

**DEPARTMENT OF AGRICULTURE****Cooperative State Research,  
Education, and Extension Service****7 CFR Part 3419**

RIN Number: AA24

**Matching Funds Requirement for  
Formula Funds for Agricultural  
Research and Extension Activities at  
1890 Land-Grant Institutions, Including  
Tuskegee University, and at the 1862  
Land-Grant Institutions in Insular  
Areas**

**AGENCY:** Cooperative State Research,  
Education, and Extension Service,  
USDA.

**ACTION:** Notice of proposed rulemaking.

**SUMMARY:** The Cooperative State Research, Education, and Extension Service (CSREES) proposes to add a new part 3419 to Title 7, Subtitle B, Chapter XXXIV of the Code of Federal Regulations, for the purpose of implementing new statutory matching requirements applicable to Federal agricultural research and extension formula funds for 1890 land-grant institutions, including Tuskegee University, and to the 1862 land-grant institutions in the Commonwealth of Puerto Rico and the insular areas of American Samoa, Guam, Micronesia, Northern Marianas, and the Virgin Islands.

**DATES:** Written comments are invited from interested individuals and organizations. To be considered in the formulation of the final rule, comments must be received on or before September 3, 1999.

**ADDRESSES:** Address all comments to CSREES-USDA; Office of Extramural Programs; Policy and Program Liaison Staff; CSREES/USDA; Mail Stop 2299; 1400 Independence Avenue, S.W.; Washington, D.C. 20250-2299. Comments may be hand-delivered to CSREES-USDA; Office of Extramural Programs; Policy and Program Liaison Staff; Room 302 Aerospace Center; 901 D Street, S.W.; Washington, D.C. 20024. Comments may be mailed or sent electronically to oep@reeusda.gov.

**FOR FURTHER INFORMATION CONTACT:** Dr. Edward M. Wilson, Deputy Administrator; Plant and Animal Systems; Cooperative State Research, Education, and Extension Service; U.S. Department of Agriculture; Mail Stop 2220; 1400 Independence Avenue, SW; Washington, DC 20250-2220; at 202-401-4329, 202-401-4888 (fax) or via electronic mail at ewilson@reeusda.gov.

**SUPPLEMENTARY INFORMATION:****Background and Purpose**

This document proposes to add a new part 3419 to Title 7, Subtitle B, Chapter XXXIV of the Code of Federal Regulations, for the purpose of implementing the new matching requirements for agricultural research and extension formula funds authorized for the 1890 land-grant institutions and Tuskegee University. Section 226 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA), Pub. L. 105-185, amends Subtitle G of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA) by adding a new section 1449. This section requires matching funds from non-Federal sources for formula funds authorized under sections 1444 and 1445 of NARETPA for research and extension activities at the 1890 land-grant institutions and Tuskegee University.

This proposed rule will also implement the new matching requirements for the 1862 land-grant institutions in the Commonwealth of Puerto Rico and the insular areas of American Samoa, Guam, Micronesia, Northern Marianas, and the Virgin Islands. Section 753(d) and (e) of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, enacted in Division A, section 101(a) of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Pub. L. 105-277, 112 Stat. 2681-33 (1999 Agriculture Appropriations Act), amended section 3(d) of the Hatch Act of 1887 and section 3(e) of the Smith-Lever Act to subject the 1862 land-grant institutions in the Commonwealth of Puerto Rico and the insular areas to the same matching requirements as those applicable to an eligible institution under section 1449 of NARETPA. The amendments made by section 753 apply by operation of law to American Samoa, Micronesia, and Northern Marianas by virtue of section 1361(a) of Pub. L. 96-374, as amended by 9(c) of Pub. L. 99-396, which provides that any provision of law related to land-grant institutions in the Virgin Islands or Guam applies to the land-grant institutions in American Samoa, the Northern Marianas, and the former Trust Territory of the Pacific Islands, the land-grant institution of which is the College of Micronesia.

Section 1449 requires that the State make available matching funds to an 1890 institution out of non-Federal funds. CSREES has determined that this does not necessarily limit the source of matching funds to those directly

provided by the State as a part of its direct budget or appropriations process. Accordingly, CSREES has defined "non-Federal sources" to include direct State appropriations and any funds generated by the 1890 institution or by the 1862 institution in the Commonwealth of Puerto Rico or in an insular area and made available to the institution under other authority (other than authority to charge tuition and fees paid by students) provided by the State. This would include, for example, gift acceptance or user fee authority.

