



DEPARTMENT OF EDUCATION

**Eligibility Designations; Programs under Section 312 of the
Higher Education Act of 1965, as Amended (HEA)**

AGENCY: Office of Postsecondary Education, Department of
Education.

ACTION: Notice.

SUMMARY: The Department of Education (Department)
announces the process for the designation of eligible
institutions for fiscal year (FY) 2026.

DATES:

Applications Available: [INSERT DATE OF PUBLICATION IN THE
FEDERAL REGISTER].

Deadline for Transmittal of Applications: [INSERT DATE 30
DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Nemeka Mason-Clercinc,
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If you are deaf, hard of hearing, or have a speech
disability and wish to access telecommunications relay
services, please dial 7-1-1.

SUPPLEMENTARY INFORMATION: The Department announces the
process for the designation of eligible institutions under
section 312 of the HEA for FY 2026.

Full Text of Announcement

I. Funding Opportunity Description

Purpose of Programs: Under certain HEA programs, including the Strengthening Institutions Program, institutions are eligible to apply for grants if they meet specific statutory and regulatory eligibility requirements.

Section 312 of the HEA, 34 CFR 607.2-607.5, includes many of the basic eligibility requirements for its grant programs. Section 312(b)(1)(B) of the HEA provides that, to be eligible for these programs, an institution of higher education's average "educational and general expenditures" (E&G) per full-time equivalent (FTE) undergraduate student must be less than the average E&G expenditures per FTE undergraduate student of institutions that offer similar instruction (public 2-year, public 4-year, private 2-year, and private 4-year) in that year.

The National Center for Education Statistics (NCES) calculates Core Expenses per FTE of institutions, a statistic like E&G per FTE. Both E&G per FTE and Core Expenses per FTE are based on regular operational expenditures of institutions (excluding auxiliary enterprises, independent operations, and hospital expenses). They differ only in that E&G per FTE is based on fall undergraduate enrollment, while Core Expenses per FTE is based on 12-month undergraduate enrollment for the academic year.

To avoid inconsistency in the data submitted to, and produced by, the Department, for the purpose of section

312(b) (1) (B) of the HEA, E&G per FTE is calculated using the same methodology as Core Expenses per FTE. Accordingly, the Department will apply the NCES methodology for calculating Core Expenses per FTE. Institutions requesting an eligibility exemption determination must use the Core Expenses per FTE data reported to NCES' Integrated Postsecondary Education Data System (IPEDS) for the most currently available academic year, in this case academic year 2023-2024.

Special Note: The most recent data available in IPEDS for Core Expenses per FTE are for base year 2023-2024. To award FY 2026 grants in a timely manner, we will use these data to evaluate eligibility.

Each institution interested in applying for a grant program for which eligibility under section 312 of the HEA is required must be designated as an eligible institution in FY 2026. See 34 CFR 607.5.

ELIGIBLE APPLICANTS: The eligibility requirements for the authorized programs are in section 312 of the HEA (20 U.S.C. 1058) and in 34 CFR 607.2-607.5.

The Department has instituted a process known as the Eligibility Matrix (EM), under which we use information institutions submitted to IPEDS to determine which institutions meet the basic eligibility requirements under section 312 of the HEA. The data are utilized in the Department's eligibility system to calculate and determine

which institutions meet the eligibility requirements. To make eligibility determinations for FY 2026, we use an institution's 2023-2024 enrollment and fiscal data.

Beginning **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, an institution will be able to review the Department's eligibility decision by checking the eligibility system linked through the Department's Institutional Service Eligibility website:

<https://www.ed.gov/grants-and-programs/grants-higher-education/eligibility-designations-higher-education-programs>. The direct link is <https://HEPIS.ed.gov/>.

During the application period, the EM can be reviewed within the eligibility system (<https://HEPIS.ed.gov>). The eligibility system maintains a record of all postsecondary institutions that are potentially eligible to apply under section 312 of the HEA. If the eligibility system's entry for your institution indicates your institution is eligible, you will not need to apply for eligibility or submit a waiver request. Rather, if you choose to apply for the grant, you may print out the eligibility letter directly. If your institution is not shown as eligible, you must submit the application discussed in this notice before the application deadline.

To check your institution's eligibility, go to <https://HEPIS.ed.gov/>, and log into the system using a Login.gov account. If you are not sure whether you have an

account in the system, click the "Request Account" button. If you do not have an account, the system will walk you through setup. Note that it may take up to five business days to verify user identity and to complete new account setup, so please allow enough time to complete the application. If the Grant Eligibility Application (GEA) system is open for new applications, you may check your institution's eligibility status by clicking the "View pre-Eligibility Information" button.

If the system does not show that your institution is eligible for a program you can apply for reconsideration using the process described in this notice. The application process mirrors that used in previous years. You will first complete an application on the website at <https://HEPIS.ed.gov/>.

Enrollment of Needy Students: Under section 312 of the HEA, an institution is considered to have an enrollment of needy students if it meets either of the following two criteria: (1) at least 50 percent of its degree-seeking students received financial assistance under the Federal Pell Grant, FSEOG, or FWS programs; or (2) the percentage of its undergraduate degree-seeking students who were enrolled on at least a half-time basis and received Federal Pell Grants exceeded the median percentage of undergraduate degree students who were enrolled on at least a half-time

basis and received Federal Pell Grants at comparable institutions that offer similar instruction.

