

lished by State and local administrators of the programs to assure that the local program is meeting the needs of the community.

LIMITATION

SEC. 313. No grant may be made under this title for any educational program, activity, or service related to sectarian instruction or religious worship, or provided by a school or department of divinity. For purposes of this section, the term "school or department of divinity" means an institution or a department or branch of an institution whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation, or to prepare them to teach theological subjects.

APPROPRIATIONS AUTHORIZED

SEC. 314. There is authorized to be appropriated \$40,000,000 for the fiscal year ending June 30, 1967, and \$60,000,000 for the fiscal year ending June 30, 1968, for the purposes of this title.

REPEALER

SEC. 315. Part B of title II of the Economic Opportunity Act of 1964 is repealed.

Approved November 3, 1966.

78 Stat. 520.
42 USC 2801-
2807.

Public Law 89-751

AN ACT

November 3, 1966
[H. R. 13196]

To amend the Public Health Service Act to increase the opportunities for training of medical technologists and personnel in other allied health professions, to improve the educational quality of the schools training such allied health professions personnel, and to strengthen and improve the existing student loan programs for medical, osteopathic, dental, podiatry, pharmacy, optometric, and nursing students, and for other purposes.

Allied Health
Professions
Personnel Train-
ing Act of 1966.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Allied Health Professions Personnel Training Act of 1966".

ADDITION OF PART G TO TITLE VII OF THE PUBLIC HEALTH SERVICE ACT

70 Stat. 717.
42 USC 292-
295g.

SEC. 2. Title VII of the Public Health Service Act is amended by adding at the end thereof the following new part:

"PART G—TRAINING IN THE ALLIED HEALTH PROFESSIONS

"GRANTS FOR CONSTRUCTION OF TEACHING FACILITIES FOR ALLIED HEALTH PROFESSIONS PERSONNEL

"Authorization of Appropriations

"SEC. 791. (a) (1) There are authorized to be appropriated for grants to assist in the construction of new facilities for training centers for

allied health professions, or replacement or rehabilitation of existing facilities for such centers, \$3,000,000 for the fiscal year ending June 30, 1967; \$9,000,000 for the fiscal year ending June 30, 1968; and \$13,500,000 for the fiscal year ending June 30, 1969.

"(2) Sums appropriated pursuant to paragraph (1) for a fiscal year shall remain available for grants under this section until the close of the next fiscal year.

"Approval of Applications for Construction Grants

"(b) (1) No application for a grant under this section may be approved unless it is submitted to the Surgeon General prior to July 1, 1968. The Surgeon General may from time to time set dates (not earlier than the fiscal year preceding the year for which a grant is sought) by which applications for grants under this section for any fiscal year must be filed.

"(2) A grant under this section may be made only if the application therefor is approved by the Surgeon General upon his determination that—

"(A) the applicant is a public or nonprofit private training center for allied health professions;

"(B) the application contains or is supported by reasonable assurances that (i) for not less than ten years after completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for sectarian instruction or as a place for religious worship, (ii) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (iii) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (iv) in the case of an application for a grant for construction to expand the training capacity of a training center for allied health professions, for the first full school year after the completion of the construction and for each of the nine years thereafter, the enrollment of full-time students at such center will exceed the highest enrollment of such students at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest enrollment, and the requirements of this clause (iv) shall be in addition to the requirements of section 792(b) (2), where applicable;

"(C) (i) in the case of an application for a grant for construction of a new facility, such application is for aid in the construction of a new training center for allied health professions, or construction which will expand the training capacity of an existing center, or (ii) in the case of an application for a grant for replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of an existing training center for allied health professions which are so obsolete as to require the center to curtail substantially either its enrollment or the quality of the training provided;

"(D) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

"(E) the application contains or is supported by adequate assurance that any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a5). The Secretary of Labor shall have, with respect to the labor standards specified in this subparagraph (E), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267), and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

"(3) Notwithstanding paragraph (2), in the case of an affiliated hospital, an application which is approved by the training center for allied health professions with which the hospital is affiliated and which otherwise complies with the requirements of this section, may be filed by any public or other nonprofit agency qualified to file an application under section 605.

"(4) In the case of any application, whether filed by a training center or, in the case of an affiliated hospital, by any other public or other nonprofit agency, for a grant under this section to assist in the construction of a facility which is a hospital or part of a hospital, as defined in section 625, only that portion of the project which the Surgeon General determines to be reasonably attributable to the need of such training center for the project for teaching purposes or in order to expand its training capacities or in order to prevent curtailment of enrollment or quality of training, as the case may be, shall be regarded as the project with respect to which payments may be made under this section.

