

Public Law 90-575

AN ACT

October 16, 1968
[S. 3769]

To amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related Acts.

Higher Education
Amendments
of 1968.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Higher Education Amendments of 1968".

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TITLE I—STUDENT ASSISTANCE

PART A—AMENDMENTS TO EDUCATIONAL OPPORTUNITY GRANT
PROGRAM

EXTENSION OF EDUCATIONAL OPPORTUNITY GRANT PROGRAM

SEC. 101. (a) The first sentence of section 401(b) of the Higher Education Act of 1965 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "three succeeding fiscal years, \$100,000,000 for the fiscal year ending June 30, 1970, and \$140,000,000 for the fiscal year ending June 30, 1971".

79 Stat. 1232.
20 USC 1061.

(b) (1) Such section is further amended by striking out the second sentence thereof.

(2) Sections 405(b), 406(b), and 407(b) (2) of such Act are each amended by striking out "third sentence" and inserting in lieu thereof "second sentence".

20 USC 1065-
1067.

MAXIMUM AMOUNT OF EDUCATIONAL OPPORTUNITY GRANT; TREATMENT
OF WORK-STUDY ASSISTANCE FOR MATCHING PURPOSES

SEC. 102. The first sentence of section 402 of the Higher Education Act of 1965 is amended by striking out all that follows "which amount" and inserting in lieu thereof the following: "shall not exceed the lesser of \$1,000 or one-half of the sum of the amount of student financial aid (including assistance under this title, and including compensation paid under a work-study program assisted under part C of this title) provided such student by such institution 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 Commissioner."

20 USC 1062.

ADMINISTRATIVE EXPENSES

SEC. 103. Effective for fiscal years ending on or after June 30, 1970, section 407(a) (1) of the Higher Education Act of 1965 is amended by inserting before the semicolon the following: "and of section 463 of this Act (relating to administrative expenses)".

20 USC 1067.

Post, p. 1033.

REVISION OF MAINTENANCE OF EFFORT PROVISION

79 Stat. 1234.
20 USC 1067.

SEC. 104. Effective for fiscal years ending on or after June 30, 1970, section 407 (a) (4) of the Higher Education Act of 1965 is amended to read as follows:

Post, p. 1033.

“(4) provide that the institution will meet the requirements of section 464 of this Act (relating to maintenance of effort);”.

CONSOLIDATION AND REVISION OF TALENT SEARCH AND UPWARD BOUND PROGRAMS; SPECIAL SERVICES TO DISADVANTAGED STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

20 USC 1068.

SEC. 105. (a) Section 408 of the Higher Education Act of 1965 is amended to read as follows:

“IDENTIFYING QUALIFIED LOW-INCOME STUDENTS; PREPARING THEM FOR POST SECONDARY EDUCATION; SPECIAL SERVICES FOR SUCH STUDENTS IN INSTITUTIONS OF HIGHER EDUCATION

“SEC. 408. (a) To assist in achieving the objectives of this part the Commissioner is authorized (without regard to section 3709 of the Revised Statutes (41 U.S.C. 5))—

“(1) to make grants to, or contracts with, institutions of higher education and combinations of institutions of higher education for planning, developing, or carrying out one or more of the programs described in subsection (b),

“(2) to make grants to, or contracts with, public and private nonprofit agencies and organizations (including professional and scholarly associations) and to make contracts with public and private agencies and organizations for planning, developing, or carrying out Talent Search programs described in subsection (b) (1), and

“(3) in exceptional cases, to make grants to, or contracts with, secondary schools, and postsecondary educational institutions accredited by a State, for planning, developing, or carrying out Upward Bound programs described in subsection (b) (2).

No grant or contract for planning, developing, or carrying out a Talent Search program described in subsection (b) (1) may exceed \$100,000 per year.

“(b) The programs referred to in subsection (a) are—

“(1) programs, to be known as ‘Talent Search’, designed to—

“(A) identify qualified youths of financial or cultural need with an exceptional potential for postsecondary educational training and encourage them to complete secondary school and undertake postsecondary educational training.

“(B) publicize existing forms of student financial aid, including aid furnished under this title, and

“(C) encourage secondary-school or college dropouts of demonstrated aptitude to reenter educational programs, including post-secondary-school programs;

“(2) programs, to be known as ‘Upward Bound’, (A) which are designed to generate skills and motivation necessary for success in education beyond high school and (B) in which enrollees from low-income backgrounds and with inadequate secondary-school preparation participate on a substantially full-time basis during all or part of the program; or

“(3) programs, to be known as ‘Special Services for Disadvantaged Students’, of remedial and other special services for students

with academic potential (A) who are enrolled or accepted for enrollment at the institution which is the beneficiary of the grant or contract, and (B) who, by reason of deprived educational, cultural, or economic background, or physical handicap, are in need of such services to assist them to initiate, continue, or resume their postsecondary education.

“(c) (1) Upward Bound programs under paragraph (2) of subsection (b) must include arrangements to assure cooperation among one or more institutions of higher education and one or more secondary schools. Such programs must include necessary health services. Enrollees in such programs may not receive stipends in excess of \$30 per month. The cost of carrying out any such program may not exceed \$150 per enrollee per month. Federal financial assistance by way of grant or contract for such a program may not be in excess of 80 per centum of the cost of carrying out such program. Such programs shall be carried on within the States.

“(2) Special Services for Disadvantaged Students programs carried on under paragraph (3) of subsection (b) may provide, among other things, for—

“(A) counseling, tutorial, or other educational services, including special summer programs, to remedy such students' academic deficiencies,

“(B) career guidance, placement, or other student personnel services to encourage or facilitate such students' continuance or reentrance in higher education programs, or

“(C) identification, encouragement, and counseling of any such students with a view to their undertaking a program of graduate or professional education.

“(d) There are authorized to be appropriated to carry out this section \$10,000,000 in the fiscal year ending June 30, 1969 (of which \$500,000 shall be available in connection with planning and related activities for Upward Bound programs described in subsection (b) (2)), \$56,680,000 for the fiscal year ending June 30, 1970, and \$96,000,000 for the fiscal year ending June 30, 1971.”

Appropriation
authorization.

(b) Effective July 1, 1969, section 222(a) of the Economic Opportunity Act of 1964 is amended by striking out paragraph (5) and by redesignating paragraphs (6), (7), and (8) (and references thereto) as paragraphs (5), (6), and (7).

81 Stat. 698.
42 USC 2809.

(c) (1) On July 1, 1969, all functions, powers, and duties of the Director of the Office of Economic Opportunity with respect to Upward Bound programs, are transferred to the Commissioner of Education. No provision of law which limits the number of persons who may be appointed as full-time civilian employees, or temporary and part-time employees, in the executive branch of the Government shall apply to employees of the Office of Education whose duties the Director of the Bureau of the Budget determines primarily relate (A) to programs carried out under section 408(b) (2) of the Higher Education Act of 1965, or (B) to functions transferred by this paragraph. In applying any such provision of law to the departments and agencies in the executive branch, the number of such employees of the Office of Education shall not be taken into account.

Ante, p. 1018.

(2) For purposes of this subsection the term “Upward Bound program” means a program carried out under section 222(a) (5) of the Economic Opportunity Act of 1964 (as so designated prior to the amendment made by subsection (b) of this section) or a comparable program carried out under section 221 of such Act.

“Upward Bound
program.”

42 USC 2808.

PART B—AMENDMENTS TO INSURED STUDENT LOAN PROGRAM

EXTENSION OF AUTHORITY FOR PAYMENTS TO REDUCE STUDENT INTEREST COSTS; ELIMINATION OF AUTHORITY TO MAKE SUCH PAYMENTS DURING REPAYMENT PERIOD

79 Stat. 1240;
Ante, p. 634.
20 USC 1078.

SEC. 111. (a) Section 428(a) (4) of the Higher Education Act of 1965 is amended by striking out "October 31, 1968" and inserting in lieu thereof "June 30, 1971, except that, in the case of a loan made or insured under a student loan or loan insurance program to enable a student who has obtained a prior loan made or insured under such program to continue his educational program, such period shall end at the close of June 30, 1975".

(b) (1) (A) The portion of the first sentence of section 428(a) (1) which follows subparagraph (C) is amended by striking out "over the period of the loan,".

(B) The first sentence of section 428(a) (2) of such Act is amended by striking out "and 3 per centum per annum of the principal amount of the loan (excluding interest which has been added to principal) thereafter".

Effective date.

(2) The amendments made by this subsection shall apply to loans made on or after the sixtieth day after the date of enactment of this Act, except that such amendments shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day. An application for a certificate of insurance or of comprehensive insurance coverage pursuant to section 429 of such Act shall be issued or shall be effective on or after such sixtieth day with respect to loans made prior to such sixtieth day without regard to such amendments.

20 USC 1079.

EXTENSION OF FEDERAL LOAN INSURANCE PROGRAM AND OF AUTHORITY TO GUARANTEE OUTSTANDING NON-FEDERALLY INSURED LOANS

Ante, p. 634.

SEC. 112. (a) Subsection (a) of section 424 of the Higher Education Act of 1965 is amended (1) in the first sentence by striking out "period thereafter ending October 31, 1968" and inserting in lieu thereof "fiscal year ending June 30, 1968, and each of the three succeeding fiscal years"; and (2) in the second sentence by striking out "October 31, 1968" and inserting in lieu thereof "June 30, 1975".

Ante, p. 637.

(b) Section 428(c) (5) of such Act is amended by striking out "October 31, 1968" and inserting in lieu thereof "September 1, 1969".

REPAYMENT BY COMMISSIONER OF LOANS OF DECEASED OR DISABLED BORROWERS

20 USC 1071-
1086.

SEC. 113. (a) Part B of title IV of such Act is amended by inserting at the end thereof the following new section:

"REPAYMENT BY COMMISSIONER OF LOANS OF DECEASED OR DISABLED BORROWERS

20 USC 1078.

"SEC. 437. If a student borrower who has received a loan with respect to which a portion of the interest (1) is payable by the Commissioner under section 428(a), or (2) would be payable but for the adjusted family income of the borrower, dies or becomes permanently and totally disabled (as determined in accordance with regulations of the Commissioner), then the Commissioner shall discharge the borrower's liability on the loan by repaying the amount owed on the loan."

(b) (1) Section 421(b) (2) of the Higher Education Act of 1965 is amended by inserting after "on student loans" the following: "and for payments under section 437".

79 Stat. 1236.
20 USC 1071.
Ante, p. 1020.
20 USC 1077.

(2) Section 427(a) (2) (E) of such Act is amended by inserting after the comma at the end thereof the following: "and that the lender will enter into such agreements with the Commissioner as may be necessary for the purpose of section 437".

(3) Section 428(b) (2) (B) of such Act is amended by inserting after "of this part" the following: ", including such provisions as may be necessary for the purpose of section 437".

20 USC 1078.

(4) Section 428(c) of such Act is amended by striking out in paragraph (1) "death, or permanent and total disability", by striking the last sentence of paragraph (3), and by amending paragraph (4) to read as follows:

Ante, p. 636.

"(4) For purposes of this subsection, the terms 'insurance beneficiary' and 'default' shall have the meanings assigned to them by section 430(e)."

20 USC 1080.

(5) Section 430 of such Act is amended—

(A) by striking out in the section heading, "DEATH, OR DISABILITY";

(B) by striking out in the first sentence of subsection (a) "or upon the death of the student borrower or a finding by the insurance beneficiary that the borrower has become totally and permanently disabled (as determined in accordance with regulations established by the Commissioner) before the loan has been repaid in full"; and

(C) by striking out in subsection (c) all that follows "payment on that insurance" and inserting in lieu thereof a period.

(c) The amendments made by this section shall apply only with respect to loans made on or after the sixtieth day following the date of enactment of this Act.

Effective date.

FEDERAL ADVANCES TO RESERVE FUNDS OF NON-FEDERAL STUDENT LOAN INSURANCE PROGRAMS

SEC. 114. (a) (1) Section 421(b) of the Higher Education Act of 1965 is amended by striking out "and" at the end of paragraph (2); by striking out the period at the end of the first sentence of that subsection and inserting in lieu thereof ", and"; and by adding thereafter the following new paragraph:

"(4) there is authorized to be appropriated the sum of \$12,500,000 for making advances after June 30, 1968, pursuant to section 422 for the reserve funds of State and nonprofit private student loan insurance programs."

20 USC 1072.

(2) The second sentence of section 421(b) of such Act is amended by striking out "under clauses (1) and (2)" and inserting in lieu thereof "under clauses (1), (2), and (4)".

