

**DEPARTMENT OF EDUCATION****34 CFR Parts 75, 76, 77, 270, 271, 272, 607, 642, 648, 662, 663, 664 and 48 CFR Chapter 34****Regulatory Reinvention****AGENCY:** Department of Education.**ACTION:** Advance notice of proposed rulemaking.

**SUMMARY:** The Secretary is giving the public early notice of actions he intends to take to simplify regulations and reduce regulatory burden. This notice solicits public input to help guide the Department in developing proposed amendments to certain regulations.

**DATES:** Comments will be most useful if submitted by September 23, 1996 or by the date specified in the section discussing the relevant regulations or programs.

**ADDRESSES:** All comments should be addressed to the individual listed in the relevant program sections.

**FOR FURTHER INFORMATION CONTACT:**

The individual listed in the "CONTACT" portion of the section discussing the relevant regulations or programs.

Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday except Federal holidays.

**SUPPLEMENTARY INFORMATION:****Background**

The President, on March 4, 1995, announced a Regulatory Reinvention Initiative to reform the Federal regulatory system. The Initiative required all Federal agencies to review their regulations page by page. Regulators were asked to eliminate obsolete regulations, improve or reinvent regulations, revise regulations to reward results rather than process, and streamline regulations to achieve agency goals in the most efficient and least intrusive way possible. Since March of 1995, the Department has been reviewing thoroughly all of its regulations pursuant to the President's instructions.

As directed by the President, in June of 1995 each Federal agency submitted a plan to the Director of the Office of Management and Budget describing the actions it planned to take to eliminate or improve existing regulations. The Secretary promised the President that the Department would eliminate or reinvent 1,984 pages of regulations, representing 93% of the Department's

regulations. As of June 30, 1996, the Department has achieved well over one-half of its goals. The Department has eliminated or reinvented 1347 pages (approximately 68%) of the regulations the Department promised it would change. In addition, comprehensive legislative reinvention proposals regarding the Individuals with Disabilities Education Act and adult and vocational education are pending in Congress that would affect 512 pages (26%) of the regulations that the Department is committed to eliminating or improving. The remaining 289 pages that the Department promised to eliminate or improve have been or are being reviewed, and Department employees are developing final regulations or notices of proposed rulemaking to eliminate or improve the regulations.

*Examples of Regulatory Reinvention*

The Department already has made a number of reforms that have led to fewer regulations and better decisions about when to regulate. The Office of the Federal Register proposed that the Department publish an additional fourth volume for Title 34 of the Code of Federal Regulations; the Department avoided this action by removing enough regulations to obviate the need for a fourth volume.

One specific example of regulatory reform is the Department's decision not to issue regulations to implement the Goals 2000 and School-to-Work statutes, giving schools, school districts, and States maximum flexibility to use funds within statutory limits.

The Department has made a number of changes to the student financial aid regulations that eliminate paperwork burden, increase flexibility, and reduce regulatory requirements for certain colleges and universities. These changes include relieving colleges and universities with sound financial standing and good refund processing histories of the requirement to maintain a cash reserve fund to cover tuition refunds and allowing institutions with access to the National Student Loan Data System (NSLDS) once in operation, to use that system to obtain financial aid transcripts.

In one of the most far-reaching changes, the Department eliminated discretionary grant application requirements for non-competing continuation awards, substantially reducing paperwork burden on applicants and streamlining the Department's grant award process. Instead, the Department will approve budgets for the entire project period and will base approval of non-competing

continuation awards solely on the grantees' performance reports. This reform will save 6,000 grantees from submitting applications each year.

*Invitation to Comment*

The Secretary invites comments on the Department's plans to revise the administrative and program regulations discussed below. After considering the comments received in response to this advance notice, the Secretary intends to publish notices of proposed rulemaking with an opportunity for further public comment before implementing any amendments to the regulations.

Interested persons are invited to submit comments and recommendations regarding the Department's plans to the individual listed in the "Contact" section of the regulations to be amended. Comments will be available for public inspection during and after the comment period at the specified address between the hours of 9:00 a.m. and 4:30 p.m., Monday through Friday of each week except Federal holidays.