"(5) In considering applications for grants, the Surgeon General shall take into account—

"(A) the extent to which the project for which the grant is sought will aid in increasing the number of training centers for allied health professions providing training in three or more of the curriculums which are specified in or pursuant to paragraph (1) (A) of section 795 and are related to each other to the extent prescribed in regulations;

"(B) (i) in the case of a project for a new training center for allied health professions or for expansion of the facilities of an existing center, the relative effectiveness of the proposed facilities in expanding the capacity for the training of students in the allied health professions involved and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, relative unavailability of allied health professions personnel of the kinds to be trained by such center, and available resources in various areas of the Nation for training such personnel); or

49 Stat. 1011;
78 Stat. 238.

63 Stat. 108.

78 Stat. 453.
42 USC 291e.

42 USC 291o.

"(ii) in the case of a project for replacement or rehabilitation of existing facilities of a training center for allied health professions, the relative need for such replacement or rehabilitation to prevent curtailment of the center's enrollment or deterioration of the quality of the training provided by the center, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the allied health professions involved (giving consideration to the factors mentioned above in subparagraph (i)); and

"(C) in the case of an applicant in a State which has in existence a State or local area agency involved in planning for facilities for the training of allied health professions personnel, or which participates in a regional or other interstate agency involved in planning for such facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

"Amount of Construction Grant; Payments

"(c)(1) The amount of any grant for a construction project under this section shall be such amount as the Surgeon General determines to be appropriate; except that (A) in the case of a grant for a project for a new training center for allied health professions, and in the case of a grant for a project for new facilities for an existing center where such facilities are of particular importance in providing a major expansion of the training capacity of such center, as determined in accordance with regulations, such amount may not exceed 66 $\frac{2}{3}$ per centum of the necessary cost of construction, as determined by the Surgeon General, of such project; and (B) in the case of any other grant, such amount may not exceed 50 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.

"(2) Upon approval of any application for a grant under this section, the Surgeon General shall reserve, from any appropriation available therefor, the amount of such grant as determined under paragraph (1); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Surgeon General may determine. The Surgeon General's reservation of any amount under this subsection may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

"(3) In determining the amount of any grant under this section, there shall be excluded from the cost of construction an amount equal to the sum of (A) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by the grant under this

section, and (B) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"Recapture of Payments

"(d) If, within ten years after completion of any construction for which funds have been paid under this section—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private training center for allied health professions, or

"(2) the facility shall cease to be used for the training purposes for which it was constructed (unless the Surgeon General determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

"GRANTS TO IMPROVE THE QUALITY OF TRAINING CENTERS FOR ALLIED HEALTH PROFESSIONS

"Authorization of Appropriations

"SEC. 792. (a) There are authorized to be appropriated \$9,000,000 for the fiscal year ending June 30, 1967; \$13,000,000 for the fiscal year ending June 30, 1968; and \$17,000,000 for the fiscal year ending June 30, 1969; for grants under this section to assist training centers for allied health professions to develop new or improved curriculums for training allied health professions personnel and otherwise improve the quality of their educational programs.

"Basic Improvement Grants

"(b) (1) Subject to the provisions of paragraph (2), the Surgeon General may, for each fiscal year in the period beginning July 1, 1966, and ending June 30, 1969, make to each training center for allied health professions whose application for a basic improvement grant has been approved by him a grant equal to the product obtained by multiplying \$5,000 by the number of curriculums specified in or pursuant to paragraph (1) (A) of section 795 in which such center provides training during such year, plus the product obtained by multiplying \$500 by the number of full-time students in such center receiving training in such curriculums.

"(2) The Surgeon General shall not make a grant under this subsection to any center unless the application for such grant contains or is supported by reasonable assurances that for the first school year beginning after the fiscal year for which such grant is made and each school year thereafter during which such a grant is made the enrollment of full-time students at such center will exceed the highest enrollment of such students in such center for any of the five school years during the period July 1, 1961, through July 1, 1966, by at least $2\frac{1}{2}$ per centum of such highest enrollment, or by three students whichever is greater. The requirements of this paragraph shall be in addition

to the requirements of section 791(b)(2)(B)(iv) of this Act, where applicable. The Surgeon General is authorized to waive (in whole or in part) the provisions of this paragraph if he determines that the required increase in enrollment of full-time students in a center cannot, because of limitations of physical facilities available to the center for training, be accomplished without lowering the quality of training for such students.

"Special Improvement Grants

"(c)(1) From the sums appropriated under subsection (a) for any fiscal year and not required for making grants under subsection (b), the Surgeon General may make an additional grant for such year to any training center for allied health professions which has an approved application therefor and for which an application has been approved under subsection (b), if he determines that the requirements of paragraph (2) are satisfied in the case of such applicant.

"(2) No special improvement grant shall be made under this section unless (A) the Surgeon General determines that such grant will be utilized by the recipient training center to contribute toward provision, maintenance, or improvement of specialized function which the center serves, and (B) such center provides or will, with the aid of grants under this part, within a reasonable time provide training in not less than three of the curriculums which are specified in or pursuant to paragraph (1)(A) of section 795 and are related to each other to the extent prescribed in regulations.

"(3) No grant to any center under this subsection may exceed \$100,000 for any fiscal year.

"Application for Grants

"(d)(1) The Surgeon General may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for basic or special improvement grants under this section for any fiscal year must be filed.