**Classification**

This rule has been reviewed under Executive Order 12866 and has been determined to be nonsignificant as it will not create a serious inconsistency or otherwise interfere with an action planned by another agency; will not materially alter the budgetary impact of entitlement, grants, user fees, or loan programs, or the rights and obligations of the recipients thereof; and will not raise novel legal or policy issues arising out of legal mandates, the President's priorities, or principles set forth in this executive order. This rule will not have an annual effect on the economy of \$100 million or more or adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities.

**Regulatory Flexibility Act**

The Department certifies that this rule will not have a significant impact on a substantial number of small entities as defined in the Regulatory Flexibility Act, Pub. L. No. 96-534 (5 U.S.C. 601 *et seq.*). Accordingly, a regulatory flexibility analysis is not required for this proposed rule.

**Catalog of Federal Domestic Assistance**

The programs affected by this proposed rule are listed in the Catalog of Federal Domestic Assistance under No. 10.205, Payments to 1890 Land-Grant Institutions and Tuskegee University, No. 10.500, Cooperative Extension Service, and No. 10.203, Payments to Agricultural Experiment Stations Under the Hatch Act.

**Paperwork Reduction Act**

In accordance with the Office of Management and Budget (OMB) regulations (5 CFR Part 1320) which implement the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35), the information collection and recordkeeping requirements that will be imposed in the implementation of this proposed rule have been submitted to

OMB for approval. These requirements would not become effective prior to OMB approval.

**Title:** Section 1449 Matching Funds Requirement for Research and Extension Activities at Eligible Institutions.

**SUMMARY:** The purpose of this collection of information is to implement the requirements of section 226 of AREERA, which added section 1449 to NARETPA, and section 753 of the 1999 Agriculture Appropriations Act. These provisions establish new matching requirements for the agricultural research and extension formula funds authorized for the 1890 land-grant institutions, including Tuskegee University, and to the 1862 land-grant institutions in the Commonwealth of Puerto Rico and insular areas.

**Need for the Information:** This information is needed by CSREES to determine if the matching requirements under section 1449 of NARETPA have been met by the 1890 land-grant institutions, including Tuskegee University, and by the 1862 land-grant institutions in insular areas. CSREES intends to require the eligible institutions to complete Form CSREES-2103, "Section 1449 Matching Funds Requirement for Research and Extension Activities at Eligible Institutions," annually.

**Respondents:** Respondents will be the 17 1890 land-grant institutions and the six 1862 land-grant institutions in the Commonwealth of Puerto Rico and the insular areas, which will provide information to USDA on the amount and source of non-Federal funds made available by the States, the Commonwealth of Puerto Rico, and the insular governments to the eligible institutions for agricultural research, extension, and qualifying educational activities to meet the matching requirements of section 1449 of NARETPA.

**Estimate of Burden:** The estimated burden on the respondents for Form CSREES-2103, "Section 1449 Matching Funds Requirement for Research and Extension Activities at Eligible Institutions," is estimated at 3.9 hours per response.

**Estimated Number of Respondents:** 23.

**Estimated Annual Number of Responses:** 117.

**Estimated Total Annual Burden on Respondents:** 456.3 hours.

**Frequency of Responses:** Annually. Copies of this information collection can be obtained from Ellen Danus, Policy and Program Liaison Staff, Office of Extramural Programs, CSREES,

USDA, (202) 401-4325. Email: oep@reeusda.gov.

**Comments:** Comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Agency, including whether the information will have practical utility; (b) the accuracy of the Agency's estimate of the burden of the proposed collection of information including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on those who are to respond, including the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Comments may be sent to: CSREES-USDA; Office of Extramural Programs; Policy and Program Liaison Staff; Mail Stop 2299; 1400 Independence Avenue, SW; Washington, DC 20250-2299 by October 4, 1999 or to the Desk Officer for Agriculture, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20502. Reference should be made to the volume, page, and date of this **Federal Register** publication.

#### List of Subjects in 7 CFR Part 3419

Agricultural extension, Agricultural research, Colleges and universities.

For reasons set forth in the preamble, it is proposed to amend Title 7, Subtitle B, Chapter XXXIV, of the Code of Federal Regulations by adding part 3419 to read as follows:

#### PART 3419—MATCHING FUNDS REQUIREMENT FOR AGRICULTURAL RESEARCH AND EXTENSION FORMULA FUNDS AT 1890 LAND-GRANT INSTITUTIONS, INCLUDING TUSKEGEE UNIVERSITY, AND AT 1862 LAND-GRANT INSTITUTIONS IN INSULAR AREAS

Sec.