(b) Section 422(a) of such Act is amended—

(1) by striking out "clause (3)" in the first sentence of paragraph (1) and inserting in lieu thereof "clauses (3) and (4)", and by striking out "of the fiscal years ending June 30, 1966, June 30, 1967, or June 30, 1968," and inserting in lieu thereof "fiscal year" in the second sentence of such paragraph; and

(2) by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) No advance shall be made after June 30, 1968, unless matched by an equal amount from non-Federal sources. Such equal amount may include the unencumbered non-Federal portion of a reserve fund. As used in the preceding sentence, the term 'unencumbered non-Federal portion' means the amount (determined as of the time immediately pre-

"Unencumbered non-Federal portion."

ceding the making of the advance) of the reserve fund less the greater of (A) the sum of (i) advances made under this section prior to July 1, 1968, (ii) an amount equal to twice the amount of advances made under this section after June 30, 1968, and before the advance for purposes of which the determination is made, and (iii) the proceeds of earnings on advances made under this section, or (B) any amount which is required to be maintained in such fund pursuant to State law or regulation, or by agreement with lenders, as a reserve against the insurance of outstanding loans."

(c) Section 422(b) of such Act is amended by inserting "(1)" after "(b)", by inserting "prior to July 1, 1968" before "pursuant to subsection (a)" where it appears in the first and third sentences, by deleting the last sentence of such subsection, and by adding at the end of such subsection the following new paragraphs:

"(2) The total of the advances from the sums appropriated pursuant to clause (4) of section 421(b) (A) to nonprofit private institutions and organizations for the benefit of students in any State and (B) to such State may not exceed an amount which bears the same ratio to such sums as the population of such State aged eighteen to twenty-two, inclusive, bears to the population of all the States aged eighteen to twenty-two, inclusive, but such advances may otherwise be in such amounts as the Commissioner determines will best achieve the purposes for which they are made. The amount available, however, for advances to any State shall not be less than \$25,000, and any additional funds needed to meet this requirement shall be derived by proportionately reducing (but not below \$25,000) the amount available for advances to each of the remaining States.

"(3) For the purposes of this subsection, the population aged eighteen to twenty-two, inclusive, of each State and of all the States shall be determined by the Commissioner on the basis of the most recent satisfactory data available to him."

AMENDMENTS RELATING TO ADMINISTRATIVE COST ALLOWANCE AND INTEREST RATE PROVISIONS

SEC. 115. (a) (1) Section 428(a)(2)(B) of the Higher Education Act of 1965 is amended to read as follows:

"(B) If (i) a State student loan insurance program is covered by an agreement under subsection (b), (ii) a statute of such State limits the interest rate on loans insured by such program to a rate which is less than 7 per centum per annum on the unpaid principal balance, and (iii) the Commissioner determines that section 428(d) does not make such statutory limitation inapplicable and that such statutory limitation threatens to impede the carrying out of the purposes of this part, then he may pay an administrative cost allowance to the holder of each loan which is insured under such program and which is made during the period beginning on the sixtieth day after the date of enactment of the Higher Education Amendments of 1968 and ending 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969. Such administrative cost allowance shall be paid over the term of the loan in an amount per annum (determined by the Commissioner) which shall not exceed 1 per centum of the unpaid principal balance of the loan."

(2) Section 428(a)(2)(A) of such Act is amended by striking out the second sentence and by inserting in the last sentence after "portion of the interest" the following: "and administrative cost allowance".

(3) Section 428 of such Act is amended by adding at the end thereof the following new subsection:

"(d) No provision of any law of the United States (other than sections 427(a)(2)(D) and 427(b) of this Act) or of any State (other

79 Stat. 1237.
20 USC 1072.

Ante, p. 1021.

Ante, p. 635.

Intra.

Ante, p. 636.

20 USC 1077.

than a statute applicable principally to such State's student loan insurance program) which limits the rate or amount of interest payable on loans shall apply to a loan—

"(1) which bears interest (exclusive of any premium for insurance) on the unpaid principal balance at a rate not in excess of 7 per centum per annum, and

"(2) which is insured (A) by the United States under this part, or (B) by a State or nonprofit private institution or organization under a program covered by an agreement made pursuant to subsection (b) of this section."

(4) The amendments made by this subsection shall not apply with respect to loans made prior to the sixtieth day after the date of enactment of this Act.

Effective date.

(b) Section 428(a)(2)(B) of such Act (as in effect prior to the amendment made by subsection (a)) is amended by striking out "October 31, 1968" and inserting in lieu thereof "the fifty-ninth day after the date of enactment of the Higher Education Amendments of 1968".

Ante, pp. 635, 1022.

(c) The amendments made by section 2(a) of Public Law 90-460, approved August 3, 1968, shall not be effective with respect to (1) any loan made or contracted for prior to the date of enactment of such Public Law, or (2) any loan made, after the date of enactment of this Act, in whole or in part to consolidate or convert a loan made or contracted for prior to the date of enactment of such Public Law.

Ante, p. 635.

MERGER OF NATIONAL VOCATIONAL STUDENT LOAN INSURANCE ACT OF 1965 WITH STUDENT LOAN INSURANCE PROGRAM OF HIGHER EDUCATION ACT OF 1965

SEC. 116. (a) Section 435 of the Higher Education Act of 1965 is amended—

79 Stat. 1247.
20 USC 1085.

(1) by redesignating subsections (a), (b), (c), (d), (e), and (f) as (b), (d), (e), (f), (g), and (h), respectively;

(2) by inserting before subsection (b) as so redesignated the following new subsection:

"(a) The term 'eligible institution' means (1) an institution of higher education, (2) a vocational school, or (3) with respect to students who are nationals of the United States, an institution outside the States which is comparable to an institution of higher education or to a vocational school and which has been approved by the Commissioner for purposes of this part.";

"Eligible institution."

(3) by striking out in subsection (b) (as so redesignated) "eligible institution" and inserting in lieu thereof "institution of higher education", by striking out in the second sentence of such subsection "any institution outside the States which is comparable to an institution described in the preceding sentence and which has been approved by the Commissioner for the purposes of this title, and also includes"; and

"Institution of higher education."

(4) by inserting after subsection (b) (as so redesignated) the text of subsection (a) of section 17 of the National Vocational Student Loan Insurance Act of 1965 amended as follows:

"Vocational school."

(A) Strike out "(a)" and insert in lieu thereof "(c)",

79 Stat. 1048.
20 USC 996.

(B) Strike out "eligible institution" and insert in lieu thereof "vocational school", and

(C) Strike out "Act" in clause (4)(C) and insert in lieu thereof "part".

(b)(1) Section 425(a) of such Act is amended by striking out "(1)" after "Sec. 425. (a)" and by striking out paragraph (2).

79 Stat. 1238.
20 USC 1075.

(2) Section 427(a)(2)(C)(i) of such Act is amended by striking out "institution of higher education or at a comparable institution out-

20 USC 1077.

side the States approved for this purpose by the Commissioner" and inserting in lieu thereof "eligible institution".

Repeal.

20 USC 1078.
79 Stat. 1247.
20 USC 1084.
80 Stat. 1244.
20 USC 1086.

(3) Section 428(a) (6) of such Act is repealed.

(4) Section 434 of such Act is amended by striking out "10 per centum" and inserting in lieu thereof "15 per centum".

(5) Section 436(a) of such Act is amended by striking out "title and the National Vocational Student Loan Insurance Act of 1965" and inserting in lieu thereof "part".

Repeal.

79 Stat. 1037.
20 USC 981

note.

(c) (1) The National Vocational Student Loan Insurance Act of 1965 is repealed.

(2) All assets and liabilities of the vocational student loan insurance fund established by section 13 of the National Vocational Student Loan Insurance Act of 1965, matured or contingent, shall be transferred to, and become assets and liabilities of, the student loan insurance fund established by section 431 of the Higher Education Act of 1965. Payments in connection with defaults of loans made on or after the sixtieth day after the date of enactment of this Act and insured by the Commissioner (under the authority of subsection (e) (3) or (e) (4) of this section) under the National Vocational Student Loan Insurance Act of 1965 shall be paid out of the fund established by such section 431.

20 USC 992.

79 Stat. 1245.
20 USC 1081.

20 USC 1083.

(d) Section 433 of the Higher Education Act of 1965 is amended to read as follows:

"DIRECT LOANS

"SEC. 433. (a) The Commissioner may make a direct loan to any student who would be eligible for an insured loan for study at a vocational school under this part if (1) in the particular area in which the student resides loans which are insurable under this Act are not available at the rate of interest prescribed by the Secretary pursuant to section 427(a) (2) (D) for such area, or (2) the particular student has been unable to obtain an insured loan at a rate of interest which does not exceed such rate prescribed by the Secretary.

20 USC 1077.

"(b) Loans made under this section shall bear interest at the rate prescribed by the Secretary under section 427(a) (2) (D) for the area where the student resides, and shall be made on such other terms and conditions as the Commissioner shall prescribe, which shall conform as nearly as practicable to the terms and conditions of loans insured under this Act.

Appropriation
authorization.

"(c) There is authorized to be appropriated the sum of \$1,000,000 for the fiscal year ending June 30, 1969 and for each of the two succeeding fiscal years to carry out this section."

Effective date.

(e) (1) Except as provided in paragraphs (2), (3), and (4):

(A) This section (and any amendment or repeal made thereby) shall apply to loans made on or after the sixtieth day after the date of enactment of this Act; and the terminal date applicable under the first sentence of section 5(a), under section 9(a) (2) (B), and under section 9(a) (4) of the National Vocational Student Loan Insurance Act shall, instead of October 31, 1968, be deemed to be (i) the day immediately preceding such sixtieth day, or (ii) with respect to any particular lender or State or nonprofit private agency to which paragraph (3) relates, the last day of the period required for modification or termination of, or refusal to extend, the Commissioner's agreements with such agency.

Ante, pp. 634,
635.

(B) In computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayment allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (i) insured by the Commissioner, or a State, institution, or organization with which the

Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965, or (ii) made by a State under section 428(a) (2) (B) of such part or section 9(a) (2) (B) of such Act, or by the Commissioner under section 433 of such part.

20 USC 1078.
20 USC 988.
Ante, p. 1022.
Ante, p. 635.
Ante, p. 1024.]

(2) Clause (i) (attendance at eligible institution) and clause (iv) (VISTA service) of section 427(a) (2) (C) of the Higher Education Act of 1965, shall apply to loans made by the Commissioner and, with the consent of the lender, loans insured by the Commissioner, to students for study at vocational schools, which are outstanding on the sixtieth day after the enactment of this Act, but only with respect to periods of service or attendance occurring on or after such sixtieth day.

20 USC 1077.

(3) This section (and any amendment or repeal made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to the sixtieth day after enactment of this Act, under the Higher Education Act of 1965 or the National Vocational Student Loan Insurance Act of 1965, or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965 and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b). If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement.

20 USC 1001
note.
20 USC 981
note.

(4) A certificate of insurance or of comprehensive insurance coverage pursuant to section 11 of the National Vocational Student Loan Insurance Act of 1965 may be issued or made effective on or after the sixtieth day after the date of enactment of this Act with respect to loans made prior to such sixtieth day without regard to any amendment or repeal made by this section.

20 USC 990.

AUTHORIZING DEFERMENT OF REPAYMENT OF NON-FEDERALLY INSURED LOANS DURING MILITARY, VISTA, OR PEACE CORPS SERVICE, OR ATTENDANCE AT ELIGIBLE INSTITUTION; FEDERAL PAYMENT OF INTEREST ACCRUING DURING SUCH ATTENDANCE OR SERVICE

SEC. 117. (a) (1) Section 428 of the Higher Education Act of 1965 (as amended by this Act) is amended by adding at the end of such section the following new subsection:

Ante, p. 1022.

"(e) The Commissioner shall encourage the inclusion, in any State student loan program or any State or nonprofit private student loan insurance program meeting the requirements of subsection (a) (1) (B) or (a) (1) (C), of provisions authorizing or requiring that in the case of student loans covered by such program periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (1) during which the borrower is pursuing a full-time course of study at an eligible institution, (2) not in excess of three years during which the borrower is a member of the Armed Forces of

75 Stat. 612.
22 USC 2501
note.

81 Stat. 722.
42 USC 2991-
2994d.

20 USC 1078.

20 USC 1077.

Effective date.

the United States, (3) not in excess of three years during which the borrower is in service as a volunteer under the Peace Corps Act, or (4) not in excess of three years during which the borrower is in service as a full-time volunteer under title VIII of the Economic Opportunity Act of 1964. In the case of any such State or nonprofit private program containing such a provision any such period shall be excluded in determining the period specified in subsection (b) (1) (C) (ii), or the maximum period for repayment specified in subsection (b) (1) (D)."

(2) (A) Section 428(b) (1) (C) (ii) of the Higher Education Act of 1965 is amended by inserting after "(ii)" the following: "except as provided in subsection (e) of this section,".

(B) Section 428(b) (1) (D) of such Act is amended by inserting after "subject to subparagraph (C)" the following: "of this paragraph and except as provided by subsection (e) of this section".

