers;

(2) Provide the Department—

(i) A notarized statement that the scholarship recipient has asked the LEA to provide the Department the information identified in paragraph (a)(1) of this section, including the name and telephone number of the LEA official to whom the request was made; and

(ii) A copy of the information identified in paragraph (a)(1) of this section that the recipient has asked the LEA to provide to the Department; or

(3) Provide the Department a current home address and telephone number, a work address and telephone number, the recipient's social security number, and one of the following:

(i) The required repayment of the scholarship.

(ii) A request that the Secretary permit the recipient to repay the scholarship and accrued interest in installments as permitted by § 611.43(c).

(iii) A request that the Secretary defer the service obligation as permitted by § 611.44.

(b) If the recipient provides the Department the information identified in paragraph (a)(1) of this section, the Department accepts the information provisionally, but the recipient retains responsibility for working to have the LEA submit the information.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.47 What are a scholarship recipient's reporting responsibilities upon the close of the LEA's academic year?

(a) At the close of the LEA's academic year, a scholarship recipient whose LEA reports under § 611.46(a) that he or she is teaching in a high-need school of a high-need LEA must—

(1) Have the LEA provide information to the Department, as the Secretary may require, that confirms the recipient's actual employment status for the preceding period; or

(2) Provide the Department—

(i) A notarized statement that the scholarship recipient has asked the LEA to provide the Department the information identified in paragraph (a)(1) of this section, including the name and telephone number of the LEA official to whom the request was made; and

(ii) A copy of the information identified in paragraph (a)(1) of this section that the recipient has asked the LEA to provide to the Department.

(b) If the recipient provides the Department the notarized statement and accompanying information identified in paragraph (a)(2) of this section, the Department accepts the information provisionally, but the recipient retains an ongoing responsibility for working to have the LEA submit the information directly to the Department.

(c) In subsequent school years, the recipient must have the LEA continue to provide information to the Department on the recipient's employment as the Secretary may require, until the Department notifies the recipient that the service obligation has been fulfilled. The alternative procedures in paragraph (a)(2) of this section also apply in subsequent years.

(d)(1) The Secretary provides a scholarship recipient with credit toward the service obligation for teaching in a high-need school of a high-need LEA during a summer or intersession period (for LEAs that operate year-round programs).

(2) To receive this credit, the recipient must have the LEA at the end of the summer or intersession period provide information to the Department, as the Secretary may require, that confirms that the recipient has taught during this period in a high-need school.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.48 What are a scholarship recipient's reporting responsibilities upon failure to graduate or withdrawal of scholarship support?

(a)(1) Within six months of the date the scholarship recipient is no longer enrolled in the teacher training program, or within six months of the IHE's withdrawal of scholarship support for failure to maintain good academic standing, the recipient must submit to the Department—

(i) The required repayment of the scholarship;

(ii) A request that the Secretary establish a binding schedule under which the recipient is obligated to repay the scholarship, accrued interest, and any costs of collection; or

(iii) A request that the Secretary defer the service obligation as permitted by § 611.44.

(2) Upon review of the repayment or information provided under paragraph (a)(1) of this section, the Department notifies the recipient of the status of the recipient's obligations and of any schedule under which the recipient must repay the scholarship.

(b) Until the Secretary determines that the individual either has satisfied his or her service obligation or has repaid the full amount of the scholarship, accrued interest, and any costs, the recipient also remains responsible for providing the Department—

(1) The information identified in this part; and

(2) A current home address and telephone number, and a current work address and work telephone number.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.49 What are a grantee's responsibilities for implementing the scholarship requirements before awarding a scholarship?

Before awarding scholarship assistance with funds provided under this part to any student attending a teacher preparation program, a grantee must—

(a) Ensure that the student understands the terms and conditions that the Secretary has determined must be included in the scholarship agreement;

(b) Have the student and the institution awarding the scholarship execute a scholarship agreement that contains these terms and conditions; and

(c) Establish policies for—

(1) The withdrawal of scholarship support for any student who does not remain in good academic standing; and

(2) Determining when and if re-negotiation of a student's scholarship package over an extended period of time is appropriate.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.50 What are a grantee's reporting responsibilities?

(a) Within 30 days of the beginning of the teacher preparation program's academic term or within 30 days of the execution of any scholarship agreement, whichever is later, the grantee must provide to the Department the following information:

(1) The identity of each scholarship recipient.

(2) The amount of the scholarship provided with program funds to each recipient.

(3) The full-time equivalency, over each academic year, of each recipient's enrollment in the teacher training program for which he or she receives scholarship assistance.

(4) Other information as the Secretary may require.

