

selected without regard to race, color, national origin, religion, gender, age, or disabling condition, except pursuant to a lawful affirmative action plan.

(i) *Budget.* (5 points) The Secretary reviews each application to determine the extent to which—

(1) The applicant shows a clear understanding of the acceptable uses of program funds; and

(2) The costs of the project are reasonable in relation to the objectives of the project.

(j) *Evaluation plan.* (10 points) The Secretary reviews each application to determine the quality of the evaluation plan for the project, including the extent to which the applicant's methods of evaluation—

(1) Relate to the specific goals and measurable objectives of the project;

(2) Assess the effect of the project on the students receiving fellowships under this program, including the effect on persons of different racial and ethnic backgrounds, genders, and ages, and on persons with disabilities who are served by the project;

(3) List both process and product evaluation questions for each project activity and outcome, including those of the management plan;

(4) Describe both the process and product evaluation measures for each project activity and outcome;

(5) Describe the data collection procedures, instruments, and schedules for effective data collection;

(6) Describe how the applicant will analyze and report the data so that it can make adjustments and improvements on a regular basis; and

(7) Include a time-line chart that relates key evaluation processes and benchmarks to other project component processes and benchmarks.

(k) *Adequacy of resources.* (5 points) The Secretary reviews each application to determine the adequacy of the resources that the applicant makes available to graduate students receiving fellowships under this program, including facilities, equipment, and supplies.

(Approved by the Office of Management and Budget under control number 1840-0604)

(Authority: 20 U.S.C. 1135-1135c)

§ 648.32 What additional factors does the Secretary consider?

(a) *Continuation awards.* (1) Before funding new applications, the Secretary gives preference to grantees requesting their second or third year of funding.

(2) If appropriations for this program are insufficient to fund all continuation grantees for the second and third years at the approved funding level, the Secretary prorates the available funds, if any, among the continuation grantees and, if necessary, awards continuation grants of less than \$100,000.

(b) *Equitable distribution.* In awarding grants, the Secretary will, consistent with an allocation of awards based on the quality of competing applications, ensure the following:

(1) An equitable geographic distribution of grants to eligible applicant institutions of higher education.

(2) An equitable distribution of grants to eligible applicant public and eligible applicant private institutions of higher education.

(Authority: 20 U.S.C. 1135-1135c)

§ 648.33 What priorities and absolute preferences does the Secretary establish?

(a) For each application period, the Secretary establishes as an area of national need and gives absolute preference to one or more of the general disciplines and sub-disciplines listed as priorities in the appendix to this part or the resulting interdisciplines.

(b) The Secretary announces the absolute preferences in a notice published in the FEDERAL REGISTER.

(Authority: 20 U.S.C. 1135, 1135a)

Subpart D—How Are Fellows Selected?

§ 648.40 How does an academic department select fellows?

(a) In selecting individuals to receive fellowships, an academic department shall consider only individuals who—

(1) Are currently enrolled as graduate students, have been accepted at the grantee institution, or are enrolled or accepted as graduate students at an eligible nondegree-granting institution;

(2) Are of superior ability;