(b) The first sentence of section 428(a) (2) of such Act is amended by inserting before "; but such portion" the following: "; or which accrues during a period in which principal need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (e) of this section or in section 427(a) (2) (C)".

(c) Section 427(a) (2) (C) (iv) of such Act is amended by inserting "full-time" before "volunteer".

(d) Deferment of repayment of principal, as provided in the amendments made by subsection (a) of this section, may be authorized (but not required) with respect to loans meeting the requirements of subparagraph (B) or (C) of section 428(a) (1) of the Higher Education Act of 1965 which are outstanding on the sixtieth day after the date of enactment of this Act, but only with respect to periods of attendance or service occurring on or after such sixtieth day. The amendments made by subsection (b) shall become effective on the sixtieth day after the date of enactment of this Act.

PARTICIPATION BY PENSION FUNDS AND FEDERAL SAVINGS AND LOAN ASSOCIATIONS

20 USC 1085.

SEC. 118. (a) Section 435(g) of the Higher Education Act of 1965 (as so redesignated by section 116 of this Act) is amended by inserting before the period at the end thereof the following: "; or a pension fund approved by the Commissioner for this purpose".

12 USC 1464.

(b) The third paragraph of section 5(c) of the Home Owners' Loan Act of 1933 is amended by striking out "expenses of college or university education" and inserting in lieu thereof "expenses of college, university, or vocational education".

ACCESS TO FEDERAL LOAN INSURANCE PROGRAM

20 USC 1073.

SEC. 119. (a) Section 423 of the Higher Education Act of 1965 is amended by striking out "The" after "SEC. 423." and inserting in lieu thereof "(a) Except as provided in subsection (b), the"; and by adding at the end thereof the following new subsection:

20 USC 1079.

"(b) The Commissioner may issue certificates of insurance under section 429 to a lender in a State—

"(1) for insurance of a loan made to a student borrower who does not, by reason of his residence, have access to loan insurance under the loan insurance program of such State (or under any private nonprofit loan insurance program which has received an advance under section 422 for the benefit of students in such State), or

20 USC 1072.

"(2) for insurance of all of the loans made to student borrowers by a lender who satisfies the Commissioner that, by reason of the residence of such borrowers, he will not have access to any single

State or nonprofit private loan insurance program which will insure substantially all of the loans he intends to make to such student borrowers."

(b) Section 421(a)(2) is amended by inserting "or lenders" before "who do not have reasonable access". 20 USC 1071.

COORDINATION BETWEEN NON-FEDERAL AND FEDERAL PROGRAMS WITH RESPECT TO MAXIMUM AMOUNTS OF INDIVIDUAL LOANS INSURED, ISSUANCE OF INSTALLMENT OBLIGATIONS, AND MINIMUM AMOUNTS OF REPAYMENT INSTALLMENTS ON SUCH LOANS

SEC. 120. (a)(1) Section 428(b)(1)(A) of the Higher Education Act of 1965 is amended by inserting the following before the semicolon at the end of such subparagraph: ", which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed \$7,500".

20 USC 1078.
Limitation.

(2) Section 425(a) of the Higher Education Act of 1965 is amended (A) by striking out "in the case of a graduate or professional student (as defined in regulations of the Commissioner), or \$1,000 in the case of any other student" in the first sentence, and (B) by striking out "in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or \$5,000 in the case of any other student" in the second sentence.

20 USC 1075.

(b) Section 428(b)(1)(D) of such Act is amended (1) by striking out "subparagraph (C)" and inserting in lieu thereof "subparagraphs (C) and (K)", and (2) by striking out ", where the total of the insured loans to any student which are held by any one person exceeds \$2,000, repayment of such", and inserting in lieu thereof "repayment of".

(c)(1) Section 428(b)(1) of the Higher Education Act of 1965 is amended (A) by striking out "and" at the end of subparagraph (I), (B) by striking out the period at the end of subparagraph (J) and inserting "; and" in lieu thereof, and (C) by adding after subparagraph (J) the following:

"(K) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to that borrower which are (i) insured under this part, or (ii) made by a State or the Commissioner under section 428(a)(1)(B) or 433, respectively, shall not be less than \$360 or the balance of all such loans (together with interest thereon), whichever amount is less."

Ante, p. 1024.

(2) Section 427(c) of such Act is amended by striking out "by the Commissioner", and by inserting the following after "this part": ", or which are made by a State or the Commissioner under section 428(a)(1)(B) or 433, respectively,".

20 USC 1077.

(3) The caption of section 427 of such Act is amended by inserting "FEDERALLY INSURED" before "STUDENT LOANS".

(d)(1) Subject to paragraph (2) of this subsection, (A) the amendments made by this section shall apply to loans made on or after the sixtieth day after the date of enactment of this Act, and (B) in computing the maximum amounts which may be borrowed by a student who obtains an insured loan on or after such sixtieth day, and the minimum amounts of repayment allowable with respect to sums borrowed by such a student, there shall be included all loans, whenever made, (i) insured by the Commissioner, or a State, institution, or organization with which the Commissioner has an agreement under section 428(b) of part B of title IV of the Higher Education Act of 1965 or

Effective date.

20 USC 988.
Ante, p. 1022.
Ante, p. 635.
Ante, p. 1024.

section 9(b) of the National Vocational Student Loan Insurance Act of 1965, or (ii) made by a State under section 428(a) (2) (B) of such part or section 9(a) (2) (B) of such Act, or by the Commissioner under section 433 of such part.

(2) This section (and the amendments made thereby) shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student, prior to such sixtieth day or, except with the consent of the State or non-profit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965. The Commissioner of Education shall undertake to obtain necessary modifications of agreements entered into by him pursuant to section 428(b) (1) of the Higher Education Act of 1965 and in force upon the date of enactment of this Act so as to conform the provisions of such agreements to the requirements of such section 428(b) (1) as amended by this section. If, however, such modifications cannot be obtained because a party to such an agreement is subject to a statute of a State that prevents such party from complying with the terms of such modification, the Commissioner shall not, before 120 days after the adjournment of such State's first regular legislative session which adjourns after January 1, 1969, exercise his authority to terminate, or to refuse to extend, such agreement.

PART C—AMENDMENTS TO COLLEGE WORK-STUDY PROGRAM

TRANSFER OF WORK-STUDY PROVISIONS TO HIGHER EDUCATION ACT OF 1965

79 Stat. 1249.
 42 USC 2751-
 2757.
 78 Stat. 513;
 81 Stat. 726.
 42 USC 2751-
 2755.

SEC. 131. (a) Title IV of the Higher Education Act of 1965 is amended by striking out part C thereof. Part C of title I of the Economic Opportunity Act of 1964 is transferred to the Higher Education Act of 1965 and inserted as part C of title IV of such Act.

(b) Part C of title IV of the Higher Education Act of 1965 (as amended by subsection (a) of this section) is further amended—

(1) by redesignating sections 141 through 145 (and references thereto) as sections 441 through 445, respectively; and

(2) by designating the section of such part which follows section 445 (as so redesignated) as section 446; and

(3) by amending section 442(a) to read as follows:

“SEC. 442. (a) From the sums appropriated to carry out this part for a fiscal year, the Commissioner shall allot not to exceed 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this part. The remainder of such sums shall be allotted among the States as provided in subsection (b).”

(c) Any reference to any provision of part C of title I of the Economic Opportunity Act of 1964 in any law of the United States shall be deemed to be a reference to the corresponding provision of part C of title IV of the Higher Education Act of 1965 as amended by this section.

EXTENSION OF WORK-STUDY PROGRAM

SEC. 132. Section 441 of the Higher Education Act of 1965 (as amended by section 131 of this Act) is amended by adding “; APPROPRIATIONS AUTHORIZED” at the end of the section heading, by inserting “(a)” after “SEC. 441.”, and by adding at the end of such section the following new subsection:

“(b) There are authorized to be appropriated \$225,000,000 for the fiscal year ending June 30, 1969, \$255,000,000 for the fiscal year ending June 30, 1970, and \$285,000,000 for the fiscal year ending June 30, 1971, to carry out this part.”

Appropriation
 authorization.

ELIGIBILITY OF AREA VOCATIONAL SCHOOLS

SEC. 133. (a) Part C of the Higher Education Act of 1965 (as amended by section 131 of this Act) is amended by striking out the terms "institution of higher education" and "institutions of higher education" wherever they appear (except in section 442(b)(1)) and inserting in lieu thereof "eligible institution" and "eligible institutions", respectively.

(b) Section 443(b) of such Act (as added by section 131 of this Act) is amended to read as follows:

"(b) For the purposes of this part the term 'eligible institution' means an institution of higher education (as defined in section 435(b) of this Act), or an area vocational school (as defined in section 8(2) of the Vocational Education Act of 1963)." "Eligible institution."

Ante, p. 1023.
20 USC 35g.

(c) Section 444 of such Act (as added by section 131 of this Act) is amended by inserting "(a)" after "Sec. 444."; by redesignating paragraphs (a) through (h) as paragraphs (1) through (8), respectively; by redesignating subparagraphs (1), (2), and (3) of paragraphs (1) and (3) (as so redesignated) as subparagraphs (A), (B), and (C), respectively; and by adding at the end of such section the following new subsection:

"(b) An agreement entered into pursuant to section 443 with an area vocational school shall contain, in addition to the provisions described in subsection (a) of this section, a provision that a student in such a school shall be eligible to participate in a program under this part only if he (1) has a certificate of graduation from a school providing secondary education or the recognized equivalent of such a certificate, and (2) is pursuing a program of education or training which requires at least six months to complete and is designed to prepare the student for gainful employment in a recognized occupation."

REVISION OF MATCHING PROVISIONS

SEC. 134. Section 444(a)(6) of the Higher Education Act of 1965 (as amended by this part) is amended to read as follows:

"(6) provide that the Federal share of the compensation of students employed in the work-study program in accordance with the agreement will not exceed 80 per centum of such compensation; except that the Federal share may exceed 80 per centum of such compensation if the Commissioner determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that a Federal share in excess of 80 per centum is required in furtherance of the purposes of this part;"

SET-ASIDE FOR RESIDENTS OF AMERICAN SAMOA OR THE TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 135. (a) The first sentence of section 442(a) of the Higher Education Act of 1965 (as amended by this part) is amended by inserting "(1)" before "allot not to exceed 2 per centum", and by inserting before the period at the end thereof the following: "and (2) reserve the amount provided by subsection (e)".

(b) Such section 442 is further amended by adding at the end thereof the following new subsection:

"(e) From the appropriation for this part for each fiscal year the Commissioner shall reserve an amount to provide work-study assistance to students who reside in, but who attend eligible institutions outside of, American Samoa or the Trust Territory of the Pacific

Ante, p. 1028.

Islands. The amount so reserved shall be allotted to eligible institutions and shall be available only for the purpose of providing work-study assistance to such students."

ELIMINATION OF AVERAGE HOURS OF EMPLOYMENT LIMITATION DURING NON-REGULAR ENROLLMENT PERIODS

Ante, p. 1029.

SEC. 136. Section 444 of the Higher Education Act of 1965 (as amended by this part) is amended by adding at the end thereof the following new subsection:

"(c) For purposes of paragraph (4) of subsection (a) of this section, in computing average hours of employment of a student over a semester or other term, there shall be excluded any period during which the student is on vacation and any period of non-regular enrollment. Employment under a work-study program during any such period of non-regular enrollment during which classes in which the student is enrolled are in session shall be only to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner."

REVISION OF MAINTENANCE OF EFFORT REQUIREMENT

SEC. 137. Effective for fiscal years ending on or after June 30, 1970, section 444(a)(5) of the Higher Education Act of 1965 (as amended by this part) is amended to read as follows:

Post, p. 1033.

"(5) provide that the institution will meet the requirements of section 464 of this Act (relating to maintenance of effort);"

ADMINISTRATIVE EXPENSES

SEC. 138. Effective for fiscal years ending on or after June 30, 1970, section 444(a)(2) of the Higher Education Act of 1965 (as amended by this part) is amended by striking out all that follows "administrative expenses" and inserting in lieu thereof "in accordance with section 463 of this Act;".

ELIGIBILITY OF PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION

SEC. 139. Effective for fiscal years ending on or after June 30, 1970—

Ante, p. 1029.

(1) Section 443(b) of the Higher Education Act of 1965 (as amended by this part) is amended by striking out "or" before "an area vocational school", and by inserting before the period at the end thereof the following: ", or a proprietary institution of higher education (as defined in section 461(b) of this Act)".

Post, p. 1032.

(2) Section 444(a)(1) of such Act (as amended by this part) is amended by inserting after "work for the institution itself" the following: "(except in the case of a proprietary institution of higher education)".

