

HIGHER EDUCATION ACT OF 1965

**TITLE VII – GRADUATE AND POSTSECONDARY
IMPROVEMENT PROGRAMS**

PART A – GRADUATE EDUCATION PROGRAMS

Subpart 2 – Graduate Assistance in Areas of National Need

PROGRAM STATUTE

TITLE VII--GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 701. REVISION OF TITLE VII.

Title VII (20 U.S.C. 1132a et seq.) is amended to read as follows:

'TITLE VII--GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

'SEC. 700. PURPOSE.

'It is the purpose of this title--

'(1) to authorize national graduate fellowship programs--

'(A) in order to attract students of superior ability and achievement, exceptional promise, and demonstrated financial need, into high-quality graduate programs and provide the students with the financial support necessary to complete advanced degrees; and

'(B) that are designed to--

'(i) sustain and enhance the capacity for graduate education in areas of national need; and

'(ii) encourage talented students to pursue scholarly careers in the humanities, social sciences, and the arts; and

'(2) to promote postsecondary programs.

'PART A—GRADUATE EDUCATION PROGRAMS

'Subpart 2--Graduate Assistance in Areas of National Need

'SEC. 711. GRANTS TO ACADEMIC DEPARTMENTS AND PROGRAMS OF INSTITUTIONS.

'(a) GRANT AUTHORITY -

'(1) IN GENERAL - The Secretary shall make grants to academic departments, programs and other academic units of institutions of higher education that provide courses of study

leading to a graduate degree, including a master's or doctoral degree, in order to enable such institutions to provide assistance to graduate students in accordance with this subpart.

'(2) ADDITIONAL GRANTS - The Secretary may also make grants to such departments, programs and other academic units of institutions of higher education granting graduate degrees which submit joint proposals involving non-degree granting institutions which have formal arrangements for the support of doctoral dissertation research with degree-granting institutions. Non-degree granting institutions eligible for awards as part of such joint proposals include any organization which--

'(A) is described in section 501(c)(3) of the Internal Revenue Code of 1986, and is exempt from tax under section 501(a) of such Code;

'(B) is organized and operated substantially to conduct scientific and cultural research and graduate training programs;

'(C) is not a private foundation;

'(D) has academic personnel for instruction and counseling who meet the standards of the institution of higher education in which the students are enrolled; and

'(E) has necessary research resources not otherwise readily available in such institutions to such students.

'(b) AWARD AND DURATION OF GRANTS -

'(1) AWARDS - The principal criterion for the award of grants shall be the relative quality of the graduate programs presented in competing applications. Consistent with an allocation of awards based on quality of competing applications, the Secretary shall, in awarding such grants, promote an equitable geographic distribution among eligible public and private institutions of higher education.

'(2) DURATION AND AMOUNT -

'(A) DURATION - The Secretary shall award a grant under this subpart for a period of 3 years.

'(B) AMOUNT - The Secretary shall award a grant to an academic department, program or unit of an institution of higher education under this subpart for a fiscal year in an amount that is not less than \$100,000 and not greater than \$750,000.

'(3) REALLOTMENT - Whenever the Secretary determines that an academic department, program or unit of an institution of higher education is unable to use all of the amounts available to the department, program or unit under this subpart, the Secretary shall, on such dates during each fiscal year as the Secretary may fix, re-allot the amounts not needed to academic departments, programs and units of institutions which can use the grants authorized by this subpart.

'(c) PREFERENCE TO CONTINUING GRANT RECIPIENTS -

'(1) IN GENERAL - The Secretary shall make new grant awards under this subpart only to the extent that each previous grant recipient under this subpart has received continued funding in accordance with subsection (b)(2)(A).

'(2) RATABLE REDUCTION- To the extent that appropriations under this subpart are insufficient to comply with paragraph (1), available funds shall be distributed by ratably reducing the amounts required to be awarded under subsection (b)(2)(A).

'SEC. 712. INSTITUTIONAL ELIGIBILITY.

'(a) ELIGIBILITY CRITERIA - Any academic department, program or unit of an institution of higher education that offers a program of post baccalaureate study leading to a graduate degree, including a master's or doctoral degree, in an area of national need (as designated under subsection (b)) may apply for a grant under this subpart. No department, program or unit shall be eligible for a grant unless the program of post baccalaureate study has been in existence for at least 4 years at the time of application for assistance under this subpart.

``(b) Designation of Areas of National Need.--After consultation with appropriate Federal and nonprofit agencies and organizations, including the National Science Foundation, the Department of Defense, the Department of Homeland Security, the National Academy of Sciences, and the Bureau of Labor Statistics, the Secretary shall designate areas of national need. In making such designations, the Secretary shall take into consideration--

- ``(1) the extent to which the interest in the area is compelling;
- ``(2) the extent to which other Federal programs support postbaccalaureate study in the area concerned;
- ``(3) an assessment of how the program may achieve the most significant impact with available resources; and
- ``(4) an assessment of current (as of the time of the designation) and future professional workforce needs of the United States."

'SEC. 713. CRITERIA FOR APPLICATIONS.