(b) Within 30 days of a scholarship recipient's graduation or withdrawal from the teacher preparation program, the grantee must provide to the Department the following information:

(1) The date of the recipient's graduation or withdrawal.

(2) The total amount of program funds the grantee awarded as a scholarship to the recipient.

(3) The original of any scholarship agreement executed by the scholarship recipient and the grantee (or its partnering IHE if the grantee is not an IHE) before the recipient was awarded a scholarship with program funds.

(4) A statement of whether the institution has withdrawn scholarship support because of the recipient's failure to maintain good academic standing.

(5) Other information as the Secretary may require.

(Approved by the Office of Management and Budget under control number 1840-0753)

(Authority: 20 U.S.C. 1024(e))

§ 611.51 How does a grantee ensure that a scholarship recipient understands the terms and conditions of the scholarship before the recipient leaves the teacher preparation program?

(a) An institution that provides a scholarship with funds provided under this part must conduct an exit conference with each scholarship recipient before that individual leaves the institution. During the exit

conference the institution must give the recipient a copy of any scholarship agreement the recipient has executed.

(b) The institution also must review with the recipient the terms and conditions of the scholarship, including—

(1) The recipient's service obligation;

(2) How the recipient can confirm whether a school and LEA in which he or she would teach will satisfy the service obligation;

(3) Information that the recipient will need to have the LEA provide to the Department to enable the Secretary to confirm that the recipient is meeting the service obligation;

(4) How the recipient may request a deferment of the service obligation, and information that the recipient should provide the Department in any deferment request;

(5) The consequences of failing to meet the service obligation including, at a minimum, the amount of the recipient's potential indebtedness; the possible referral of the indebtedness to a collection firm, reporting it to a credit bureau, and litigation; and the availability of a monthly payment schedule;

(6) The amount of scholarship assistance and interest charges that the recipient must repay for failing to meet the service obligation; and

(7) The recipient's responsibility to ensure that the Department has a home address and telephone number, and a work address and telephone number until the Secretary has determined that the recipient has fulfilled the service obligation or the recipient's debt has been paid or discharged; and

(8) The follow-up services that the institution will provide the student during his or her first three years of teaching in a high-need school of a high-need LEA.

(Authority: 20 U.S.C. 1024(e))

§ 611.52 What are a grantee's programmatic responsibilities for ensuring that scholarship recipients become successful teachers in high-need schools?

In implementing its approved project, the grantee must—

(a) Provide scholarship recipients both before and after graduation with appropriate support services, including academic assistance, job counseling, placement assistance, and teaching support that will help to ensure that—

(1) Upon graduation, scholarship recipients are able to secure teaching positions in high-need schools of high-need LEAs; and

(2) After beginning to teach in a high-need school of a high-need LEA, former scholarship recipients have appropriate

follow-up services and assistance during their first three years of teaching;

(b) Provide LEAs with which the grantees collaborate in teacher recruitment activities with information and other assistance they need to recruit highly-qualified teachers effectively; and

(c) Work with the high-need LEAs participating in its project to ensure that scholarship recipients are placed, to the extent possible, in highest-need schools of those LEAs.

(Authority: 20 U.S.C. 1024(e))

Subpart F—Other Grant Conditions

§ 611.61 What is the maximum indirect cost rate for States and local educational agencies?

Notwithstanding 34 CFR 75.560-75.562 and 34 CFR 80.22, the maximum indirect cost rate that a State or local educational agency receiving funding under the Teacher Quality Enhancement Grants Program may use to charge indirect costs to these funds is the lesser of—

(a) The rate established by the negotiated indirect cost agreement; or
(b) Eight percent.

(Authority: 20 U.S.C. 1021 *et seq.*)

Note: The following appendix will not appear in the Code of Federal Regulations.

Appendix—Analysis of Comments and Changes

Comment: Proposed § 611.1 defines a high-need school and a high-need local educational agency (LEA). These definitions are important because after graduating from their teacher preparation programs, scholarship recipients must teach in these schools and LEAs in order to meet their service obligations.

Consistent with section 201(b)(2) of the Higher Education Act (HEA), the definition would offer three alternative criteria by which a school (of a high-need LEA) can be considered high-need. Two commenters urged us to expand these proposed criteria so that more schools could qualify as ones in which scholarship recipients can teach and meet their service obligations. Under one of these proposed criteria, a school would qualify as high-need if at least 50 percent of its enrolled students are eligible to receive free and reduced lunch subsidies, *i.e.*, if the school is eligible to operate a schoolwide program under Title I of the Elementary and Secondary Education Act (ESEA). One commenter supported this proposal, but noted that many secondary schools do not have reliable data on student eligibility for free-and-reduced-lunch subsidies. The commenter proposed, therefore, that a secondary school qualify as one in which scholarship recipients can meet their service obligations through alternative factors. These factors would include having (a) multiple elementary and middle schools in its feeder system that meet this 50-percent test; (b) a

drop-out rate that exceeds a specified amount; (c) more than 15 percent of teachers teaching out of field; and (d) a teacher turnover rate exceeding ten percent.