PART D—COOPERATIVE EDUCATION PROGRAMS

GRANTS TO INSTITUTIONS OF HIGHER EDUCATION FOR PROGRAMS OF COOPERATIVE EDUCATION; GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH IN COOPERATIVE EDUCATION

SEC. 141. Title IV of the Higher Education Act of 1965 is amended by redesignating part D as part F, by redesignating sections 461 through 467 as sections 491 through 497, respectively, and by inserting after part C the following new part:

"PART D—COOPERATIVE EDUCATION PROGRAMS"

"APPROPRIATIONS AUTHORIZED"

"SEC. 451. (a) There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$8,000,000 for the fiscal year ending June 30, 1970, and \$10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants pursuant to section 452 to institutions of higher education for the planning, establishment, expansion, or carrying out by such institutions of programs of cooperative education that alternate periods of full-time academic study with periods of full-time public or private employment that will not only afford students the opportunity to earn through employment funds required toward continuing and completing their education but will, so far as practicable, give them work experience related to their academic or occupational objective. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title.

"(b) There are further authorized to be appropriated \$750,000 for the fiscal year ending June 30, 1969, and for each of the two succeeding fiscal years, to enable the Commissioner to make training or research grants or contracts pursuant to section 453.

"(c) Appropriations under this part shall not be available for the payment of compensation of students for employment by employers under arrangements pursuant to this part.

"GRANTS FOR PROGRAMS OF COOPERATIVE EDUCATION"

"SEC. 452. (a) From the sums appropriated pursuant to subsection (a) of section 451, and for the purposes set forth therein, the Commissioner is authorized to make grants to institutions of higher education that have applied therefor in accordance with subsection (b) of this section, in amounts not in excess of \$75,000 to any one such institution for any fiscal year.

"(b) Each application for a grant authorized by subsection (a) of this section shall be filed with the Commissioner at such time or times as he may prescribe and shall—

"(1) set forth programs or activities for which a grant is authorized under this section;

"(2) provide that the applicant will expend during such fiscal year for the purpose of such program or activity not less than was expended for such purpose during the previous fiscal year;

"(3) provide for the making of such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this part, and for the keeping of such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports;

"(4) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this part; and

"(5) include such other information as the Commissioner may determine necessary to carry out the purposes of this part.

"(c) No institution of higher education may receive grants under this section for more than three fiscal years.

"(d) In the development of criteria for approval of applications under this section, the Commissioner shall consult with the Advisory Council on Financial Aid to Students.

Recordkeeping.

"GRANTS AND CONTRACTS FOR TRAINING AND RESEARCH

"SEC. 453. From the sums appropriated pursuant to subsection (b) of section 451, the Commissioner is authorized, for the training of persons in the planning, establishments, administration, or coordination of programs of cooperative education, or for research into methods of improving, developing, or promoting the use of cooperative education programs in institutions of higher education, to—

"(1) make grants to or contracts with institutions of higher education, or combinations of such institutions, and

"(2) make grants to other public or private nonprofit agencies or organizations, or contracts with public or private agencies or organizations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section."

PART E—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

AMENDMENTS EFFECTIVE UPON ENACTMENT

Ante, p. 1030.

SEC. 151. Title IV of the Higher Education Act of 1965 is amended by inserting after part D the following new part:

"PART E—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE
PROGRAMS

"SUBPART 1—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 461. (a) For purposes of this title, the term 'State' includes the Trust Territory of the Pacific Islands.

Ante, p. 1028.
20 USC 421-429.

"(b) For purposes of part C of this title and title II of the National Defense Education Act of 1958, the term 'proprietary institution of higher education' means a school (1) which provides not less than a six-month program of training to prepare students for gainful employment in a recognized occupation, (2) which meets the requirements of section 801(a)(1) and 801(a)(2) of this Act, (3) which does not meet the requirement of section 801(a)(4) of this Act, (4) which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose, and (5) which has been in existence for at least two years. For purposes of this paragraph, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

20 USC 1141.

"ELIGIBILITY OF RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

"SEC. 462. Permanent residents of the Trust Territory of the Pacific Islands shall be eligible for assistance under title II of the National Defense Education Act of 1958 and under this title to the same extent that citizens of the United States are eligible for such assistance.

"SUBPART 2—ADVISORY COUNCIL ON FINANCIAL AID TO STUDENTS

"ESTABLISHMENT OF COUNCIL

"SEC. 469. (a) There is established in the Office of Education an Advisory Council on Financial Aid to Students (hereafter in this section referred to as the 'Council'), consisting of the Commissioner, who shall be Chairman, and of members appointed by the Commissioner

without regard to the civil service or classification laws. Such appointed members shall include (1) leading authorities in the field of education, (2) persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education and other eligible institutions as those terms may be variously defined in this Act or in the National Defense Education Act of 1958, and (3) at least one undergraduate student in an institution of higher education or other eligible institution.

20 USC 401
note.

“(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to financial assistance to students and on evaluation of the effectiveness of these programs.

“(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government Service.

Compensation,
travel expenses.

5 USC 5332
note.

80 Stat. 499.

“(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions.”

AMENDMENTS EFFECTIVE FOR FISCAL YEAR 1970 AND THEREAFTER

SEC. 152. Effective for fiscal years ending on or after June 30, 1970, part E of title IV of the Higher Education Act of 1965 (as added by section 151 of this Act) is amended by inserting after section 462 the following new sections:

“EXPENSES OF ADMINISTRATION

“SEC. 463. (a) An institution which has entered into an agreement with the Commissioner under part A or C of this title shall be entitled for each fiscal year for which it receives an allotment under either such part to a payment in lieu of reimbursement for its expenses during such fiscal year in administering programs assisted under such part. The payment for a fiscal year (1) shall be payable from each such allotment in accordance with regulations of the Commissioner, and (2) shall (except as provided in subsection (b)) be an amount equal to 3 per centum of (A) the institution's expenditures during the fiscal year from its allotment under part A plus (B) its expenditures during such fiscal year under part C for compensation of students.

20 USC 1061;
Ante, p. 1028.

“(b) The aggregate amount paid to an institution for a fiscal year under this section plus the amount withdrawn from its student loan fund under section 204(b) of the National Defense Education Act of 1958 may not exceed \$125,000.

Limitation.

Post, p. 1034.

“MAINTENANCE OF EFFORT

“SEC. 464. An agreement between the Commissioner and an institution under part A or part C shall provide assurance that the institution will continue to spend in its own scholarship and student-aid program, from sources other than funds received under such parts, 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."

**PART F—AMENDMENTS TO NATIONAL DEFENSE STUDENT LOAN PROGRAM
(TITLE II OF NATIONAL DEFENSE EDUCATION ACT OF 1958)**

EXTENSION OF NATIONAL DEFENSE STUDENT LOAN PROGRAM

80 Stat. 1245.
20 USC 421.

SEC. 171. (a) Section 201 of the National Defense Education Act of 1958 is amended—

(1) by striking out "and" before "\$225,000,000";

(2) by inserting after "June 30, 1968," the following: "\$210,000,000 for the fiscal year ending June 30, 1969, \$275,000,000 for the fiscal year ending June 30, 1970, and \$300,000,000 for the fiscal year ending June 30, 1971,";

(3) by striking out "and such sums for the fiscal year ending June 30, 1969" and inserting in lieu thereof "and there are further authorized to be appropriated such sums for the fiscal year ending June 30, 1972"; and

(4) by striking out "July 1, 1968" and inserting in lieu thereof "July 1, 1971".

20 USC 422.

(b) Subsection 202 of such Act is amended by striking out "1968" in subsections (a) and (b) and inserting in lieu thereof "1971".

20 USC 426.

(c) Section 206 of such Act is amended by striking out "1972" each time it appears in subsections (a), (b), and (c) of such section, and inserting in lieu thereof "1975".

ADMINISTRATIVE EXPENSES

20 USC 424.

SEC. 172. Effective for fiscal years ending on or after June 30, 1970—

(1) Section 204 of the National Defense Education Act of 1958 is amended by inserting "(a)" after "SEC. 204.", and by striking out in paragraph (3) "(C) routine expenses" and all that follows down through "whichever is the lesser" and inserting in lieu thereof "(C) administrative expenses as provided in subsection (b)".

(2) Section 204 of such Act is amended by adding at the end thereof the following new subsection:

"(b) An institution of higher education that has entered into an agreement with the Commissioner under this section shall be entitled for each fiscal year during which it makes any student loans from a student loan fund established under this title to a payment in lieu of reimbursement for its expenses during such fiscal year in administering its student loan program assisted under this title. Such payment (1) shall be payable from its student loan fund in accordance with regulations of the Commissioner, and (2) (except as provided in section 463(b) of the Higher Education Act of 1965) shall be an amount equal to 3 per centum of the principal amount of loans made from such fund during a fiscal year."

Ante, p. 1033.

AMENDMENTS TO TEACHER CANCELLATION PROVISION

20 USC 425.

SEC. 173. (a) (1) Section 205(b) (3) of the National Defense Education Act of 1958 is amended by inserting after "50 per centum of any such loan" the following: "made prior to July 1, 1970".

(2) Clause (A) of such section is amended by inserting before "the Commissioner shall not make such determination" the following: "(unless all of the schools so determined are schools in which the enrollment of children described in clause (A), (B), or (C) of section 103(a) (2) of such Public Law (using a low-income factor of \$3,000) exceeds 50 per centum of the total enrollment of the school)".

20 USC 241c.

(b) The amendments made by subsection (a) (2) shall apply with respect to service performed during academic years ending after the date of the enactment of this Act, whether the loan was made before or after such Act.

Effective date.

ELIGIBILITY OF PROPRIETARY INSTITUTIONS OF HIGHER EDUCATION

SEC. 174. (a) Section 103(b) of the National Defense Education Act of 1958 is amended—

20 USC 403.

(1) by striking out “and also includes,” in the second sentence and inserting in lieu thereof “; any proprietary institution of higher education (as defined in section 461(b) of the Higher Education Act of 1965) which includes in its agreement under section 204 of such title such terms and conditions as the Commissioner determines to be necessary to insure that the availability of assistance to students at the school under such title has not, and will not, increase the tuition, fees, or other charges to such students; and”; and

Ante, p. 1032.

Ante, p. 1034.

(2) by inserting after “requirements of clause (5)” in the third sentence the following: “(but meets the requirements of clause (4))”.

(b) Effective with respect to fiscal years ending on or after June 30, 1969, section 203 of such Act is amended by adding at the end thereof the following new sentence: “The aggregate amount of Federal capital contributions paid for any fiscal year under this section to proprietary institutions of higher education (as defined in section 461(b) of the Higher Education Act of 1965) may not exceed the amount by which the funds appropriated pursuant to section 201 for such fiscal year exceed \$190,000,000.”

20 USC 423.

Ante, p. 1034.

ELIMINATION OF REQUIREMENT OF SPECIAL CONSIDERATION FOR STUDENTS OF SUPERIOR ACADEMIC BACKGROUND

SEC. 175. Section 204 of the National Defense Education Act of 1958 is amended by inserting “and” at the end of paragraph (3), by striking out paragraph (4), and by redesignating paragraph (5) as paragraph (4).

20 USC 424.

WAIVING OATH OF ALLEGIANCE REQUIREMENT FOR RESIDENTS OF TRUST TERRITORY OF PACIFIC ISLANDS

SEC. 176. Section 1001(f) (1) of the National Defense Education Act of 1958 is amended by inserting after “any individual” the following: “(other than a permanent resident of the Trust Territory of the Pacific Islands)”.

20 USC 581.

TITLE II—AMENDMENTS TO OTHER PROVISIONS OF HIGHER EDUCATION ACT OF 1965

PART A—AMENDMENTS TO COMMUNITY SERVICE PROGRAM PROVISIONS (TITLE I)

EXTENSION OF GRANT PROGRAM

SEC. 201. (a) The first sentence of section 101 of the Higher Education Act of 1965 is amended (1) by striking out “and” after “1966,” and (2) by inserting before the period at the end of such sentence the following: “, \$10,000,000 for the fiscal year ending June 30, 1969, \$50,000,000 for the fiscal year ending June 30, 1970, and \$60,000,000 for the fiscal year ending June 30, 1971”.

79 Stat. 1219.
20 USC 1001.

(b) Such section is amended by striking out the second sentence.

MODIFICATION OF REQUIREMENT FOR COMPREHENSIVE, COORDINATED, AND
STATEWIDE SYSTEM OF COMMUNITY SERVICE PROGRAMS

20 USC 1005.

SEC. 202. Section 105(a)(2) of the Higher Education Act of 1965 is amended by inserting before the semicolon at the end thereof the following: "(except that if a comprehensive, coordinated, and statewide system of community service programs cannot be effectively carried out by reason of insufficient funds, the plan may set forth one or more proposals for community service programs in lieu of a comprehensive, coordinated, and statewide system of such programs)".

MODIFICATION OF FEDERAL SHARE PROVISION

20 USC 1006.

SEC. 203. (a) Section 106(a) of the Higher Education Act of 1965 is amended by striking out "and 50 per centum of such costs for each of the three succeeding fiscal years" and inserting in lieu thereof "50 per centum of such costs for the fiscal year ending June 30, 1968, and 66 $\frac{2}{3}$ per centum of such costs for fiscal years ending on or after June 30, 1969".