'(a) SELECTION OF APPLICATIONS - The Secretary shall make grants to academic departments, programs and units of institutions of higher education on the basis of applications submitted in accordance with subsection (b). Applications shall be ranked on program quality by review panels of nationally recognized scholars and evaluated on the quality and effectiveness of the academic program and the achievement and promise of the students to be served. To the

extent possible (consistent with other provisions of this section), the Secretary shall make awards that are consistent with recommendations of the review panels.

'(b) CONTENTS OF APPLICATIONS - An academic department, program or unit of an institution of higher education, in the department, program or unit's application for a grant, shall--

'(1) describe the current academic program of the applicant for which the grant is sought;

'(2) provide assurances that the applicant will provide, from other non-Federal sources, for the purposes of the fellowship program under this subpart an amount equal to at least 25 percent of the amount of the grant received under this subpart, which contribution may be in cash or in kind, fairly valued;

'(3) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will seek talented students from traditionally underrepresented backgrounds, as determined by the Secretary;

'(4) describe the number, types, and amounts of the fellowships that the applicant intends to offer with grant funds provided under this part;

'(5) set forth policies and procedures to assure that, in making fellowship awards under this subpart, the institution will make awards to individuals who--

'(A) have financial need, as determined under part F of title IV;

'(B) have excellent academic records in their previous programs of study; and

'(C) plan to pursue the highest possible degree available in their course of study at the institution;

'(6) set forth policies and procedures to ensure that Federal funds made available under this subpart for any fiscal year will be used to supplement and, to the extent practical, increase the funds that would otherwise be made available for the purpose of this subpart and in no case to supplant those funds;

'(7) provide assurances that, in the event that funds made available to the academic department, program or unit under this subpart are insufficient to provide the assistance due a student under the commitment entered into between the academic department, program or unit and the student, the academic department, program or unit will, from any funds available to the department, program or unit, fulfill the commitment to the student;

'(8) provide that the applicant will comply with the limitations set forth in section 715;

'(9) provide assurances that the academic department will provide at least 1 year of supervised training in instruction for students; and

'(10) include such other information as the Secretary may prescribe.

'SEC. 714. AWARDS TO GRADUATE STUDENTS.

'(a) COMMITMENTS TO GRADUATE STUDENTS -

'(1) IN GENERAL - An academic department, program or unit of an institution of higher education shall make commitments to graduate students who are eligible students under section 484 (including students pursuing a doctoral degree after having completed a master's degree program at an institution of higher education) at any point in their graduate study to provide stipends for the length of time necessary for a student to complete the course of graduate study, but in no case longer than 5 years.

'(2) SPECIAL RULE - No such commitments shall be made to students under this subpart unless the academic department, program or unit has determined adequate funds are available to fulfill the commitment from funds received or anticipated under this subpart, or from institutional funds.

'(b) AMOUNT OF STIPENDS - The Secretary shall make payments to institutions of higher education for the purpose of paying stipends to individuals who are awarded fellowships under this subpart. The stipends the Secretary establishes shall reflect the purpose of the program under this subpart to encourage highly talented students to undertake graduate study as described in this subpart. In the case of an individual who receives such individual's first stipend under this subpart in academic year 2009-2010 or any succeeding academic year, such stipend shall be set at a level of support equal to that provided by the National Science Foundation Graduate Research Fellowship Program for such an academic year, except such amount shall be adjusted as necessary so as not to exceed the fellow's demonstrated level of need as determined under part F of title IV.

'(c) TREATMENT OF INSTITUTIONAL PAYMENTS - An institution of higher education that makes institutional payments for tuition and fees on behalf of individuals supported by fellowships under this subpart in amounts that exceed the institutional payments made by the Secretary pursuant to section 715(a) may count such excess toward the amounts the institution is required to provide pursuant to section 713(b)(2).

'(d) ACADEMIC PROGRESS REQUIRED - Notwithstanding the provisions of subsection (a), no student shall receive an award--

'(1) except during periods in which such student is maintaining satisfactory progress in, and devoting essentially full time to, study or research in the field in which such fellowship was awarded; or

'(2) if the student is engaging in gainful employment other than part-time employment involved in teaching, research, or similar activities determined by the institution to be in support of the student's progress towards a degree.

'SEC. 715. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

'(a) INSTITUTIONAL PAYMENTS -

'(1) IN GENERAL- The Secretary shall (in addition to stipends paid to individuals under this subpart) pay to the institution of higher education, for each individual awarded a fellowship under this subpart at such institution, an institutional allowance. Except as

provided in paragraph (2), such allowance shall be, for 2009-2010 and succeeding academic years, the same amount as the institutional payment made for 2008-2009 adjusted annually thereafter in accordance with inflation as determined by the Department of Labor's Consumer Price Index for the previous calendar year.

'(2) REDUCTION- The institutional allowance paid under paragraph (1) shall be reduced by the amount the institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

'(b) USE FOR OVERHEAD PROHIBITED- Funds made available pursuant to this subpart may not be used for the general operational overhead of the academic department or program.

'SEC. 716. AUTHORIZATION OF APPROPRIATIONS.

'There are authorized to be appropriated \$35,000,000 for fiscal year 2009 and each of the five succeeding fiscal years to carry out this subpart