3419.1 Definitions.

3419.2 Matching funds.

3419.3 Determination of non-Federal sources of funds.

3419.4 Limited waiver authority.

3419.5 Use of Matching Funds.

3419.6 Redistribution of funds.

**Authority:** 5 U.S.C. 301, 7 U.S.C. 3222d; Sec. 753, Pub. L. 105-277, 112 Stat. 2681-33

##### § 3419.1 Definitions.

As used in this part:

**Eligible institution** means a college or university eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 *et seq.*) (commonly known as

the Second Morrill Act), including Tuskegee University, or a college or university designated under the Act of July 2, 1862 (7 U.S.C. 301, *et seq.*) (commonly known as the First Morrill Act) and located in the Commonwealth of Puerto Rico and the insular areas of American Samoa, Guam, Micronesia, Northern Marianas, and the Virgin Islands.

**Formula funds** means agricultural research funds provided to the eligible institutions under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA), as amended, or under section 3 of the Hatch Act of 1887, 7 U.S.C. 361c, and agricultural extension funds provided to the eligible institutions under section 1444 of NARETPA or under sections 3(b) and (c) of the Smith-Lever Act, 7 U.S.C. 343(b) and (c).

**Matching funds** means funds from non-Federal sources made available by the State to the eligible institutions:

(1) For programs or activities that fall within the purposes of agricultural research and cooperative extension under sections 1444 and 1445 of NARETPA, the Hatch Act of 1887, and the Smith-Lever Act; or

(2) For qualifying educational activities. Matching funds means cash contributions and excludes in-kind matching contributions.

**Non-Federal sources** means funds made available by the State to the eligible institution either through direct appropriation or under any authority (other than authority to charge tuition and fees paid by students) provided by a State to an eligible institution to raise revenue, such as gift acceptance authority or user fees.

**Qualifying educational activities** means programs that address food and agricultural sciences components of an eligible institution.

**Secretary** means the Secretary of Agriculture and any other officer or employee of the Department of Agriculture to whom the authority involved may be delegated.

**State** means the government of any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of Northern Marianas, the Virgin Islands of the United States, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia.

##### § 3419.2 Matching funds.

The distribution of formula funds shall be subject to the following matching requirements:

(a) For fiscal year 2000, matching funds shall equal not less than 30

percent of the formula funds to be distributed to the eligible institution;

(b) For fiscal year 2001, matching funds shall equal not less than 45 percent of the formula funds to be distributed to the eligible institution; and

(c) For fiscal year 2002 and each fiscal year thereafter, the matching funds shall equal not less than 50 percent of the formula funds to be distributed to the eligible institution.

**§ 3419.3 Determination of non-Federal sources of funds.**

(a) Each eligible institution shall submit by September 30, 1999, a report describing for fiscal year 1999:

(1) The sources of non-Federal funds made available to the eligible institutions for agricultural research, extension, and qualified educational activity to meet the matching requirements of section 1449 of NARETPA, as amended; and

(2) The amount of funds generally available from each source.

(b) This report for the fiscal year ending September 30, 1999, may also include a request for a waiver of the matching funds requirement for fiscal year 2000. For fiscal year 2000 and

thereafter, this report must be submitted by July 1.

**§ 3419.4 Limited waiver authority.**

(a) The Secretary may waive the matching funds requirement for fiscal year 2000 for an eligible institution of a State if the Secretary determines that, based on the report received under § 3419.3, the State will be unlikely to satisfy the matching requirement. The criteria to waive the match in fiscal year 2000 may include:

(1) Natural disaster, flood, fire, tornado, hurricane, or drought;

(2) State and/or institution facing a financial crisis; or

(3) Demonstration of a good faith effort to obtain funds.

(b) Approval or disapproval of the request for a waiver will be based on the report submitted under § 3419.3. The Secretary may not waive the matching requirement for any fiscal year other than fiscal year 2000.

**§ 3419.5 Use of matching funds.**

The required matching funds for the formula programs shall be used by an eligible institution for agricultural research and extension activities that have been approved in the plan of work

required under sections 1444(d) and 1445(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, section 7 of the Hatch Act of 1887, section 4 of the Smith-Lever Act, or for approved qualifying education activities.

**§ 3419.6 Redistribution of funds.**

All formula funds not matched and reported under § 3419.3 by July 1 of each fiscal year will be reapportioned to the other eligible institutions who have satisfied their current fiscal year requirement for matching funds for the formula funds. Unmatched research and extension funds will be reapportioned in accordance with the research and extension statutory distribution formulas applicable to the 1890 and 1862 land-grant institutions, respectively. Any redistribution of funds shall be subject to the same matching requirement under § 3419.2.

Done at Washington, D.C., this 29th day of July 1999.

**I. Miley Gonzalez,**

*Under Secretary, Research, Education, and Economics.*

[FR Doc. 99-19955 Filed 8-3-99; 8:45 am]

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