Another commenter urged that the criterion related to the percentage of the school's teachers teaching out-of-field be expanded. In this regard, section 201(b)(2) of the HEA provides that a school can be considered high-need if there is a high percentage of secondary school teachers who are not teaching in the content area in which the teachers were trained to teach. As proposed, § 611.1 would define this element to mean that more than 34 percent of either academic classroom teacher overall, or main assignment faculty in two core subject departments, do not have a major, minor, or significant course work in their main assignment field. The proposed regulation goes on to define "significant coursework" to mean "four or more college or graduate-level courses in the content area."

The commenter notes that his State now requires teaching candidates to have taken more than four courses to earn a teaching certificate in a particular content area. The commenter, therefore, recommends that the definition also permit a school to qualify as a high-need school if more than 34 percent of academic classroom teachers do not have certification to teach in their main assignment field.

Discussion: We agree that clarification is needed on how a secondary school may qualify, on the basis of the percent of poverty in the area it serves, as one in which a scholarship recipient may meet his or her service obligation. As the first commenter notes, we know from experience that high school and middle school students are less likely to participate in free- and reduced-price lunch programs than are elementary school students. Hence, those schools often may not be identified as eligible for Title I services, or not qualify to operate Title I, ESEA, schoolwide programs, despite the actual poverty rates in the area they serve.

However, if a school—elementary, middle, or secondary—is to meet the statutory criterion of high need because it serves an area with a high percentage of individuals from families with incomes below the poverty line, we continue to believe that the school still must be eligible under Title I requirements to operate a Title I schoolwide program. In this regard, the Department has issued guidance for the Title I program that addresses alternative measures for determining a secondary school's eligibility to participate in Title I. This guidance clarifies that a school district may use comparable data to data for free- and reduced-lunch eligibility (or other measures permitted under Title I) that are collected through alternative means such as a survey. Also, an LEA may use the feeder pattern concept. This concept would allow the LEA to project the number of low-income children in a middle school or high school based on the average poverty rate of the elementary school attendance areas that feed into that school. More specific information on these alternative measures for secondary and middle school eligibility under Title I may be found in part two of the April 1996 Title I,

Part A, Policy Guidance: Improving Basic Programs Operated by Local Educational Agencies. This guidance is available on the Internet at <http://www.ed.gov/legislation/ESEA/Title I/>. Further information also is available from those in the State educational agency who administer the Title I program. (The ESEA authorizes waivers of most Title I program requirements, including the requirement that schools that wish to be schoolwide programs serve an area with a specified level of poverty. The HEA contains no comparable waiver authority. Therefore, a middle or high school that lacks data to confirm its eligibility to operate as a Title I schoolwide program cannot become eligible to be a high-need school through a waiver of the Title I schoolwide program requirements.)

Beyond this clarification, we are unable to accept the commenter's recommendations for alternative factors that the regulations would identify as making a secondary school one in which a scholarship recipient may meet the service obligation. Simply having some feeder schools meet the 50 percent threshold for free- and reduced-lunch subsidies may not adequately address the level of poverty in the entire area the high school serves. The school's drop-out rate is not sufficiently related to the permissible criteria in section 201(b)(2) of the statute.

Finally, we believe that the standards of (1) 15 percent of teachers teaching out-of-field, and (2) a teacher turnover rate exceeding ten percent, which the commenter proposes, would permit too many schools to be considered high need. Aside from the poverty criterion, the law permits high need to be based on a "high" percentage of secondary school teachers teaching out-of-field, or a "high" teacher turnover rate. In the application package available in February 1999 for the initial Teacher Quality Enhancement Grant Program competitions, we explained that 34 percent (incorrectly printed as "35 percent") teaching out-of-field and a 15 percent attrition rate reflect the best available national data on what these statutory terms mean. More specifically, 34 percent teaching out-of-field reflects an average of the percentage of public school teachers without a major or minor in their main assignment field and the percentage of teachers in high-poverty schools teaching out-of-field. A 15 percent teacher attrition rate reflects nationwide data on the percentage of teachers in all schools, including in high-poverty schools, who do not return to the same school the following year.