Effective date.

(b) The amendment made by subsection (a) of this section shall be effective with respect to grants awarded after the enactment of this Act.

PART B—AMENDMENTS TO COLLEGE LIBRARY ASSISTANCE AND
LIBRARY TRAINING AND RESEARCH PROGRAMS (TITLE II)

EXTENSION OF COLLEGE LIBRARY ASSISTANCE PROGRAM (PART A)

20 USC 1021.

SEC. 211. Section 201 of the Higher Education Act of 1965 is amended (1) by inserting after "two succeeding fiscal years," the following: "\$25,000,000 for the fiscal year ending June 30, 1969, \$75,000,000 for the fiscal year ending June 30, 1970, and \$90,000,000 for the fiscal year ending June 30, 1971," and (2) by striking out the second sentence.

ELIGIBILITY OF BRANCH INSTITUTIONS FOR SUPPLEMENTAL AND
SPECIAL PURPOSE GRANTS

20 USC 1023.

SEC. 212. (a) (1) The first sentence of section 203(a) of such Act is amended by inserting after "institutions of higher education" the following: "(and to each branch of such institution which is located in a community different from that in which its parent institution is located, as determined in accordance with regulations of the Commissioner)".

(2) The second sentence of such section is amended by inserting "(or branch)" after "institution".

20 USC 1024.

(b) Section 204(a)(2)(A) of such Act is amended by inserting after "institutions of higher education" the following: "(or to branches of such institutions which are located in a community different from that in which the parent institution is located, as determined in accordance with regulations of the Commissioner)".

(c) Section 204(a)(2)(B) of such Act is amended by inserting after "institutions of higher education" the following: "(or to such branches)".

REVISION OF MAINTENANCE-OF-EFFORT REQUIREMENT FOR SPECIAL
PURPOSE GRANTS

SEC. 213. (a) Section 204(b)(2) of the Higher Education Act of 1965 is amended by inserting after "June 30, 1965" the following: ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less".

(b) The amendment made by subsection (a) shall be effective with respect to applications for grants payable on or after the date of the enactment of this Act.

Effective date.

ELIGIBILITY OF NEW INSTITUTIONS FOR BASIC GRANTS

SEC. 214. (a) The first sentence of section 202 of the Higher Education Act of 1965 is amended (1) by striking out "and" and inserting in lieu thereof a comma, and (2) inserting after "such institutions" the following: ", and, in accordance with criteria prescribed by regulation, new institutions of higher education in the fiscal year preceding the first year in which students are to be enrolled".

20 USC 1022.

(b) The amendments made by subsection (a) shall be effective with respect to appropriations for grants under title II of the Higher Education Act of 1965 for fiscal years beginning after June 30, 1969.

Effective date.

20 USC 1021-1041.

EXTENSION OF LIBRARY TRAINING AND RESEARCH PROGRAM (PART B)

SEC. 215. Section 221 of the Higher Education Act of 1965 is amended (1) by inserting after "two succeeding fiscal years," the following: "\$11,800,000 for the fiscal year ending June 30, 1969, \$28,000,000 for the fiscal year ending June 30, 1970, and \$38,000,000 for the fiscal year ending June 30, 1971," and (2) by striking out the second sentence.

20 USC 1031.

AMENDMENTS TO LIBRARIANSHIP TRAINING PROVISIONS

SEC. 216. The second sentence of section 223(a) of the Higher Education Act of 1965 is amended—

20 USC 1033.

(1) by striking out "to assist in covering the cost of courses of training or study for such persons, and" and inserting in lieu thereof "(1) to assist in covering the cost of courses of training or study (including short term or regular session institutes) for such persons, (2)"; and

(2) by inserting before the period at the end thereof the following: ", and (3) for establishing, developing, or expanding programs of library and information science".

EXTENSION OF LIBRARY OF CONGRESS PROGRAM (PART C)

SEC. 217. Section 231 of such Act is amended (1) by striking out "and" after "1967," and by inserting after "1968," the following: "\$6,000,000 for the fiscal year ending June 30, 1969, and \$11,100,000 each for the fiscal year ending June 30, 1970, and the succeeding fiscal year," and (2) by striking out the second sentence.

20 USC 1041.

CLARIFYING AUTHORITY TO PURCHASE COPIES; INCREASING AUTHORITY TO PREPARE CATALOG AND BIBLIOGRAPHIC MATERIALS; AUTHORIZING LIBRARIAN TO ACT AS ACQUISITIONS AGENT

SEC. 218. Section 231 of the Higher Education Act of 1965, as amended by section 217 of this Act, is further amended—

(1) in paragraph (1), by inserting "copies of" before "all" and by striking out "and";

(2) in paragraph (2), by striking out "for these materials promptly after receipt, and distributing bibliographic information" and inserting in lieu thereof "promptly and distributing this

and other bibliographic information about library materials", and by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the States and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries."

PART C—AMENDMENTS TO DEVELOPING INSTITUTIONS PROGRAM (TITLE III)

EXTENSION OF DEVELOPING INSTITUTIONS PROGRAM

20 USC 1051.

SEC. 221. Section 301(b) (1) of the Higher Education Act of 1965 is amended by striking out "and" after "1967," and by inserting after "1968," the following: "the sum of \$35,000,000 for the fiscal year ending June 30, 1969, the sum of \$70,000,000 for the fiscal year ending June 30, 1970, and the sum of \$91,000,000 for the fiscal year ending June 30, 1971,".

INCREASED SHARE FOR JUNIOR COLLEGES

SEC. 222. Effective with respect to fiscal years beginning after June 30, 1968, section 301(b) (2) of the Higher Education Act of 1965 is amended by striking out "78 per centum" and inserting in lieu thereof "77 per centum".

PROFESSORS EMERITUS

20 USC 1051-1055.

SEC. 223. (a) Title III of the Higher Education Act of 1965 is amended by inserting immediately after section 305 the following new section:

"PROFESSORS EMERITUS

"SEC. 306. (a) The Commissioner is authorized to award grants under this section, from funds appropriated for the purpose of this title, to professors retired from active duty at institutions of higher education (other than developing institutions) to encourage such professors to teach and to conduct research at developing institutions. Such grants may be awarded by the Commissioner (1) only upon application made by an institution and approved for this purpose by the Commissioner and (2) only upon a finding by the Commissioner that the program of teaching or research set forth in the application is reasonable in the light of the qualifications of the professor emeritus and of the educational needs of the applicant.

"(b) The Commissioner shall undertake a program of dissemination of information concerning this section.

"(c) Grants may be awarded under this section for such period of teaching or research as the Commissioner may determine. The amount of each grant awarded under the provisions of this section for each academic year of teaching or research shall be determined by the Commissioner upon the advice of the Council."

Effective date.

(b) The amendment made by this section shall be effective with respect to appropriations for fiscal years beginning after June 30, 1969.

PART D—AMENDMENTS TO EDUCATION PROFESSIONS DEVELOPMENT PROGRAM (TITLE V)

EXTENSION OF PROGRAMS

SEC. 231. (a) Sections 504(b), 511(b), 518(b), 528, 532, and 543 of the Higher Education Act of 1965 are each amended by striking out “the fiscal year ending June 30, 1970” and inserting in lieu thereof the following: “each of the succeeding fiscal years ending prior to July 1, 1971”.

20 USC 1091c,
1101, 1108, 1118,
1119a, 1119b-2.

(b) (1) Such section 511(b) is further amended by striking out “June 30, 1971” and inserting in lieu thereof “June 30, 1972”.

(2) Such section 528 is further amended by striking out “July 1, 1970” and inserting in lieu thereof “July 1, 1971”, and by changing the comma before “and such sums” to a semicolon.

PROVISION OF MEDICAL INSURANCE COVERAGE TO TEACHER CORPS MEMBERS NOT OTHERWISE COVERED

SEC. 232. Section 514 of the Higher Education Act of 1965 is amended by adding immediately following subsection (d) thereof the following new subsection:

20 USC 1104.

“(e) The Commissioner is authorized to provide medical (including hospitalization) insurance for members of the Teacher Corps who do not otherwise obtain such insurance coverage either under an arrangement made pursuant to subsection (d) of this section or as an incident of an arrangement between the Commissioner and an institution or a State or local educational agency pursuant to section 513.”

20 USC 1103.

AUTHORIZING STATE EDUCATIONAL AGENCIES TO ADMINISTER DIRECTLY PROGRAMS OF TEACHER AND TEACHER AIDE RECRUITMENT AND TRAINING

SEC. 233. (a) Subsection (a) of section 518 of the Higher Education Act of 1965 is amended by inserting after “teacher shortages” the following: “, or the efforts of State educational agencies,”.

(b) Subsection (a) of section 520 of such Act is amended—

20 USC 1110.

(1) in paragraph (2), by inserting after “local educational agencies” the following: “or of the State educational agency, or both,”

(2) by striking out paragraphs (3) and (4) and inserting in lieu thereof the following:

“(3) with respect to so much of the State program as is to be carried out by local educational agencies, (A) provides assurance that every local educational agency whose application for funds under the plan is denied will be given an opportunity for a fair hearing before the State educational agency and (B) sets forth the policies and procedures to be followed in allocating Federal funds to local educational agencies in the State, which policies and procedures shall insure that such funds will be allocated to local educational agencies having the most urgent need for teachers and teacher aides;” and

(4) by redesignating paragraphs (5) through (10) as paragraphs (4) through (9), respectively.

MINIMUM ALLOTMENT FOR TITLE V-B, SUBPART 2

SEC. 234. (a) The second sentence of section 519(a) of the Higher Education Act of 1965 is amended to read as follows: “From the remainder of such sums, the Commissioner shall apportion \$100,000 to

20 USC 1109.

each State, and shall then apportion to each State such part of the amount remaining which bears the same ratio to the total of such amount as the number of children enrolled in the public and private elementary and secondary schools of that State bears to the total number of children so enrolled in such schools in all of the States.”.

Effective date.

(b) The amendment made by this section shall be effective with respect to appropriations for fiscal years beginning after June 30, 1968.

FELLOWSHIPS FOR SCHOOL ADMINISTRATORS

20 USC 1111.

SEC. 235. The third sentence of section 521 of the Higher Education Act of 1965 is amended by inserting after “become such teachers,” the following: “a career in the administration of such schools,”.

ALLOCATION OF FELLOWSHIPS UNDER TITLE V-C

20 USC 1113.

SEC. 236. Clause (1) of section 523 of the Higher Education Act of 1965 is amended (1) by inserting after “provide an equitable distribution of such fellowships throughout the States,” the following: “taking into account such factors as the number of children in each State who are aged three to seventeen and the undergraduate student enrollment in institutions of higher education in each State,” and, (2) by striking out “except that to the extent he deems proper in the national interest after consultation with the National Advisory Council on Education Professions Development, the Commissioner may give preference to programs designed to meet an urgent national need” and inserting in lieu thereof “except that to the extent that the National Advisory Council on Education Professions Development determines that an urgent need for a certain category of educational personnel is unlikely to be met without preference in favor of such category over other categories of educational personnel, the Commissioner may give preference to programs designed to meet that need, but in no case shall such preferred programs constitute more than 50 per centum of the total number of fellowships awarded in any fiscal year”.

TECHNICAL CORRECTIONS

20 USC 1114.

SEC. 237. Section 524(a) of the Higher Education Act of 1965 is amended by inserting in paragraphs (1) and (4) “or postsecondary vocational education” after “career in elementary and secondary education”.

INCREASE IN COST-OF-EDUCATION ALLOWANCE

20 USC 1115.

SEC. 238. Section 525(b) of the Higher Education Act of 1965 is amended to read as follows:

“(b) The Commissioner shall (in addition to stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed \$3,500 per academic year for each such person.”

EQUITABLE DISTRIBUTION UNDER TITLE V-D

20 USC 1119-1119a.

SEC. 239. The Higher Education Act of 1965 is amended by inserting at the end of part D the following new section:

“DISTRIBUTION OF TRAINING PROGRAMS

“SEC. 533. In making grants and contracts for programs and projects under this part, the Commissioner shall seek to achieve an equitable geographical distribution of training opportunities throughout the Nation, taking into account the number of children in each State who are aged three to seventeen.”

PART E—EQUIPMENT AND MATERIALS FOR HIGHER EDUCATION
(TITLE VI)

EXTENSION OF PROGRAM

SEC. 241. Section 601 of the Higher Education Act of 1965 is amended— 20 USC 1121.

(1) in subsection (b), by striking out “and” after “1967,” and by inserting after “1968,” the following: “\$13,000,000 for the fiscal year ending June 30, 1969, and \$60,000,000 for each of the two succeeding fiscal years;”;

(2) in subsection (c), by striking out “and” after “1966,” and by inserting after “for the succeeding fiscal year,” the following: “\$1,500,000 for the fiscal year ending June 30, 1969, and \$10,000,000 for each of the two succeeding fiscal years;”;

(3) by striking out subsection (d).

