

§611.41

project continuation after federal funding ends.

(d) *Quality of management plan.* (1) The Secretary considers the quality of the project's management plan.

(2) In determining the quality of the management plan, the Secretary considers the following factors:

(i) The extent to which the management plan, including the workplan, is designed to achieve goals and objectives of the project, and includes clearly defined activities, responsibilities, timelines, milestones, and measurable outcomes for accomplishing project tasks.

(ii) The extent to which the project has an effective, inclusive, and responsive governance and decisionmaking structure that will permit all partners to participate in and benefit from project activities, and to use evaluation results to continuously improve project operations.

(iii) The qualifications, including training and experience, of key personnel charged with implementing the project successfully.

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

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

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agreement must include terms, conditions, and other information consistent with §§611.42–611.49 that the Secretary determines to be necessary.

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(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.

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(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. 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.

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

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