"(2) A grant under this section may be made only if the application therefor is approved by the Surgeon General upon his determination that—

"(A) it contains or is supported by assurances satisfactory to the Surgeon General that the applicant is a public or nonprofit private training center for allied health professions and will expend in carrying out its functions as such a center, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Surgeon General) from non-Federal sources which are at least as great as the average amount of funds expended by such applicant for such purpose in the three fiscal years immediately preceding the fiscal year for which such grant is sought;

"(B) it contains such additional information as the Surgeon General may require to make the determinations required of him under this section and such assurances as he may find necessary to carry out the purposes of this section; and

"(C) it provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Surgeon General may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section.

"(3) In considering applications for grants under subsection (c), the Surgeon General shall take into consideration the relative financial need of the applicant for such a grant and the relative effectiveness

of the applicant's plan in carrying out the purposes of such grants, and in contributing to an equitable geographical distribution of training centers offering high-quality training of allied health professions personnel.

"TRAINEESHIPS FOR ADVANCED TRAINING OF ALLIED HEALTH PROFESSIONS
PERSONNEL

"SEC. 793. (a) There are authorized to be appropriated \$1,500,000 for the fiscal year ending June 30, 1967; \$2,500,000 for the fiscal year ending June 30, 1968; and \$3,500,000 for the fiscal year ending June 30, 1969; to cover the cost of traineeships for the training of allied health professions personnel to teach health services technicians or in any of the allied health professions, to serve in any of such professions in administrative or supervisory capacities, or to serve in allied health professions specialties determined by the Surgeon General to require advanced training.

"(b) Traineeships under this section shall be awarded by the Surgeon General through grants to public or nonprofit private training centers for allied health professions.

"(c) Payments to centers under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Surgeon General finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Surgeon General finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

"DEVELOPMENT OF NEW METHODS

"SEC. 794. There are authorized to be appropriated \$750,000 for the fiscal year ending June 30, 1967; \$2,250,000 for the fiscal year ending June 30, 1968; and \$3,000,000 for the fiscal year ending June 30, 1969; for grants to public or nonprofit private training centers for allied health professions for projects to develop, demonstrate, or evaluate curriculums for the training of new types of health technologists.

"DEFINITIONS

"SEC. 795. For purposes of this part—

"(1) The term 'training center for allied health professions' means a junior college, college, or university—

"(A) which provides, or can provide, programs of education leading to a baccalaureate or associate degree or to the equivalent of either or to a higher degree in the medical technology, optometric technology, dental hygiene, or any of such other of the allied health professions curriculums as are specified by regulations, or which, if in a junior college provides a program (i) leading to an associate or an equivalent degree, (ii) of education in medical technology, optometric technology, dental hygiene, or any of such other of the allied health technical or professional curriculums as are specified by regulation, and (iii) acceptable for full credit toward a baccalaureate or equivalent degree in the allied health professions or designed to prepare the student to work as a technician in a health occupation specified by regulations of the Surgeon General,

"(B) which provides training for not less than a total of twenty persons in such curriculums,

“(C) which, if in a college or university which does not include a teaching hospital or in a junior college, is affiliated (to the extent and in the manner determined in accordance with regulations) with such a hospital,

“(D) which is (or is in a college or university, which is) accredited by a recognized body or bodies approved for such purpose by the Commissioner of education, or which is in a junior college which is accredited by the regional accrediting agency for the region in which it is located or there is satisfactory assurance afforded by such accrediting agency to the Surgeon General that reasonable progress is being made toward accreditation by such junior college, and

“(E) in the case of an applicant for a grant under section 793, which, if the college or university does not include a school of medicine, a school of osteopathy, school of optometry, or school of dentistry, as defined in paragraph (4) of section 724, as may be appropriate in the light of the training for which the grant is to be made, is affiliated (to the extent and in the manner determined in accordance with regulations) with such a school,

77 Stat. 169.
42 USC 293d.

except that an applicant for a grant for a construction project under section 791 which does not at the time of application meet the requirement of clause (B) shall be deemed to meet such requirement if the Surgeon General finds there is reasonable assurance that the unit will meet the requirement of clause (B) prior to the beginning of the academic year following the normal graduation date of the first entering class in such unit, or, if later, upon completion of the project for which assistance is requested and other projects (if any) under construction or planned and to be commenced within a reasonable time.

“(2) The term ‘full-time student’ means a student pursuing a full-time course of study, in one of the curriculums specified in or pursuant to paragraph (1)(A) of this section, leading to a baccalaureate or associate degree or to the equivalent of either, or to a higher degree, in a training center for allied health professions; regulations of the Surgeon General shall include provisions relating to determination of the number of students enrolled at a training center on the basis of estimates, or on the basis of the number of students enrolled in a training center in an earlier year, or on such basis as he deems appropriate for making such determination, and shall include methods of making such determinations when a training center was not in existence in an earlier year.

“(3) The term ‘nonprofit’ as applied to any training center for allied health professions means one which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

“(4) The terms ‘construction’ and ‘cost of construction’ include (A) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects’ fees, but not including the cost of acquisition of land (except in the case of acquisition of an existing building), off-site improvements, living quarters, or patient-care facilities, and (B) equipping new buildings and existing buildings, whether or not expanded, remodeled, or altered.