*General Questions*

The Secretary requests comments on the following general questions:

- Would the actions described below provide useful regulatory relief?
  - Are there other ways the Secretary could reduce costs and burdens associated with these regulations?
- More specific questions about particular regulations are asked in the sections below.

*Specific Programs and Regulations***1. Education Department General Administrative Regulations (34 CFR Parts 75, 76, and 77)****Proposed Actions**

Parts 75, 76, and 77 of the Education Department General Administrative Regulations (EDGAR) contain general requirements that govern direct grant programs and State-administered grant programs. The Secretary proposes to reduce dramatically the number of regulations in parts 75 and 76. The Secretary plans to remove from parts 75, 76, and 77 those sections that are unnecessary, obsolete or merely explanatory. Also, the Secretary plans to update references, renumber sections, and consolidate a number of provisions. The Secretary plans to revise the evaluation requirements and may add other provisions that will give grantees more flexibility in administering a project. Most important, the Secretary intends to create a handbook that would contain descriptions of procedural requirements and statutory requirements instead of putting the

information in regulations. The Secretary intends to include in internal Department directives, as well as in the handbook, those provisions currently in EDGAR that regulate Department conduct and do not affect recipients. The Secretary is particularly interested in comments on whether grant applicants and program beneficiaries would find a comprehensive handbook useful.

Comments will be available for public inspection in Room 3636, GSA National Capital Region Building, at 7th and D Streets S.W., Washington, D.C.

*Contact:* Kathy Thomas by telephone at (202) 708-8287, by writing to U.S. Department of Education, 600 Independence Avenue S.W., (Room 3636, ROB Building), Washington, D.C. 20202-4248, or by e-mail to kathy—thomas@ed.gov.

## 2. Education Department Acquisition Regulation (48 CFR Chapter 34)

### Proposed Actions

The Secretary plans to make the Education Department Acquisition Regulation (EDAR) easier to use by eliminating unnecessary regulations and updating provisions. The Secretary would eliminate those requirements that duplicate the requirements in the Federal Acquisition Regulation, such as § 3404.170 regarding ratification of unauthorized contract awards. As another example, the Department would eliminate Subpart 3437.2 and related clause 3452.237-70 which require all reports prepared by a contractor to contain certain information that is no longer necessary.

The Secretary particularly requests comments on which areas, if any, should be deregulated in EDAR.

Comments will be available for public inspection in Room 3636, GSA National Capital Region Building, at 7th and D Streets, S.W., Washington, D.C.

*Contact:* Cathy Girouard by telephone at (202) 708-8529, by writing to U.S. Department of Education, 600 Independence Avenue, S.W. (Room 3636, ROB Building), Washington, D.C. 20202-4248, or by e-mail to cathy\_girouard@ed.gov.

## 3. Desegregation of Public Education Programs (34 CFR Parts 270, 271, and 272)

### Proposed Actions

These programs provide grants to projects that help public school districts and personnel in the preparation, adoption, and implementation of plans for the desegregation of public schools and in the development of effective methods of coping with special

educational problems occasioned by desegregation. In addition to removing redundant requirements and unnecessary definitions in the general regulations (Part 270), State Educational Agency Program (Part 271), and Desegregation Assistance Center Program (Part 272), the Secretary plans to consolidate the regulations governing these programs into one CFR part. The Secretary expects these changes to highlight distinctions between the two programs and result in clearer regulations that are easier for grantees to use.

Comments will be available for public inspection in Room 4500, Portals Building, at 1250 Maryland Avenue, S.W., Washington, D.C.

*Contact:* Adell Washington by telephone at (202) 260-2495, by writing to U.S. Department of Education, 600 Independence Avenue, S.W., (Room 4500, Portals), Washington, D.C. 20202, or by e-mail to adell\_washington@ed.gov.

## 4. Strengthening Institutions Program (34 CFR Part 607)

### Proposed Actions

This program provides grants to institutions of higher education to improve their academic programs, institutional management, and fiscal stability. The Secretary intends to revise the selection criteria and eligibility requirements for the program. The Secretary would like to clarify the requirements for demonstrating eligibility for a waiver of the statutory eligibility requirements. How should these requirements be revised?