To qualify under the second criterion, an institution's Federal Pell Grant percentage for base year 2023-2024 must be more than the median for its category of comparable institutions provided in the 2023-2024 Median Pell Grant and Average Core Expenses per FTE Student Table in this notice. If your institution qualifies only under the first criterion, you must submit an application containing the data necessary to satisfy the first criterion (showing at least 50 percent of your degree-seeking students received financial assistance under one of several Federal student aid programs (the Federal Pell Grant, FSEOG, or FWS programs)), since these data are not available in IPEDS.

Core Expenses per FTE Student: For each of the following programs, an institution should compare its base year 2023-2024 Core Expenses per FTE student to the average Core Expenses per FTE student for its category of comparable institutions using the 2023-2024 Median Pell Grant and Average Core Expenses per FTE Student Table in this notice for certain programs under section 312 of the HEA. An institution satisfies the program eligibility requirement if its Core Expenses for the 2023-2024 base year are less than the average Core Expenses of its comparable institutional category.

The IPEDS definition of Core Expenses is used for eligibility purposes. “*Core Expenses*” are defined as the total expenses for the essential education activities of the institution. Core Expenses for public institutions reporting under the Governmental Accounting Standards Board (GASB) requirements include expenses for instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, depreciation, scholarships and fellowships, interest, and other operating and non-operating expenses. Core Expenses for institutions reporting under the Financial Accounting Standards Board (FASB) standards (primarily private, not-for-profit, and for-profit institutions) include expenses for instruction, research, public service, academic support, student services, institutional support, net grant aid to students, and other expenses. Core Expenses do not include Federal student aid for the purposes of eligibility. For both FASB and GASB institutions, Core Expenses do not include expenses for auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

The following table identifies base year 2023-2024 median Federal Pell Grant percentages and average Core Expenses per FTE student for the four categories of comparable institutions:

Type of Institution	Base Year 2023-2024	Base Year 2023-2024
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	Median Pell Grant Percentage	Average Core Expenses per FTE Student
2-year Public Institutions	44%	\$19,004
2-year Nonprofit Private Institutions	48%	\$17,453
4-year Public Institutions	37%	\$39,350
4-year Nonprofit Private Institutions	36%	\$50,027

In accordance with 34 CFR 607.3(d), the Department publishes the following table identifying the low-income levels (at 150 percent of the poverty level) for various family sizes:

2024 ANNUAL LOW-INCOME LEVELS

Size of Family Unit	Family Income for the 48 Contiguous States, DC, and Outlying Jurisdictions	Family Income for Alaska	Family Income for Hawaii
1	\$22,590.00	\$28,215.00	\$25,965.00
2	\$30,660.00	\$38,310.00	\$35,250.00
3	\$38,730.00	\$48,405.00	\$44,535.00
4	\$46,800.00	\$58,500.00	\$53,820.00
5	\$54,870.00	\$68,595.00	\$63,105.00
6	\$62,940.00	\$78,690.00	\$72,390.00
7	\$71,010.00	\$88,785.00	\$81,675.00
8	\$79,080.00	\$98,880.00	\$90,960.00

Note: We use the 2024 annual low-income levels because those are the amounts that apply to the family income reported by students enrolled for the fall 2023 semester.

For family units with more than eight members, add the following amount for each additional family member: \$8,070 for the contiguous 48 States, the District of Columbia, and outlying jurisdictions; \$10,095 for Alaska; and \$9,285 for Hawaii.

The figures shown under family income represent amounts equal to 150 percent of the family income levels annually established by the U.S. Census Bureau for determining poverty status. For 2024, the poverty guidelines were published in the *Federal Register* on January 17, 2024, by the U.S. Department of Health and Human Services (89 FR 2961), with an effective date of January 11, 2024.

Applicable Regulations: (a) The Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 75, 77, 79, 82, 84, 86, 97, 98, and 99. (b) The Office of Management and Budget Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement) in 2 CFR 180, as adopted and amended as regulations of the Department in 2 CFR part 3485. (c) The Guidance for Federal Financial Assistance in 2 CFR part 200, as adopted and amended as regulations of the Department in 2 CFR part 3474. (d) The regulations for certain programs under section 312 of the HEA in 34 CFR part 607.

Note: The regulations in 34 CFR part 79 apply to all applicants except federally recognized Indian Tribes.

Note: The regulations in 34 CFR part 86 apply to institutions of higher education only.

II. Other Information

Accessible Format: On request to the program contact person listed under FOR FURTHER INFORMATION CONTACT, individuals with disabilities can obtain this document and a copy of the application package in an accessible format. The Department will provide the requestor with an accessible format that may include Rich Text Format (RTF) or text format (txt), a thumb drive, an MP3 file, braille, large print, audiotape, compact disc, or other accessible format.

Electronic Access to This Document: The official version of this document is the document published in the *Federal Register*. You may access the official edition of the *Federal Register* and the Code of Federal Regulations at www.govinfo.gov and www.federalregister.gov.

David Barker,
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[FR Doc. 2026-05689 Filed: 3/23/2026 8:45 am; Publication Date: 3/24/2026]