“(5) The term ‘affiliated hospital’ means a hospital, as defined in section 625, which is not owned by, but is affiliated (to the extent and in the manner determined in accordance with regulations) with, one or more training centers for allied health professions.

78 Stat. 460.
42 USC 291o.

"RECORDS AND AUDIT

"SEC. 796. (a) Each recipient of a grant under this part shall keep such records as the Surgeon General may prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is made or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such records as will facilitate an effective audit.

"(b) The Secretary of Health, Education, and Welfare and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient of any grant under this part which are pertinent to any such grant."

PER DIEM FOR ADVISORY COUNCILS

77 Stat. 169.
42 USC 293e.

SEC. 3. (a) Section 725(d) of the Public Health Service Act is amended by striking out "\$50" and inserting in lieu thereof "\$100".

78 Stat. 917.
42 USC 298.

(b) Section 841(c) of such Act is amended by striking out "\$75" and inserting in lieu thereof "\$100".

ADDITIONAL LOAN CANCELLATION FOR HEALTH PERSONNEL PRACTICING IN LOW-INCOME RURAL AREAS

79 Stat. 1057.
42 USC 294a.

SEC. 4. (a) Section 741(f) of the Public Health Service Act is amended by adding at the end thereof the following new sentence: "In the case of a physician, dentist, or optometrist, the rate shall be 15 per centum (rather than 10 per centum) for each year of such practice in an area in a State which for purposes of this subsection and for that year has been determined by the Secretary, pursuant to regulations and after consultation with the appropriate State health authority, to be a rural area characterized by low family income; and, for the purpose of any cancellation pursuant to this sentence, an amount equal to an additional 50 per centum of the total amount of such loans plus interest may be canceled."

ESTABLISHING A REVOLVING FUND FROM WHICH SCHOOLS MAY OBTAIN LOANS TO CAPITALIZE HEALTH PROFESSIONS STUDENT LOAN FUNDS UNDER TITLE VII—C OF THE PUBLIC HEALTH SERVICE ACT

77 Stat. 173.
42 USC 294d.

SEC. 5. (a) Section 744 of the Public Health Service Act (relating to loans to schools) is amended to read as follows:

"LOANS TO SCHOOLS; REVOLVING FUND

"Loans to Schools

42 USC 294.
42 USC 293a.

"SEC. 744. (a) (1) During the fiscal years ending June 30, 1967, and June 30, 1968, the Secretary may make loans, from the revolving fund established by subsection (d), to any public or other nonprofit school referred to in section 740(a) which is located in a State and is accredited as provided in section 721(b)(1)(B), to provide all or part of the capital needed by any such school for making loans to students under this section (other than capital needed to finance the institutional contributions required by section 740(b)(2)(B)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 741. The requirement in section 740(b)(2)(B) with respect to institutional contributions

to student loan funds shall not apply to loans made to schools under this section.

“(2) A loan to a school under this section may be upon such terms and conditions, consistent with applicable provisions of section 740, as the Secretary deems appropriate. If the Secretary deems it to be necessary to assure that the purposes of this section will be achieved, these terms and conditions may include provisions making the school's obligation to the Secretary on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Secretary may approve. Such a loan shall bear interest at a rate which the Secretary determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Secretary under this section, and (B) probable losses.

77 Stat. 170.
42 USC 294.

“Payments to Schools To Cover Certain Costs Incurred in Making Student Loans From Borrowed Funds

“(b) If a school borrows any sums under this section, the Secretary shall agree to pay to the school (1) an amount equal to 90 per centum of the loss to the school from defaults on student loans made from such sums, (2) the amount by which the interest payable by the school on such sums exceeds the interest received by it on student loans made from such sums, (3) an amount equal to the collection expenses authorized by section 740(b) (3) to be paid out of a student loan fund with respect to such sums, and (4) the amount of principal which is canceled pursuant to section 741 (d) or (f) with respect to student loans made from such funds. There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the purposes of this subsection.

79 Stat. 1057.
42 USC 294a.

“Limitation on Loans From Revolving Fund

“(c) The total of the loans made in any fiscal year under this section may not exceed the lesser of (1) such limitations as may be specified in appropriation Acts, and (2) the difference between \$35,000,000 and the amount of Federal funds (other than loans under this section) deposited in student loan funds under this part for that year.

“Revolving Fund

“(d) (1) There is hereby created within the Treasury a health professions education fund (hereinafter in this section called ‘the fund’) which shall be available to the Secretary without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847-849) for wholly owned Government Corporations.

59 Stat. 598;
61 Stat. 584.

“(2) The fund shall consist of appropriations paid into the fund pursuant to section 742(a), appropriations made pursuant to this subsection, all amounts received by the Secretary as interest payments or repayments of principal on loans under this section, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

77 Stat. 172.
42 USC 294b.

78 Stat. 800.
12 USC 1717.
Ante, p. 164.

"(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Secretary under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Secretary in connection with the sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid out for loans under this section, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

"(4) In addition to the sums authorized to be appropriated by section 742(a), there are authorized to be appropriated to the fund established by this subsection \$10,000,000 for the fiscal year ending June 30, 1967."