The Secretary would make these changes after the program is reauthorized because the Secretary believes it would not be useful to devote resources to revising the regulations now when it is possible that the statutory requirements may change as a result of reauthorization. The program is authorized until September, 1997. The Secretary particularly requests comments on whether there are reasons why the Department should consider revising the regulations prior to reauthorization.

Comments will be available for public inspection in Room 600C, Portals Building, at 1250 Maryland Avenue, S.W., Washington, D.C.

*Contact:* Louis Venuto by telephone at (202) 708-8839, by writing to U.S. Department of Education, 600 Independence Avenue, S.W. (Room 600C, Portals Building), Washington, D.C. 20202-5335, or by e-mail to louis\_venuto@ed.gov.

## 5. Training Program for Federal Trio Programs (34 CFR Part 642)

### Proposed Actions

The Secretary is currently reviewing these regulations and would like public comment on how the program and program regulations could be improved. For example, could the selection criteria or the implementation of the funding priority for applicants that have conducted training projects under Title IV of the Higher Education Act be improved?

The Secretary would implement any changes after the program is reauthorized because the Secretary believes it would not be useful to devote resources to revising the regulations now when it is possible the statutory requirements may change in the next year. The program is authorized until September, 1997.

The Secretary particularly requests comments on whether there are reasons why the Department should consider revising the regulations prior to reauthorization.

Comments will be available for public inspection in Room 600D, Portals Building, at 1250 Maryland Avenue, S.W., Washington, D.C.

*Contact:* Blanca Rodriguez by telephone at (202) 708-4804, by writing to U.S. Department of Education, 600 Independence Avenue, S.W. (Room 600D, Portals Building), Washington, D.C. 20202-5249, or by e-mail to blanca\_rodriguez@ed.gov.

## 6. Graduate Assistance in Areas of National Need (34 CFR Part 648)

### Proposed Actions

This program provides fellowships through academic departments of institutions of higher education to assist graduate students of superior ability who demonstrate financial need. The Secretary is currently considering changes to these regulations to improve the program and reduce regulatory burden. Are there particular regulatory provisions that could be eliminated or improved?

The Secretary would make any changes after the program is reauthorized because the Secretary believes it would not be useful to devote resources to revising the regulations because the statutory requirements may change in the next year. The program is authorized until September 30, 1997. The Secretary particularly requests comments on whether there are reasons why the Department should consider revising the regulations prior to reauthorization.

Comments will be available for public inspection in Room CYC 80, Portals

Building, at 1250 Maryland Avenue, S.W., Washington, D.C.

*Contact:* Cosette Ryan by telephone at (202) 260-3608, by writing to U.S. Department of Education, 600 Independence Avenue, S.W. (CYC 80, Portals Building), Washington, D.C. 20202-5247, or by e-mail to cosette\_\_ryan@ed.gov.

7. Higher Education Programs in Modern Foreign Language Training and Area Studies: Doctoral Dissertation Research Abroad Fellowship Program; Faculty Research Abroad Fellowship; Group Projects Abroad Program (34 CFR Parts 662, 663, and 664)

#### Proposed Actions

These programs are designed to contribute to the development and

improvement of the study of modern foreign languages and area studies in the United States by providing opportunities for scholars to conduct research abroad. The Secretary intends to improve the application review process and to update the regulations in light of developments in the field of foreign language, area, and international studies, such as political developments abroad, modifications in the policies and practices of the J. William Fulbright Foreign Scholarship Board, and new interpretations of regulations. These anticipated changes include changes in nomenclature, changes in selection criteria, and reduction of burden associated with the regulations.

Would improvements in these areas be useful? Are there additional

improvements in the regulations that could be made?

Comments will be available for public inspection in Suite 600, Portals Building, at 1250 Maryland Avenue, S.W., Washington, D.C.

*Dates:* Comments will be most useful if submitted by August 30, 1996.

*Contact:* Karla Ver Bryck Block by telephone at (202) 401-9774, by writing to U.S. Department of Education, 600 Independence Avenue, S.W. (Suite 600, Portals Building), Washington, D.C. 20202, or by e-mail to karla\_\_verbryckblock@ed.gov.

Dated: August 19, 1996.

Richard W. Riley,

*Secretary of Education.*

[FR Doc. 96-21568 Filed 8-22-96; 8:45 am]

BILLING CODE 4000-01-M