ELIGIBILITY OF COMBINATIONS OF INSTITUTIONS

SEC. 242. (a) Sections 601(b), 601(c) and 605(a) of the Higher Education Act of 1965 are each amended to inserting after “institutions of higher education” the following: “and combinations of institutions of higher education”. 20 USC 1125.

(b) The second sentence of section 604(a) of such Act and the first sentence of section 604(b) are each amended by inserting after “institution” the following: “or combination of institutions of higher education”. 20 USC 1124.

(c) The third sentence of section 604(a) is amended by striking out “applicant institutions” and inserting in lieu thereof “applicants”.

(d) Section 604(b) of such Act is amended by inserting after the second sentence the following: “A combination of institutions of higher education shall be eligible for such a grant in accordance with regulations of the Commissioner prescribing requirements for maintenance of effort.”

(e) Section 605(b) (5) (C) of such Act is amended by striking out “institution” and inserting in lieu thereof “applicant”.

CONSULTATION

SEC. 243. Part A of title VI of the Higher Education Act of 1965 is amended by inserting at the end thereof the following: 20 USC 1121-1129.

“CONSULTATION

“SEC. 610. So as to promote the coordination of Federal programs providing assistance in the purchase of laboratory or other special equipment for education in the natural or physical sciences, the Commissioner shall consult with the National Science Foundation and other agencies in developing general policy, under this title, in respect thereof.”

PART F—NETWORKS FOR KNOWLEDGE

SHARING OF EDUCATIONAL AND RELATED RESOURCES AMONG COLLEGES AND UNIVERSITIES

20 USC 1141-1144.

SEC. 251. The Higher Education Act of 1965 is amended by redesignating title VIII as title XII, and sections 801 through 804 (and references thereto however styled in such Act, or any other Act, including such references heretofore made in this Act) as sections 1201 through 1204, respectively. The Higher Education Act of 1965 is further amended by inserting after title VII the following new title:

"TITLE VIII—NETWORKS FOR KNOWLEDGE

"SHARING EDUCATIONAL AND RELATED RESOURCES

"SEC. 801. (a) To encourage colleges and universities to share to an optimal extent, through cooperative arrangements, their technical and other educational and administrative facilities and resources, and in order to test and demonstrate the effectiveness and efficiency of a variety of such arrangements the Commissioner is authorized to enter into contracts and to make project grants for all or part of the cost of planning, developing, or carrying out such arrangements. Such grants may be made to public or nonprofit private colleges or universities. When in the Commissioner's judgment it will more effectively promote the purposes of this title, the Commissioner may make grants to other established public or nonprofit private agencies or organizations, including professional organizations or academic societies and he may enter into contracts with established private agencies and organizations.

"(b) Projects for the planning, development, or carrying out of such arrangements assisted under this title may, subject to the provisions of subsection (c), include—

"(1) (A) joint use of facilities such as classrooms, libraries, or laboratories, including joint use of necessary books, materials, and equipment; or (B) affording access to specialized library collections through preparation of interinstitutional catalogs and through development of systems and preparation of suitable media for electronic or other rapid transmission of materials;

"(2) establishment and joint operation of closed-circuit television or equivalent transmission facilities (such as the instructional television fixed services); and

"(3) establishment and joint operation of electronic computer networks and programs therefor, to be available to participating institutions for such purposes as financial and student records, student course work, or transmission of library materials.

"(c) (1) Grants pursuant to clause (B) of paragraph (1) of subsection (b) may not be used to pay the costs of electronic transmission terminals.

"(2) In the case of a project for the establishment and operation of a computer network, grants may not include—

"(A) the cost of operating administrative terminals or student terminals at participating institutions; or

"(B) the cost, or any participating institution's pro rata share of the cost, of using the central computer facilities of the network, except (i) such costs of systems development and programming of computers and transmission costs as are necessary to make the network operational, (ii) the administrative and program support costs of the central facilities of the network, and (iii) the line-access costs incurred by participating institutions.

“APPROPRIATIONS AUTHORIZED

“SEC. 802. There are authorized to be appropriated for the purposes of this title (and planning and related activities in the initial fiscal year for such purpose), \$340,000 for the fiscal year ending June 30, 1969, \$4,000,000 for the fiscal year ending June 30, 1970, and \$15,000,000 for the fiscal year ending June 30, 1971.

“AUTHORITY FOR FREE OR REDUCED RATE COMMUNICATIONS
INTERCONNECTION SERVICES

“SEC. 803. Nothing in the Communications Act of 1934, as amended, or in any other provision of law shall be construed to prevent United States communications common carriers from rendering, subject to such rules and regulations as the Federal Communications Commission may prescribe, free or reduced rate communications interconnection services for interconnection systems within the purview of this title, whether or not included in a project for which a grant is made under this title.”

48 Stat. 1064.
47 USC 609 and
note.

PART G—EDUCATION FOR THE PUBLIC SERVICE

GRANTS, CONTRACTS, AND FELLOWSHIPS TO STRENGTHEN PROGRAMS OF
EDUCATION FOR THE PUBLIC SERVICE

SEC. 261. The Higher Education Act of 1965 is amended by inserting after title VIII the following new title:

Ante, p. 1042.

“TITLE IX—EDUCATION FOR THE PUBLIC SERVICE

“PURPOSE

“SEC. 901. It is the purpose of this title to establish a program of grants and fellowships to improve the education of students attending institutions of higher education in preparation for entrance into the service of State, local, or Federal governments, and to attract such students to the public service.

“PART A—GRANTS AND CONTRACTS TO STRENGTHEN AND IMPROVE
EDUCATION FOR THE PUBLIC SERVICE

“PROJECT GRANTS AND CONTRACTS

“SEC. 903. The Secretary is authorized to make grants to or contracts with institutions of higher education, or combinations of such institutions, to assist them in planning, developing, strengthening, improving, or carrying out programs or projects (i) for the preparation of graduate or professional students to enter the public service or (ii) for research into, or development or demonstration of, improved methods of education for the public service. Such grants or contracts may include payment of all or part of the cost of programs or projects such as—

“(1) planning for the development or expansion of graduate or professional programs to prepare students to enter the public service;

“(2) training and retraining of faculty members;

“(3) strengthening the public service aspects of courses or curriculums leading to a graduate or professional degree;

“(4) establishment, expansion, or operation of centers for study at the graduate or professional level (but not including payment for construction or acquisition of buildings);

"(5) conduct of short-term or regular session institutes for advanced study by persons engaged in, or preparing to engage in, the preparation of students to enter the public service;

"(6) carrying out innovative and experimental programs of cooperative education involving alternate periods of full-time or part-time academic study at the institution and periods of full-time or part-time public service; and

"(7) research into, and development of, methods of training students or faculty, including the preparation of teaching materials and the planning of curriculum.

"APPLICATION FOR GRANT OR CONTRACT; ALLOCATION OF GRANTS OR CONTRACTS

"SEC. 904. (a) A grant or contract authorized by this part may be made only upon application to the Secretary at such time or times and containing such information as he may prescribe, except that no such application shall be approved unless it—

"(1) sets forth programs, activities, research, or development for which a grant is authorized under this part, and describes the relation to any program set forth by the applicant in an application, if any, submitted pursuant to part B;

"(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section; and

"(3) provides for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(b) The Secretary shall allocate grants or contracts under this part in such manner as will most nearly provide an equitable distribution of the grants or contracts throughout the United States among institutions of higher education which show promise of being able to use funds effectively for the purposes of this part.

"(c) (1) Payments under this section may be used, in accordance with regulations of the Secretary, and subject to the terms and conditions set forth in an application approved under subsection (a), to pay part of the compensation of students employed in public service, other than public service as an employee in any branch of the Government of the United States, as part of a program for which a grant has been approved pursuant to this section.

"(2) Departments and agencies of the United States are encouraged, to the extent consistent with efficient administration, to enter into arrangements with institutions of higher education for the full-time, part-time, or temporary employment, whether in the competitive or excepted service, of students enrolled in programs set forth in applications approved under subsection (a).

"PART B—PUBLIC SERVICE FELLOWSHIPS

"AWARD OF PUBLIC SERVICE FELLOWSHIPS

"SEC. 911. The Secretary is authorized to award fellowships in accordance with the provisions of this part for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Secretary may determine but not to exceed three academic years.

"ALLOCATION OF FELLOWSHIPS

"SEC. 912. The Secretary shall allocate fellowships under this part among institutions of higher education with programs approved under the provisions of this part for the use of individuals accepted into such programs, in such manner and according to such plan as will insofar as practicable—

"(1) provide an equitable distribution of such fellowships throughout the United States; and

"(2) attract recent college graduates to pursue a career in public service.

"APPROVAL OF PROGRAMS

"SEC. 913. The Secretary shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his findings—

"(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant and continuing need in the public service as determined by the Secretary after such consultation with other agencies as may be appropriate;

"(2) that such program is in effect and of high quality, or can readily be put into effect and may reasonably be expected to be of high quality;

"(3) that the application describes the relation of such program to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to part A; and

"(4) that the application contains satisfactory assurance that (A) the institution will recommend to the Secretary, for the award of fellowships under this part, for study in such program, only persons of superior promise who have demonstrated to the satisfaction of the institution a serious intent to enter the public service upon completing the program, and (B) the institution will make reasonable continuing efforts to encourage recipients of fellowships under this part, enrolled in such program, to enter the public service upon completing the program.

"STIPENDS

"SEC. 914. (a) The Secretary shall pay to persons awarded fellowships under this part such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Secretary shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs.

"FELLOWSHIP CONDITIONS

"SEC. 915. A person awarded a fellowship under the provisions of this part shall continue to receive the payments provided in this part only during such periods as the Secretary finds that he is maintaining satisfactory proficiency and devoting full time to study or research in the field in which such fellowship was awarded in an institution of

higher education, and is not engaging in gainful employment other than employment approved by the Secretary by or pursuant to regulation.

"PART C—GENERAL PROVISIONS

"DEFINITIONS

"SEC. 921. As used in this title—

"(a) The term 'State' includes the Canal Zone, and the Trust Territory of the Pacific Islands.

Ante, p. 1042.

"(b) The term 'institution of higher education' means an educational institution described in the first sentence of section 1201 (other than an institution of any agency of the United States) which is accredited by a nationally recognized accrediting agency or association approved by the Secretary for this purpose. For purposes of this subsection, the Secretary shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training offered.

"(c) The term 'public service' means service as an officer or employee in any branch of State, local, or Federal Government.

"(d) The term 'academic year' means an academic year or its equivalent, as determined by the Secretary.

"COORDINATION OF FEDERAL ASSISTANCE

"SEC. 922. In administering this title, the Secretary shall give primary emphasis to the assistance of programs and activities not otherwise assisted by the Department of Health, Education, and Welfare, or by other agencies of the Federal Government, so as to promote most effectively the objectives of this title.

"LIMITATION

"SEC. 923. No grant, contract, or fellowship shall be awarded under this title to, or for study at, a school or department of divinity. For the purposes of this section, the term 'school or department of divinity' means an institution or 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.

"School or department of divinity."

"REPORT

"SEC. 924. The Secretary shall include in his annual report to the Congress a report of activities of his Department under this title, including recommendations for needed revisions in the provisions thereof.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 925. There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$5,000,000 for the fiscal year ending June 30, 1970, and \$13,000,000 for the fiscal year ending June 30, 1971, to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purpose). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this title during that year and the succeeding fiscal year."

PART H—IMPROVEMENT OF GRADUATE PROGRAMS

AUTHORIZATION

SEC. 271. The Higher Education Act of 1965 is amended by inserting after title IX the following new title:

Ante, p. 1043.

"TITLE X—IMPROVEMENT OF GRADUATE PROGRAMS

"STATEMENT OF PURPOSES

"SEC. 1001. The purposes of this title are to strengthen and improve the quality of graduate programs leading to a doctoral or professional (other than medical) degree, and to increase the number of such quality programs.

"APPROPRIATIONS AUTHORIZED; USE OF GRANTS

"SEC. 1002. (a) There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, \$5,000,000, for the fiscal year ending June 30, 1970, and \$10,000,000 for the fiscal year ending June 30, 1971, to enable the Commissioner to make grants to institutions of higher education having programs leading to a degree of doctor of philosophy or comparable professional or other graduate degree, upon such terms and conditions as he may establish, to pay part of the cost of planning, developing, or carrying out projects or activities designed to achieve one or more of the purposes set forth in section 1001. Such amount for the fiscal year ending June 30, 1969, shall also be available for planning and related activities for the purpose of this title. Such grants may be used for experimental, innovative, or interdisciplinary projects or activities such as—

"(1) the strengthening of graduate faculties by enlarging their size, improving their academic or professional qualifications, or increasing the number of disciplines in which they are skilled;

"(2) the expansion or improvement of existing graduate programs, or the establishment of additional graduate programs;

"(3) the acquisition of appropriate equipment or curricular, research, or other materials required to fulfill the objectives of projects or activities described in clause (2);

"(4) the development or carrying out of cooperative arrangements among graduate schools in furtherance of the purposes of this title; or

"(5) the strengthening of graduate school administration.