Allotment Among Schools of Funds for Federal Capital Deposits and Loans to Schools

77 Stat. 172.
42 USC 294b.

(b) (1) Subsection (a) of section 742 of the Public Health Service Act is amended by striking out everything after "appropriated" in the last sentence and substituting therefor the following: "under this section for the fiscal year ending June 30, 1967, or any subsequent fiscal year shall be available to the Secretary (1) for payments into the fund established by section 744(d), and (2) for making Federal capital contributions into loan funds at schools which have established loan funds under this part.

Ante, p. 1230.

(2) Subsection (b) (1) of such section 742 is amended to read as follows: "The Secretary shall from time to time set dates by which schools must file applications for Federal capital contributions, and for loans pursuant to section 744."

(3) That part of the first sentence of subsection (b) (2) of such section 742 which precedes clause (A) is amended by substituting "section" for "part".

(4) Such subsection (b) of such section 742 is further amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following:

"(3) Funds available in any fiscal year for payment to schools under this part (whether as Federal capital contributions or as loans to schools under section 744) which are in excess of the amount appropriated pursuant to this section for that year shall be allotted among schools in such manner as the Secretary determines will best carry out the purposes of this part."

Conforming Changes

42 USC 294.

(c) (1) Clauses (A) and (B) of subsection (b) (2) of section 740 of such Act are amended to read: "(A) the Federal capital contributions to the fund, (B) an amount equal to not less than one-ninth of such Federal capital contributions, contributed by such institution,".

(2) (A) So much of section 743(a) of such Act as precedes paragraph (1) is amended by striking out "this part" and inserting in lieu thereof "an agreement pursuant to section 740(b)".

77 Stat. 172.
42 USC 294c.

(B) Paragraph (1) of such section 743(a) is amended by striking out "total amount of the allotments to such fund by the Secretary under this part bears to the total amounts in such fund derived from such allotments" and inserting in lieu thereof "total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 740(b) (2) (A) bears to the total amount in such fund derived from such Federal capital contributions" and by striking out "the balance" and inserting in lieu thereof "such balance".

Ante, p. 1232.

(3) Subsection (b) of such section 743 is amended by inserting "(other than so much of such fund as relates to payments from the revolving fund established by section 744(d))" after "loan fund established pursuant to such agreement".

Ante, p. 1231.

Effective Date

(d) (1) The amendments made by this section shall be effective in the case of payments to student loan funds made after the enactment of this Act, except in the case of payments pursuant to commitments (made prior to enactment of this Act) to make loans under section 744 of the Public Health Service Act as in effect prior to the enactment of this Act.

(2) The Secretary of Health, Education, and Welfare is authorized, at the request of any institution, to take such steps as are necessary to convert a Federal capital contribution (which shall include the amount allocated to it under section 740(b) (2) (A) of the Public Health Service Act) to a student loan fund of such institution, made under title VII of the Public Health Service Act from funds appropriated pursuant thereto for the fiscal year ending June 30, 1967, to a loan under section 744 of such Act as amended by this Act.

ESTABLISHING A REVOLVING FUND FROM WHICH SCHOOLS OF NURSING MAY OBTAIN LOANS TO CAPITALIZE STUDENT LOAN FUNDS UNDER TITLE VIII—B OF THE PUBLIC HEALTH SERVICE ACT

SEC. 6. (a) Section 827 of the Public Health Service Act (relating to loans to schools of nursing) is amended to read as follows:

78 Stat. 917.
42 USC 297f.

"LOANS TO SCHOOLS; REVOLVING FUND

"Loans to Schools

"SEC. 827. (a) (1) During the fiscal years ending June 30, 1967, and June 30, 1968, the Secretary may make loans, from the revolving fund established by subsection (d), to any public or nonprofit private school of nursing which is located in a State, to provide all or part of the capital needed by any such school for making loans to students under this section (other than capital needed to make the institutional contributions required of schools by section 822(b) (2) (B)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 823. The requirement in section 822(b) (2) (B) with respect to institutional contributions by schools to student loan funds shall not apply to loans made to schools under this section.

42 USC 297a.

42 USC 297b.

"(2) A loan to a school under this section may be upon such terms and conditions, consistent with applicable provisions of section 822, as the Secretary deems appropriate. If the Secretary deems it to be

necessary to assure that the purposes of this section will be achieved, these terms and conditions may include provisions making the school's obligation to the Secretary on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Secretary may approve. Such a loan shall bear interest at a rate which the Secretary determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Secretary under this section, and (B) probable losses.

"Payments to Schools To Cover Certain Costs Incurred in Making Student Loans From Borrowed Funds

"(b) If a school of nursing borrows any sums under this section, the Secretary shall agree to pay to the school (1) an amount equal to 90 per centum of the loss to the school from defaults on student loans made from such sums, (2) the amount by which the interest payable by the school on such sums exceeds the interest received by it on student loans made from such sums, (3) an amount equal to the amount of collection expenses authorized by section 822(b) (3) to be paid out of a student loan fund with respect to such sums and (4) the amount of principal which is canceled pursuant to section 823(b) (3) or (4) with respect to student loans made from such sums. There are authorized to be appropriated without fiscal-year limitation such sums as may be necessary to carry out the purposes of this subsection.