Action: The definition of "high-need LEA" in § 611.1 has been modified. It now clarifies that the term includes an LEA with at least one school (1) in which at least 50 percent of enrolled students are eligible for free- and reduced lunch subsidies, or (2) that otherwise is eligible, without a waiver, to operate as a schoolwide program under Title I of the ESEA.

Comment: One commenter stated that it is not practical for an IHE to provide follow-up services to former scholarship recipients for three years after the individual becomes a teacher. The commenter, from a grantee awarded a Partnership Program grant under

section 203 of the HEA, asserts that there are many contractual and budgetary issues affecting the LEA that are beyond the IHE's control. The commenter recommends that the regulations instead require the IHE to provide induction services during the teacher's first year, and otherwise make services available to the teacher, upon request, for up to three years after graduation.

Discussion: Section 204(d)(1)(C) of the HEA requires that Teacher Recruitment Program grantees provide follow-up services to former scholarship recipients during their first three years of teaching. For the other two Teacher Quality Enhancement Grant Programs, the State Grant Program and the Partnership Grants for Improving Teacher Education Program, the law authorizes grantees to use program funds for "[a]ctivities described in section 204(d)." See sections 202(d)(7) and 203(d)(7) of the HEA, respectively. As section 204(d)(1)(C) authorizes scholarship assistance to individuals attending teacher preparation programs, State and Partnership Program grantees may use grant funds to award these scholarships.

However, by authorizing State and Partnership Program grantees to use program funds for activities described in section 207(d), we believe Congress intended that those who receive scholarship assistance under these two programs would benefit before and after graduation from the same range of IHE services that recipients of scholarships funded under the Teacher Recruitment Program must receive. Hence, we also believe that it is appropriate to require, through these regulations, State and Partnership grantees to provide former scholarship recipients with the same level of follow-up services after graduation as is required under the Teacher Recruitment Program. These services would include, as required by section 204(d)(1)(c), follow-up activities during these new teachers' first three years of teaching.

We do note that the law does not specify the degree of these services. Consistent with a grantee's approved applications, we believe that the form, content, and extent of these follow-up services will be determined through collaboration among the LEA, scholarship recipient(s), and the program grantee.

Action: None.

Comment: One commenter stated that all States and partnerships using program funds to award teacher recruitment scholarships should prioritize placements in ways that assure that schools in the States with greatest need have the best opportunities to hire well-trained teachers. Therefore, the commenter recommended that all States and partnerships, in collaboration with high-need LEAs, be required to give priority in placing scholarship recipients in LEAs and schools that demonstrate the greatest need according to one of the three criteria with which 611.1 defines "high need."

Discussion: We agree with the thrust of the comment. The purpose of the Teacher Recruitment Program is to address chronic shortages of qualified teachers in high-need schools and school districts. IHEs and LEAs should work together to encourage teaching

candidates who receive scholarship assistance with Teacher Quality Enhancement Program funds to fulfill their service obligations by becoming teachers in the highest need schools and school districts.

However, we are concerned that the commenter's recommendations would (1) burden IHEs unduly with the responsibility for securing data on literally scores of schools and then somehow ranking those schools by relative need, and (2) involve the IHE too intimately in hiring decisions that are better left to the scholarship recipients and LEA and school officials. For this reason, we believe that the better approach is to require the IHE, in collaboration with the high-need LEA(s) with which it partners, to ensure that scholarship recipients are placed, to the extent possible, in the highest-need schools of those LEAs.

Action: Section 611.52(c) (proposed 611.40(d)(3)) has been modified accordingly.

Comment: As proposed, § 611.39(a) would require former scholarship recipients who are fulfilling their service obligations to have high-need LEAs in which they teach submit employment information periodically to the Department confirming that they are, in fact, meeting their service obligation. One commenter expressed concern that if, through no fault of the teacher, the LEA does not forward the information to the Department, the former scholarship recipient could be wrongly held responsible for repaying the scholarship assistance he or she had received. The commenter recommended that we accept, on an interim basis if necessary, evidence such as a notarized statement that the scholarship recipient had requested the LEA to submit the information verifying employment.

Discussion: We agree with the commenter's concern and recommendation, except that we believe the recommendation does not sufficiently encourage recipients to have LEAs provide us with timely information that verifies the scholarship recipient's employment as a teacher in a high-need school of a high-need LEA. After considering the matter, we are satisfied that the scholarship recipient should be permitted to meet this responsibility to verify that he or she is meeting the service obligation in either of two ways. Specifically, in lieu of having the LEA provide the needed information to us in a timely manner, the recipient may attach to the notarized statement a copy of the information that he or she has asked the LEA to provide to the Department.

