

which provide it. Preliminary education in this context is education designed to expand the academic ability of disadvantaged students during their preprofessional training. It may not include classes already taught as part of the regular course of education leading to a high school diploma or undergraduate degree. It may not be offered to students before they complete the junior year of high school.

(3) To provide information to individuals from disadvantaged backgrounds about financial aid available to students in health professions schools, or schools of allied health, or schools and entities which provide training necessary to qualify for enrollment in health professions schools or schools of allied health.

(4) To facilitate the entry of individuals from disadvantaged backgrounds into health professions schools or schools of allied health by engaging in activities which assist them to compete for admission, such as instruction designed to improve their performance on admission tests, and by assisting admission committees with the evaluation of disadvantaged applicants.

(5) To provide counseling or other retention services, such as tutorial assistance and assistance in adjusting to the environment of the school, which are designed to help individuals from disadvantaged backgrounds who are enrolled in health professions schools or schools of allied health to complete this education.

(b) The grantee must carry out at least two of the five purposes, even if grant funds are requested or awarded for only one of them.

(c) The grantee must evaluate its program based on the plan provided in the grant application.

(d) Grantees which: (1) Are schools of medicine, osteopathic medicine, public health, dentistry, veterinary medicine, optometry, pharmacy, allied health, chiropractic, podiatric medicine, and public and private nonprofit schools that offer graduate programs in clinical psychology; and

(2) Have a proportionate enrollment of individuals from disadvantaged backgrounds that is less than 200 percent of the national average percentage of such individuals in all schools of

each health professions discipline must assure the Secretary that during a period of 3 years, commencing on the date of the award of the grant, they will increase their first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over enrollments in the base year of 1987.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 56 FR 43648, Sept. 3, 1991; 57 FR 45740, Oct. 5, 1992]

#### § 57.1806 How will applications be evaluated?

(a) As required by section 798(a) of the Act, each application for a grant under this subpart shall be submitted to a peer review group, composed principally of non-Federal experts, for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval. The Secretary will decide which applications to approve by considering, among other factors:

(1) The degree to which the proposed project adequately provides for the requirements in § 57.1805;

(2) The number and types of individuals who can be expected to benefit from the project;

(3) The administrative and management ability of the applicant to carry out the proposed project in a cost-effective manner;

(4) The adequacy of the staff and faculty;

(5) The soundness of the budget; and

(6) The potential of the project to continue without further support under this program.

(b) Within the limits of funds available, the Secretary will award grants to approved applicants with projects that will best promote the purposes of section 740 of the Act. Of the amounts appropriated under this section for any fiscal year, 10 percent shall be obligated for community-based programs and 70 percent shall be obligated for grants to institutions of higher education and not more than 5 percent of such funds may be obligated for grants having the primary purpose of informing individuals about the existence and

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general nature of health careers. Section 740(a)(2)(G) authorizes the payment of such stipends as the Secretary may approve for participants in a project for any period of education at any school eligible for a grant under this subpart.

(c) *Funding priority.* (1) In determining the funding of applications approved under paragraph (a) of this section, the Secretary shall give priority to schools described in § 57.1805(d), beginning in fiscal year 1992—

(i) Which previously received a grant under this subpart and increased its first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over that enrollment in the base year 1987 by the end of 3 years from the date of the award of the HCOP grant; and

(ii) Which had not previously received a grant under this subpart that increased its first-year enrollment of individuals from disadvantaged backgrounds by at least 20 percent over that enrollment in the base year 1987, over any period of time.

(2) In addition, should specific needs warrant, the Secretary will also consider other special factors relating to national needs as the Secretary may from time to time announce in the FEDERAL REGISTER.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 56 FR 43648, Sept. 3, 1991; 61 FR 6126, Feb. 16, 1996]

**§ 57.1807 How long does grant support last?**

(a) The notice of grant award specifies the length of time the Secretary intends to support the project without requiring the project to re compete for funds. This period, called the project period, will not exceed 3 years.

(b) Generally, the grant will initially be funded for 1 year, and subsequent continuation awards will also be funded for 1 year at a time. Decisions regarding continuation awards and the funding levels of these awards will be made after consideration of factors such as the grantee's progress and management practices, and the availability of funds. In all cases, continuation awards require a determination by the Secretary that continued fund-

ing is in the best interest of the Federal Government.

(c) Neither the approval of any application nor the award of any grant shall commit or obligate the United States in any way to make any additional, supplemental, continuation or other award with respect to any approved application or portion of an approved application. For continuation support, grantees must make separate application at such times and in such a form as the Secretary may prescribe.

[45 FR 73052, Nov. 4, 1980, as amended at 56 FR 40565, Aug. 15, 1991; 57 FR 45740, Oct. 5, 1992]

**§ 57.1808 For what purposes may grant funds be spent?**

(a) A grantee shall only spend funds it receives under this subpart according to the approved application and budget, the authorizing legislation, terms and conditions of the grant award, applicable cost principles specified in subpart Q of 45 CFR part 74, and these regulations.

(b) Any balance of federally-obligated grant funds remaining unobligated by the grantee at the end of a budget period may be carried forward provided specific approval is granted by the Secretary. If at any time during the budget period it becomes apparent to the Secretary that the amount of Federal funds provided and made available to the grantee for that period, including any unobligated balance carried forward from prior periods, exceeds the grantee's needs for the period, the Secretary may adjust the amounts provided by withdrawing the excess. A budget period is an interval of time (usually 12 months) into which the project period is divided for funding and reporting purposes.

(c) The grantee may spend grant funds to provide one round trip for each individual in the program between his or her residence and the training site if:

(1) The training site is beyond a reasonable commuting distance and requires the individual to establish a temporary new residence; and

(2) The educational assistance is not offered at a time when the individual would be at the training site as a student in a regular course of education