78 Stat. 913.
42 USC 297a.

42 USC 297b.

"Limitation on Loans

"(c) The total of the loans made in any fiscal year under this section shall not exceed the lesser of (1) such limitations as may be specified in appropriation Acts, and (2) the difference between \$35,000,000 and the amount of Federal capital contributions paid under this title for that year.

"Revolving Fund

"(d) (1) There is hereby created within the Treasury a nurse training fund (hereinafter in this section called 'the fund') which shall be available to the Secretary without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847-849) for wholly owned Government corporations.

59 Stat. 598;
61 Stat. 584.

42 USC 297c.

"(2) The fund shall consist of appropriations paid into the fund pursuant to section 824, appropriations made pursuant to this subsection, all amounts received by the Secretary as interest payments or repayments of principal on loans under this section, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

"(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Secretary under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Secretary in connection with the sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least

Ante, p. 164.

at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid out for loans under this section, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

“(4) In addition to the sums authorized to be appropriated by section 824, there are authorized to be appropriated to the fund established by this subsection \$2,000,000 for the fiscal year ending June 30, 1967.”

(b) Section 824 of the Public Health Service Act is amended by striking out the last sentence and substituting therefor the following: “Sums appropriated pursuant to this section for the fiscal year ending June 30, 1967, or any subsequent fiscal year shall be available to the Secretary (1) for payments into the fund established by section 827(d), and (2) in accordance with agreements under this part, for Federal capital contributions to schools with which such agreements have been made, to be used, together with deposits in such funds pursuant to section 822(b) (2) (B), for establishment and maintenance of student loan funds.”

78 Stat. 915.
42 USC 297c.

Ante, p. 1234.

42 USC 297a.

Allotment of Funds for Federal Capital Contributions and Loans to Schools

(c) (1) Section 825(a) of the Public Health Service Act (relating to allotments of appropriations among States) is amended by inserting “for payment as Federal capital contributions or as loans to schools under section 827)” after “shall be allotted” in the first sentence, and by adding at the end of subsection (a) the following new sentence “Funds available in any fiscal year for payment to schools under this part (whether as Federal capital contributions or as loans to schools under section 827) which are in excess of the amount appropriated pursuant to section 824 for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this part.”

42 USC 297d.

(2) Section 825(b) (1) of such Act (relating to the allocation of Federal capital contributions to schools) is amended to read as follows:

“(b) (1) The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions, and for loans pursuant to section 827, from the allotment of such State under the first two sentences of subsection (a) of this section.”

Conforming Amendment

(d) (1) So much of section 826(a) of such Act as precedes paragraph (1) is amended by striking out “this part” and inserting in lieu thereof “an agreement pursuant to section 822(b)”.

42 USC 297e.

(2) Paragraph (1) of such section 826(a) is amended by striking out “the balance” and inserting in lieu thereof “such balance”.

(3) Subsection (b) of such section 826 is amended by inserting “(other than so much of such fund as relates to payments from the

Ante, p. 1234.

revolving fund established by section 827(d))” after “loan fund established pursuant to such agreement”.

Effective Date

(e) (1) The amendments made by this section shall be effective in the case of payments to student loan funds made after the enactment of this Act, except in the case of payments pursuant to commitments (made prior to enactment of this Act) to make loans under section 827 of the Public Health Service Act as in effect prior to the enactment of this Act.

(2) The Secretary of Health, Education, and Welfare is authorized, at the request of any institution, to take such steps as are necessary to convert a Federal capital contribution (which shall include the amount allocated to it under section 822(b) (2) (A) of the Public Health Service Act) to a student loan fund of such institution, made under title VIII of the Public Health Service Act from funds appropriated pursuant thereto for the fiscal year ending June 30, 1967, to a loan under section 827 of such Act as amended by this Act.

78 Stat. 913.
42 USC 297 a.

CONFORMING AMENDMENT TO THE FEDERAL NATIONAL MORTGAGE ASSOCIATION CHARTER ACT

Ante, p. 164.
12 USC 1717.

SEC. 7. Section 302(c) (2) (B) of the Federal National Mortgage Association Act is amended to read as follows:

“(B) The Department of Health, Education, and Welfare, but only with respect to loans made by the Commissioner of Education for construction of academic facilities, and loans to help finance student loan programs.”

TRANSFERABILITY OF CONSTRUCTION GRANTS: OPPORTUNITY GRANTS FOR NURSING EDUCATION

78 Stat. 908.
42 USC 296.

SEC. 8. (a) Section 801 of the Public Health Service Act is amended by adding at the end thereof the following new sentence: “Notwithstanding any other provision of this title, whenever the Surgeon General determines that any part of any amount appropriated, for any fiscal year, to carry out the purposes of either paragraph (1) or paragraph (2) of subsection (a) will not likely be utilized for such purposes during such year, he shall transfer such part to the amounts which are appropriated to carry out the purposes of the other such paragraph, if he has reason to believe that such part can be used for such purposes.”