"(b) No portion of the sums granted under this title may be used—

"(1) for payment in excess of 66⅔ per centum of the total cost of such project or activity;

"(2) for payment in excess of 50 per centum of the cost of the purchase or rental of books, audiovisual aids, scientific apparatus, or other materials or equipment, less any per centum of such cost, as determined by the Commissioner, that is paid from sums received (other than under this part) as Federal financial assistance; or

"(3) for sectarian instruction or religious worship, or primarily in connection with any part of the program of an institution, or 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.

“SELECTION OF GRANT RECIPIENTS

“SEC. 1003. In the awarding of grants under this title the Commissioner shall, insofar as practicable and consistent with the other purposes of this title, give weight to the objective of having an adequate number of graduate and professional schools of good quality within each appropriate region.

“CONSULTATION

“SEC. 1004. In the development of general policy governing the administration of this title, the Commissioner shall consult with the National Science Foundation, the National Foundation on the Arts and the Humanities, and the Federal Judicial Center for the purpose of promoting the coordination of Federal programs bearing on the purposes of this title.”

PART I—LAW SCHOOL CLINICAL EXPERIENCE PROGRAMS

AUTHORIZATION

Ante, p. 1047.

SEC. 281. The Higher Education Act of 1965 is amended by inserting after title X the following new title:

“TITLE XI—LAW SCHOOL CLINICAL
EXPERIENCE PROGRAMS

“PROGRAM AUTHORIZATION

“SEC. 1101. (a) The Commissioner is authorized to enter into contracts with accredited law schools in the States for the purpose of paying not to exceed 90 per centum of the cost of establishing or expanding programs in such schools to provide clinical experience to students in the practice of law, with preference being given to programs providing such experience, to the extent practicable, in the preparation and trial of cases.

“(b) Such costs may include necessary expenditures incurred for—

- “(1) planning;
- “(2) training of faculty members and salary for additional faculty members;
- “(3) travel and per diem for faculty and students;
- “(4) reasonable stipends for students for work in the public service performed as part of any such program at a time other than during the regular academic year;
- “(5) equipment; and
- “(6) such other items as are allowed pursuant to regulations issued by the Commissioner.

“(c) No law school may receive more than \$75,000 in any fiscal year pursuant to this title.

“(d) For the purpose of this title the term ‘accredited law school’ means any law school which is accredited by a nationally recognized accrediting agency or association approved by the Commissioner for this purpose.

“APPLICATIONS

“SEC. 1102. (a) A contract authorized by this title may be made by the Commissioner upon application which—

- “(1) is made at such time or times and contains such information as he may prescribe;
- “(2) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and

“Accredited law school.”

accounting for Federal funds paid to the applicant under this title; and

“(3) provides for making such reports, in such form and containing such information as the Commissioner may require to carry out his functions under this title, and for keeping such records and for affording such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

“(b) The Commissioner shall allocate contracts under this title in such manner as will provide an equitable distribution of such contracts throughout the United States among law schools which show promise of being able to use funds effectively for the purposes of this title.

“AUTHORIZATION OF APPROPRIATIONS

“SEC. 1103. There are authorized to be appropriated \$340,000 for the fiscal year ending June 30, 1969, and \$7,500,000 for each of the fiscal years ending June 30, 1970, and June 30, 1971, to carry out the purposes of this title (and planning and related activities in the initial fiscal year for such purposes). Funds appropriated for the fiscal year ending June 30, 1969, shall be available for obligation pursuant to the provisions of this title during that year and the succeeding fiscal year.”

PART J—AMENDMENTS TO GENERAL PROVISIONS (TITLE XII)

ESTABLISHMENT OF ADVISORY COUNCIL ON GRADUATE EDUCATION; ABOLITION OF HIGHER EDUCATION FACILITIES ACT ADVISORY COMMITTEE

SEC. 291. (a) The Higher Education Act of 1965 is amended by adding after the section 1204 (as redesignated by section 251 of this Act) the following new section:

Ante, p. 1042.

“ADVISORY COUNCIL ON GRADUATE EDUCATION

“SEC. 1205. (a) There is hereby established in the Office of Education an Advisory Council on Graduate Education (hereafter in this section referred to as the ‘Council’), consisting of the Commissioner, who shall be Chairman, of one representative each from the Office of Science and Technology in the Executive Office of the President, the National Science Foundation, and the National Foundation on the Arts and the Humanities, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall be selected from among leading authorities in the field of education, except that at least one of them shall be a graduate student.

Membership.

“(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to graduate education.

“(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the Council away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

Compensation,
travel expenses.

5 USC 5332
note.

80 Stat. 499.

“(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial,

clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions.”

Repeal.
20 USC 733.

(b) (1) Section 203 of the Higher Education Facilities Act of 1963 is repealed.

20 USC 732.

(2) Paragraph (1) of section 202(c) of such Act is amended to read as follows:

“(1) The Commissioner shall not approve any application for a grant under this title until he has obtained the advice and recommendations of a panel of specialists who are not employees of the Federal Government and who are competent to evaluate such applications.”

DISSEMINATION OF INFORMATION

Ante, p. 1049.

SEC. 292. The Higher Education Act of 1965 is further amended by adding after section 1205 (as added by this title) the following new section:

“DISSEMINATION OF INFORMATION

72 Stat. 1580.
20 USC 401
note.
77 Stat. 363.
20 USC 701
note.

“SEC. 1206. (a) For the purpose of carrying out more effectively the provisions of this Act, the National Defense Education Act of 1958, the Higher Education Facilities Act of 1963, and other Acts administered by him in the field of higher education (including those administered by him by delegation), the Commissioner—

“(1) shall prepare and disseminate to institutions of higher education, State agencies concerned with higher education, and other appropriate agencies and institutions (A) reports on programs and projects assisted under such Acts and other programs and projects of a similar nature, and (B) catalogs, reviews, bibliographies, abstracts, analyses of research and experimentation, and such other materials as are generally useful for such purpose;

“(2) may upon request provide advice, counsel, technical assistance, and demonstrations to institutions and agencies referred to in paragraph (1) undertaking to initiate or expand programs or projects under such Acts in order to enhance the quality, increase the depth, or broaden the scope of such programs or projects, and shall inform such institutions and agencies of the availability of assistance pursuant to this paragraph;

“(3) shall from time to time prepare and disseminate to institutions and agencies referred to in paragraph (1) reports setting forth developments in the utilization and adaptation of projects carried out pursuant to such Acts; and

“(4) may enter into contracts with public or private agencies, organizations, groups, or individuals to carry out the provisions of this section.

Appropriation.

“(b) There are authorized to be appropriated to carry out the provisions of this section \$2,000,000 for the fiscal year ending June 30, 1970. For the fiscal year ending June 30, 1971, there may be appropriated to carry out the provisions of this section only such amount as the Congress may hereafter authorize by law.

CONFORMING DEFINITIONS OF INSTITUTION OF HIGHER EDUCATION IN HIGHER EDUCATION ACT OF 1965 AND IN NATIONAL DEFENSE EDUCATION ACT OF 1958

Ante, p. 1042.

SEC. 293. (a) Section 1201(a) of the Higher Education Act of 1965 (as so redesignated by section 251 of this Act) is amended by inserting after “if not so accredited,” in clause (5) the following: “(A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has op-

erated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B)".

(b) The second sentence of such paragraph (a) is amended by striking out "Such term also includes any business school or technical institution" and inserting in lieu thereof "Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and".

INSERTION OF DEFINITION OF "COMBINATION OF INSTITUTIONS OF HIGHER EDUCATION" IN HIGHER EDUCATION ACT OF 1965

SEC. 294. Section 1201 of the Higher Education Act of 1965 (as so redesignated by section 251 of this Act) is amended by inserting at the end thereof the following:

Ante, p. 1042.

"(j) The term 'combination of institutions of higher education' means a group of institutions of higher education that have entered into a cooperative arrangement for the purpose of carrying out a common objective, or a public or private nonprofit agency, organization, or institution designated or created by a group of institutions of higher education for the purpose of carrying out a common objective on their behalf."

PROVISIONS FOR ADEQUATE LEADTIME AND FOR PLANNING AND EVALUATION IN HIGHER EDUCATION PROGRAMS

SEC. 295. The Higher Education Act of 1965, as amended by this Act, is further amended by adding after section 1206 the following new sections:

Ante, p. 1050.

"PROGRAM PLANNING AND EVALUATION FOR HIGHER EDUCATION PROGRAMS

"SEC. 1207. There are authorized to be appropriated \$1,117,000 for the fiscal year ending June 30, 1969, and \$1,900,000 for the fiscal year ending June 30, 1970, to be available to the Secretary, in accordance with regulations prescribed by him, for expenses, including grants, loans, contracts, or other payments, for (1) planning for the succeeding year programs or projects authorized under any other provision of this Act or any provision of the National Defense Education Act of 1958 or the Higher Education Facilities Act of 1963, and (2) evaluation of programs or projects so authorized.

Appropriation.

72 Stat. 1580.
20 USC 401
note.
77 Stat. 363.
20 USC 701
note.

"ADVANCE FUNDING

"SEC. 1208. To the end of affording the responsible State, local, and Federal officers concerned adequate notice of available Federal financial assistance for education, appropriations for grants, loans, contracts, or other payments under any Act referred to in section 1207 are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding that its initial application under any such Act will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"EVALUATION REPORTS AND CONGRESSIONAL REVIEW

Ante, p. 1051.

"SEC. 1209. (a) No later than March 31 of each calendar year, the Secretary shall transmit to the respective committees of the Congress having legislative jurisdiction over any Act referred to in section 1207 and to the respective Committees on Appropriations a report evaluating the results and effectiveness of programs and projects assisted thereunder during the preceding fiscal year, together with his recommendations (including any legislative recommendations) relating thereto.

"(b) In the case of any such program, the report submitted in the penultimate fiscal year for which appropriations are then authorized to be made for such program shall include a comprehensive and detailed review and evaluation of such program (as up to date as the due date permits) for its entire past life, based to the maximum extent practicable on objective measurements, together with the Secretary's recommendations as to proposed legislative action.

"AVAILABILITY OF APPROPRIATIONS ON ACADEMIC OR SCHOOL YEAR BASIS

"SEC. 1210. Appropriations for any fiscal year for grants, loans, contracts, or other payments to educational agencies or institutions under any Act referred to in section 1207, may, in accordance with regulations of the Secretary, be made available for expenditure by the agency or institution concerned on the basis of an academic or school year differing from such fiscal year."

TITLE III—AMENDMENTS TO OTHER PROVISIONS OF
THE NATIONAL DEFENSE EDUCATION ACT OF 1958

PART A—EQUIPMENT AND MATERIALS FOR ELEMENTARY AND SECONDARY
EDUCATION (TITLE III)

EXTENSION OF PROGRAM

Appropriation.

20 USC 441.

SEC. 301. (a) Section 301 of the National Defense Education Act of 1958 is amended by striking out "and \$110,000,000 for the fiscal year ending June 30, 1968," and inserting in lieu thereof ", \$110,000,000 for each of the fiscal years ending June 30, 1968, and June 30, 1969, \$120,000,000 for the fiscal year ending June 30, 1970, and \$130,000,000 for the fiscal year ending June 30, 1971,".

(b) Such section 301 is further amended by striking out "the fiscal year ending June 30, 1965, and for each of the three succeeding fiscal years" and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1971".

20 USC 444.

(c) The second sentence of section 304(b) of such Act is amended by striking out "eight" and inserting in lieu thereof "eleven".

PROVISION FOR WITHIN-STATE EQUALIZATION IN STATE-IMPOSED REQUIREMENTS FOR FINANCIAL PARTICIPATION OF PROJECT APPLICANTS

20 USC 443.

SEC. 302. Subsection (a) of section 303 of the National Defense Education Act of 1958 is amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and by inserting at the end of such subsection the following new paragraph:

"(6) sets forth any requirements imposed upon applicants for financial participation in projects assisted under this part, including any provision for taking into account, in such requirements,

the resources available to any applicant for such participation relative to the resources for participation available to all other applicants.”