We will consider the timely receipt of this notarized statement and attachment as satisfactory provisional evidence that the individual is meeting the service obligation, and so should not be responsible for its repayment. However, the Department will be unable to determine finally that this is so without the signed statement from the LEA. Therefore, the scholarship recipient will have a continuing responsibility to work to get the LEA to submit this information.

Action: Sections 611.46 and 611.47 (proposed § 611.39(a) and (b)) have been modified accordingly.

Comment: One commenter stated that the proposed reasons for which the Department would defer a scholarship recipient's service

obligation are too limited. The commenter recommends that deferments also be available for students who currently are attending two-year institutions and cannot be admitted to the continuing, and certifying, higher education program due to changes in admission standards that were implemented after the student had received a Title II scholarship.

Discussion: A scholarship recipient's responsibility for repaying the scholarship, accrued interest, and costs of collection, if any, only arises if the scholarship recipient (1) graduates from a teacher preparation program and fails to confirm to the Department that he or she has fulfilled the service obligation, (2) withdraws from the teacher preparation program, or (3) is found to be no longer in good standing. We see no reason to expand the proposed areas in which deferment of the service obligation, or responsibility to repay the indebtedness, is available. One of the conditions of the scholarship is that the recipient will repay the scholarship amount plus accrued interest if he or she does not remain in good academic standing. Assuming that the recipient remains in good academic standing, we believe that the appropriate response to the situation the commenter posed is for the grantee to continue working with the scholarship recipient to permit him or her to meet any new admission requirements that the continuing institution may adopt.

We add only that we believe the situations the commenter describes should be quite rare. First, the kinds of changes in admission standards that the commenter describes are likely to be very infrequent. Beyond this, with regard to scholarship recipients, we presume that program grantees are in a position to influence the admission standards and decisions of the teacher preparation programs they are implementing or with which they are partnering.

Action: None.

Comment: One commenter asserted that the proposed regulations would inappropriately penalize scholarship recipients who, upon graduation, fail immediately to find employment as teachers in high-need schools and school districts. The commenter also criticized the service obligation as a disincentive to minority recruitment since students have other scholarship opportunities that do not attach these conditions.

Discussion: The law requires those who receive scholarships with Teacher Quality Enhancement Grant Program funds to meet the service obligation. Moreover, as proposed, § 611.37(b)(2) would enable a scholarship recipient to have the service obligation deferred where, despite due diligence, the recipient is unable to secure employment as a teacher in a high-need school of a high-need LEA.

Action: None.

Comment: One commenter stated that while most of the regulations were clearly stated, the regulations would be easier to read if they were divided into more, but shorter, sections.

Discussion: Some of the regulations do not seem appropriate for dividing into parts. However, we agree with the commenter that

both proposed § 611.39 ("What are a scholarship recipient's reporting responsibilities?") and proposed § 611.40 ("What are a grantee's responsibilities for helping to implement the scholarship requirements?") would be clearer if broken into a series of shorter regulations.

Action: The final regulations have been revised accordingly.

We also have made these regulations applicable to all three of the Teacher Quality Enhancement Grant Programs by (1) renumbering them, (2) moving them to a new and generally applicable subpart E, "Scholarships," and (3) thereby eliminating, as no longer necessary, proposed § 611.42 ("What rules govern scholarships funded by the State or Partnership Programs for individuals attending teacher preparation programs?")

[FR Doc. 00-646 Filed 1-11-00; 8:45 am]

BILLING CODE 4000-01-U

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Parts 52 and 70

[MO 091-1091; FRL-6519-9]

Approval and Promulgation of Implementation Plans and Part 70 Operating Permits Program; State of Missouri

AGENCY: Environmental Protection Agency (EPA).

ACTION: Direct final rule.

SUMMARY: EPA is announcing it is approving an amendment to the Missouri State Implementation Plan (SIP). EPA is approving revisions to Missouri rule 10 CSR 10-6.020, Definitions and Common Reference Tables. These revisions will strengthen the SIP with respect to attainment and maintenance of established air quality standards. The effect of this action is to ensure Federal enforceability of the state's air program rule revisions. EPA is also approving the rule as a revision to the Missouri part 70 operating permits program.

DATES: This direct final rule is effective on March 13, 2000, without further notice, unless EPA receives adverse comment by February 11, 2000. If adverse comment is received, EPA will publish a timely withdrawal of the direct final rule in the **Federal Register** and inform the public that the rule will not take effect.

ADDRESSES: Comments may be mailed to Wayne Kaiser, Environmental Protection Agency, Air Planning and Development Branch, 901 North 5th Street, Kansas City, Kansas 66101.

Copies of the state submittal(s) are available at the following addresses for