42 USC 296-
298b.

(b) Title VIII of the Public Health Service Act is further amended by adding at the end thereof the following:

“PART D—OPPORTUNITY GRANTS FOR NURSING EDUCATION

“STATEMENT OF PURPOSE AND APPROPRIATIONS AUTHORIZED

“SEC. 861. (a) It is the purpose of this part to provide, through schools of nursing (as defined in section 843(b)), nursing educational opportunity grants to assist in making available the benefits of nursing education to qualified high school graduates of exceptional financial need, who for lack of financial means of their own or of their families would be unable to obtain such benefits without such aid.

“(b) There are hereby authorized to be appropriated \$3,000,000 for the fiscal year ending June 30, 1967, \$5,000,000 for the fiscal year ending June 30, 1968, and \$7,000,000 for the fiscal year ending June 30, 1969, to enable the Secretary to make payments to schools of nursing

that have agreements with him entered into under section 867, for use by such schools for payments to undergraduate students for the nursing educational opportunity grants awarded to them under this part. Sums appropriated pursuant to this subsection for any fiscal year shall be available for payment to institutions until the close of the fiscal year succeeding the fiscal year for which they were appropriated.

“AMOUNT OF NURSING EDUCATIONAL OPPORTUNITY GRANT—ANNUAL
DETERMINATION

“SEC. 862. From the funds received by it for such purpose under this part, a school of nursing which awards a nursing educational opportunity grant to a student under this part shall, for the duration of the grant, pay to that student for each academic year during which he is in need of grant aid to pursue a course of study at such school, an amount determined by the institution for such student with respect to that year, which amount shall not exceed—

“(1) the lesser of \$800 or one-half of the sum of the amount of student financial aid (including assistance under title IV of the Higher Education Act of 1965, but excluding assistance under work-study programs) provided such student by such school and any assistance provided such student under any scholarship program established by a State or a private institution or organization, as determined in accordance with regulations of the Secretary, or

“(2) in the case of a student who during the preceding academic year at a school of nursing received grades placing him in the upper half of his class, the amount determined under paragraph (1) plus \$200.

If the amount of the payment, determined pursuant to this section, for an academic year is less than \$200 for any student, no payment shall be made under this part to such student for such year. The Secretary shall, subject to the foregoing limitation, prescribe for the guidance of participating institutions basic criteria or schedules (or both) for the determination of the amount of any such nursing educational opportunity grant, taking into account the objective of limiting grant aid under this part to students of exceptional financial need and such other factors, including the number of dependents in the family, as the Secretary may deem relevant.

“DURATION OF NURSING EDUCATIONAL OPPORTUNITY GRANT

“SEC. 863. The duration of a nursing educational opportunity grant awarded under this part shall be the period required for completion by the recipient of his undergraduate course of study in the nursing school from which he received such grant, except that such period shall not exceed four academic years less any such period with respect to which the recipient has previously received payments under this part pursuant to a prior nursing educational opportunity grant (whether made by the same or another school of nursing). An educational opportunity grant awarded under this part shall entitle the recipient to payments only if he (1) is maintaining satisfactory progress in the course of nurse training which he is pursuing, according to the regularly prescribed standards and practices of the school of nursing from which he received the grant, and (2) is devoting essentially full time to such course of study, during the academic year, in attendance at such school. Failure to be in attendance at the school of nursing during vacation periods or periods of military service, or during other periods during which the Secretary determines in accordance with regulations that there is good cause for his nonattendance

79 Stat. 1232.
20 USC 1061-
1085.

(during which periods he shall receive no payments) shall not be deemed contrary to clause (2) of the preceding sentence.

“SELECTION OF RECIPIENTS OF NURSING EDUCATIONAL OPPORTUNITY
GRANTS

“SEC. 864. (a) An individual shall be eligible for the award of a nursing educational opportunity grant under this part at any school of nursing which has made an agreement with the Secretary pursuant to section 867 (which school is hereinafter in this part referred to as an ‘eligible school’), if the individual makes application at the time and in the manner prescribed by such school.

“(b) From among those eligible for nursing educational opportunity grants from a school of nursing for each fiscal year, such school shall, in accordance with the provisions of its agreement with the Secretary under section 867 and within the amounts allocated to the school for that purpose for such year under section 866, select individuals who are to be awarded such grants and determine, pursuant to section 862, the amounts to be paid to them. A school of nursing shall not award a nursing educational opportunity grant to an individual unless it determines that—

“(1) he has been accepted for enrollment as a full-time student at such school or, in the case of a student already attending such school, is in good standing and in full-time attendance there as an undergraduate student;

“(2) he shows evidence of academic or creative promise and capability of maintaining good standing in his course of study;

“(3) he is of exceptional financial need; and

“(4) he would not, but for a nursing educational opportunity grant, be financially able to pursue a course of study at such school.

“ALLOTMENT OF NURSING EDUCATIONAL OPPORTUNITY GRANT FUNDS
AMONG STATES

“SEC. 865. (a) From the sums appropriated pursuant to the first sentence of section 861(b) for any fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in schools of nursing in such State bears to the total number of persons enrolled on a full-time basis in schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him.

“(b) If the total of the sums determined by the Secretary to be required under section 866 for any fiscal year for eligible schools of nursing in a State is less than the amount of the allotment to that State under paragraph (1) for that year, the Secretary may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in such manner as he determines will best assist in achieving the purposes of this part.

“ALLOCATION OF ALLOTTED FUNDS TO SCHOOLS OF NURSING

“SEC. 866. (a) The Secretary shall from time to time set dates by which eligible schools of nursing in any State must file applications for allocation to such schools of nursing educational opportunity grant funds from the allotment to that State (including any reallocation thereto) for any fiscal year pursuant to section 865(a), to be used for

the purposes specified in the first sentence of section 861(b). Such allocations shall be made in accordance with equitable criteria which the Secretary shall establish and which shall be designed to achieve such distribution of such funds among eligible schools of nursing within a State as will most effectively carry out the purposes of this part.

“(b) Payment shall be made from allocations under this section to schools of nursing as needed.

“AGREEMENTS WITH SCHOOLS OF NURSING—CONDITIONS

“SEC. 867. A school of nursing, which desires to obtain funds for nursing education opportunity grants under this part, shall enter into an agreement with the Secretary. Such agreement shall—

“(1) provide that funds received by the school under this part will be used by it only for the purposes specified in, and in accordance with, the provisions of this part;

“(2) provide that in determining whether an individual meets the requirements of section 864(b)(3) the school will (A) consider the source of such individual's income and that of any individual or individuals upon whom the student relies primarily for support, and (B) make an appropriate review of the assets of the student and of such individuals;

“(3) provide that the school, in cooperation with other schools of nursing where appropriate, will make vigorous efforts to identify qualified youth of exceptional financial need and to encourage them to continue their education in the field of nursing beyond the secondary school through programs and activities such as—

“(A) establishing or strengthening close working relationships with secondary-school principals and guidance counseling personnel with a view toward motivating studies to complete secondary school and pursue post-secondary-school nursing educational opportunities, and

“(B) making, to the extent feasible, conditional commitments for nursing educational opportunity grants to qualified secondary school students with special emphasis on students enrolled in grade 11 or lower grades who show evidences of academic or creative promise;

“(4) provide assurance that the school will continue to spend in its own scholarship and student-aid program, from sources other than funds received under this part, not less than the average expenditure per year made for that purpose during the most recent period of three fiscal years preceding the effective date of the agreement;

“(5) include provisions designed to make nursing educational opportunity grants under this part reasonably available (to the extent of available funds) to all eligible students in the school in need thereof; and

“(6) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this part.

“CONTRACTS TO ENCOURAGE FULL UTILIZATION OF NURSING EDUCATIONAL TALENT

“SEC. 868. (a) To assist in achieving the purposes of this part the Secretary is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5)) to enter into contracts, not to exceed \$100,000

per year, with State and local educational agencies and other public or nonprofit organizations and institutions for the purpose of—

“(1) identifying qualified youths of exceptional financial need and encouraging them to complete secondary school and undertake post-secondary educational training in the field of nursing, or

“(2) publicizing existing forms of financial aid for nursing students, including aid furnished under this part.

“(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section.

“DEFINITION OF ACADEMIC YEAR

“SEC. 869. As used in this part, the term ‘academic year’ means an academic year or its equivalent as defined in regulations of the Secretary.”

REORGANIZATION PLAN NUMBERED 3 OF 1966

Post, p. 1610.

SEC. 9. The amendments made by this Act shall be subject to the provisions of Reorganization Plan Numbered 3 of 1966.

Approved November 3, 1966, 12:19 p.m.

Public Law 89-752

November 3, 1966
[H. R. 14644]

AN ACT

To amend the Higher Education Facilities Act of 1963, the Higher Education Act of 1965, and the National Defense Education Act of 1958.

Higher Education
Amendments
of 1966.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Higher Education Amendments of 1966”.

EXTENSION OF GRANTS FOR CONSTRUCTION OF UNDERGRADUATE ACADEMIC FACILITIES

77 Stat. 364.
20 USC 711.

SEC. 2. (a) Section 101(a) of the Higher Education Facilities Act of 1963 is amended by striking out “four succeeding fiscal years” and inserting in lieu thereof “seven succeeding fiscal years”.

(b) Section 101(b) of such Act is amended to read as follows:

“(b) For the purpose of making grants under this title, there is hereby authorized to be appropriated the sum of \$230,000,000 for the fiscal year ending June 30, 1964, and for the succeeding fiscal year, \$460,000,000 for the fiscal year ending June 30, 1966, \$475,000,000 for the fiscal year ending June 30, 1967, \$728,000,000 for the fiscal year ending June 30, 1968, and \$936,000,000 for the fiscal year ending June 30, 1969; but for the fiscal year ending June 30, 1970, and the succeeding fiscal year, only such sums may be appropriated as Congress may hereafter authorize by law. In addition to the sums authorized to be appropriated for each fiscal year for which an appropriation is authorized by the preceding sentence, there is hereby authorized to be appropriated for that fiscal year for making such grants the difference (if any) between any specific sums authorized to be appro-