PRIVATE SCHOOLS: AUTHORIZING REALLOTMENT OF SET-ASIDE FOR LOANS;
REPEALING LOAN ALLOTMENT FORMULA

SEC. 303. (a) (1) Section 305 of the National Defense Education Act of 1958 is amended by striking out “SEC. 305.” and all that follows down to but not including subsection (b) (1) and inserting in lieu thereof the following:

20 USC 445.

“SEC. 305. From the sums reserved for each fiscal year for the purposes of this section under the provisions of section 302(a), the Commissioner is authorized to make loans to private nonprofit elementary and secondary schools in any State. Any such loan shall be made only for the purposes for which payments to State educational agencies are authorized under the first sentence of section 301, and—”

20 USC 441.

(2) Paragraph (3) of such section is amended by striking out “the current average yield on all outstanding marketable obligations of the United States” and inserting in lieu thereof “the current average market yield on outstanding marketable obligations of the United States with redemption periods to maturity comparable to the average maturities of such loans”.

20 USC 442.

(b) Section 302(c) of such Act is amended to read as follows:

“(c) The amount of any State’s allotment under subsection (a) of this section for any fiscal year which the Commissioner determines will not be required for such fiscal year shall be available for reallotment from time to time, on such dates during such year as the Commissioner may fix, to the other States in proportion to the original allotments to such States under subsection (a) of this section, but with such proportionate amount for any such State being reduced to the extent it exceeds the sum the Commissioner estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amount reserved for any fiscal year for making loans under section 305 which the Commissioner determines will not be required for that purpose for such year shall be available for allotment among the States in the manner provided in the preceding sentence for reallotments. Any amount allotted or reallotted to a State under this subsection during a year from funds appropriated pursuant to section 301 shall be deemed part of its allotment under subsection (a) of this section for such year.”

Ante, p. 1052.

(c) The amendment made by subsection (a) (2) shall apply with respect to loans made after the date of enactment of this Act.

Effective date.

EQUIPMENT FOR EDUCATIONALLY DEPRIVED CHILDREN

SEC. 304. (a) Title III of the National Defense Education Act of 1958 is amended by inserting immediately below the center heading thereof the following:

20 USC 441-445.

“PART A—GRANTS TO STATES”

(b) Title III of such Act is amended (1) by striking out “this title” wherever it appears and inserting in lieu thereof “this part”; and (2) by adding at the end thereof the following new part:

"PART B—GRANTS TO LOCAL EDUCATIONAL AGENCIES

"APPROPRIATIONS AUTHORIZED

"SEC. 311. There are hereby authorized to be appropriated, for carrying out this part, \$84,373,000 for the fiscal year ending June 30, 1969, and \$160,000,000 for the fiscal year ending June 30, 1970. For the fiscal year ending June 30, 1971, there may be appropriated to carry out the provisions of this part only such amount as the Congress may hereafter authorize by law.

"ALLOTMENTS TO LOCAL EDUCATIONAL AGENCIES

Post, p. 1058.

20 USC 241a-
241m.

"SEC. 312. From the sums appropriated pursuant to section 311 for any fiscal year the Commissioner shall reserve such amount, but not in excess of 3 per centum thereof, as he may determine for allotment as provided in section 1008(A). From the remainder of such sums the Commissioner shall allot to each local educational agency (other than local educational agencies of States which receive their allotments under this part as provided in subsection 1008(A)) an amount which bears the same ratio to the amount of such remainder as the amount received by such agency from funds appropriated for the preceding fiscal year for grants under title I of the Elementary and Secondary Education Act of 1965 (title II of Public Law 874, Eighty-first Congress, as amended) bears to the amount received by all local educational agencies from such funds for such year.

"APPLICATION OF LOCAL EDUCATIONAL AGENCY

"SEC. 313. (a) A local educational agency may receive a grant under this part for any fiscal year only on application therefor approved by the appropriate State educational agency, upon its determination (consistent with such basic criteria as the Commissioner may establish)—

20 USC 443.

"(1) that payments under this part will be used for the acquisition of equipment and materials referred to in section 303(a) (1) to be used in programs and projects designed to meet the special educational needs of educationally deprived children in school attendance areas having a high concentration of children from low-income families;

"(2) that, to the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency has made provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) which will afford such children the benefits of the equipment and materials provided under this part;

"(3) that the local educational agency has provided satisfactory assurance that the control of funds provided under this part, and that title to equipment and materials acquired therewith, shall be in a public agency for the uses and purposes provided in this part, and that a public agency will administer such funds and equipment and materials; and

"(4) that the local educational agency will make an annual report and such other reports to the State educational agency, in such form and containing such information, as may be reasonably necessary to enable the State educational agency to perform its

duties under this part, and will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such reports.

Recordkeeping.

“(b) The State educational agency shall not finally disapprove in whole or in part any application for funds under this part without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

“STATE APPLICATION

“SEC. 314. (a) Any State desiring to participate under this part shall submit through its State educational agency to the Commissioner an application, in such detail as the Commissioner deems necessary, which provides satisfactory assurance—

“(1) that payments under this part will be used only for programs and projects which have been approved by the State educational agency pursuant to section 313, and that such agency will in all other respects comply with the provisions of this part, including the enforcement of any obligations imposed upon a local educational agency under section 313.

“(2) that such fiscal control and fund accounting procedures will be adopted as may be necessary to assure proper disbursement of, and accounting for, funds paid to the State (including such funds paid by the State to local educational agencies) under this part; and

“(3) that the State educational agency will make to the Commissioner such reports as may be reasonably necessary to enable the Commissioner to perform his duties under this part (including such reports as he may require to determine the amounts which local educational agencies of that State are eligible to receive for any fiscal year), and assurance that such agency will keep such records and afford such access thereto as the Commissioner may find necessary to assure the correctness and verification of such reports.

“(b) An application submitted under this section shall be deemed a State plan for the purposes of sections 1004 and 1005.

20 USC 584,
585.

“PAYMENTS

“SEC. 315. (a) The Commissioner shall, from time to time pay to each State, in advance or otherwise, the amount which the local educational agencies of that State are eligible to receive under this part. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this part (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

“(b) From the funds paid to it pursuant to subsection (a) each State educational agency shall distribute to each local educational agency of the State which has submitted an application approved to pursuant to section 313(a) the amount for which such application has been approved, except that this amount shall not exceed its allotment for the fiscal year under section 312.”

(c) Paragraph (2) of section 1004(c) of the National Defense Education Act of 1958 is amended, (1) by striking out “title III or V” and inserting in lieu thereof “part A or B of title III or under title V”; and (2) by inserting “part or” before “title or section” each time these words appear in such paragraph.

PART B—AMENDMENTS TO NATIONAL DEFENSE FELLOWSHIP PROGRAM

EXTENSION OF PROGRAM

20 USC 462.

SEC. 311. (a) Section 402(a) of the National Defense Education Act of 1958 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

20 USC 463.

(b) Section 403(a) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

INCREASING MAXIMUM LENGTH OF FELLOWSHIP FROM THREE TO FOUR YEARS IN SPECIAL CIRCUMSTANCES, AND REQUIRING INSTITUTIONAL EFFORT TO ENCOURAGE RECIPIENTS TO ENTER OR CONTINUE TEACHING

SEC. 312. (a) Subsection (a) of section 402 of the National Defense Education Act of 1958 is amended by inserting "(1)" after "except" in the second sentence thereof, and by inserting immediately before the period at the end of such sentence the following: ", and (2) that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one academic year (or one calendar year in the case of fellowships to which clause (1) applies) in addition to the maximum period otherwise applicable, under special circumstances in which the purposes of this title would most effectively be served thereby".

(b) The Commissioner may in his discretion increase, in accordance with the amendment made by subsection (a), the maximum periods of fellowships awarded prior to the date of enactment of this Act.

(c) The second sentence of section 403(a) is amended by striking out the period at the end of clause (2) of such sentence and inserting ", and" in lieu thereof; and by adding the following new clause:

"(3) that the application contains satisfactory assurance that the institution will make reasonable continuing efforts to encourage recipients of fellowships under this title, enrolled in such program, to teach or continue to teach in institutions of higher education."

Effective date.

(d) The amendment made by subsection (c) of this section shall apply with respect to fellowships awarded on or after the date of enactment of this Act.

REQUIRING STIPENDS TO BE SET IN AN AMOUNT CONSISTENT WITH THOSE AWARDED FOR COMPARABLE FELLOWSHIPS

20 USC 464.

SEC. 313. (a) Section 404 of the National Defense Education Act of 1958 is amended to read as follows:

"FELLOWSHIP STIPENDS

"SEC. 404. (a) The Commissioner shall pay to persons awarded fellowships under this title such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

"(b) The Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amounts as the Commissioner may determine to be consistent with prevailing practices under comparable federally supported programs, except that such amount shall not exceed \$3,500 per academic year for any such person."

(b) The amount of any stipend payable with respect to a fellowship awarded prior to the date of enactment of this Act shall not, during the period for which such fellowship was awarded, be less with respect to any year of study than the amount that would in the absence of the amendment made by subsection (a) of this section be payable with respect to such year.

EQUITABLE DISTRIBUTION OF FELLOWSHIPS UNDER TITLE IV OF THE
NATIONAL DEFENSE EDUCATION ACT OF 1958

SEC. 314. Section 403 of the National Defense Education Act of 1958 is amended by inserting at the end thereof the following new subsection:

20 USC 463.

“(e) In order to provide training opportunities in those areas of the Nation which have greater need for increased numbers of highly qualified persons to teach in institutions of higher education, the Commissioner shall seek to achieve an equitable geographical distribution of graduate programs approved under this section throughout the Nation, based upon such factors as student enrollments in institutions of higher education and population.”

PART C—GUIDANCE, COUNSELING, AND TESTING (TITLE V)

EXTENSION OF PROGRAM

SEC. 321. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out “and” after “June 30, 1966,” and by inserting after “two succeeding fiscal years,” the following: “\$25,000,000 for the fiscal year ending June 30, 1969, \$40,000,000 for the fiscal year ending June 30, 1970, and \$54,000,000 for the fiscal year ending June 30, 1971.”

Appropriation.
20 USC 481.

(b)(1) The second sentence of section 504(a) of such Act is amended by striking out “eight”.

20 USC 484.

(2) Section 504(b) of such Act is amended by striking out “nine”.

SHORT-TERM TRAINING SESSIONS IN GUIDANCE AND COUNSELING

SEC. 322. Section 503(a) (2) of the National Defense Education Act of 1958 is amended by inserting before the period at the end thereof a comma and the following: “and such programs may include, at the discretion of such State agency, short-term training sessions for persons engaged in guidance and counseling in elementary and secondary schools, junior colleges, and technical institutes in such State”.

20 USC 483.

PART D—LANGUAGE DEVELOPMENT (TITLE VI)

EXTENSION OF PROGRAM

SEC. 331. (a) Subsections (a) and (b) of section 601 of the National Defense Education Act of 1958 are each amended by striking out “1968” and inserting in lieu thereof “1971”.

20 USC 511.

(b) Section 603 of such Act is amended by striking out “and” before “\$18,000,000” and by inserting after “1968,” the following: “\$16,050,000 for the fiscal year ending June 30, 1969, \$30,000,000 for the fiscal year ending June 30, 1970, and \$38,500,000 for the fiscal year ending June 30, 1971”.

Appropriation.
20 USC 513.

PART E—EDUCATIONAL MEDIA (TITLE VII)

SPECIAL PERSONNEL

20 USC 562.

SEC. 341. Section 762 of the National Defense Education Act of 1958 is amended by striking out "television, radio, motion pictures, and other related media of communication" and inserting in lieu thereof "new media and technology".

PART F—AMENDMENT TO MISCELLANEOUS PROVISIONS (TITLE X)

PROVISION IN NATIONAL DEFENSE EDUCATION ACT OF 1958 FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS, FOR SCHOOLS OF DEPARTMENT OF INTERIOR FOR INDIAN CHILDREN, AND FOR OVERSEAS DEPENDENT SCHOOLS OF DEPARTMENT OF DEFENSE

20 USC 588.

SEC. 351. (a) Section 1008 of the National Defense Education Act of 1958 is amended to read as follows:

"ALLOTMENTS TO TERRITORIES AND POSSESSIONS

20 USC 442,
482; Ante, p.
1054.

"SEC. 1008. The amounts reserved by the Commissioner under sections 302, 312, and 502 shall, in accordance therewith, be allotted among—

"(A) Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for the type of assistance furnished under the part or title in which the section appears, and

"(B) in the case of amounts so reserved under sections 302 and 502, (i) the Secretary of the Interior, according to the need for such assistance in order to effectuate the purposes of such part or title in schools operated for Indian children by the Department of the Interior, and (ii) the Secretary of Defense according to the need for such assistance in order to effectuate the purposes of such part or title in the overseas dependents schools of the Department of Defense. The terms upon which payments for such purpose shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title."

(b) Sections 302(a) (1) and 502(a) of such Act are each amended by striking out "2 per centum thereof, as he may determine for allotment as provided in section 1008" and inserting in lieu thereof "3 per centum thereof, as he may determine for allotment as provided in section 1008(A), and such amount, not in excess of 1 per centum thereof, as he may determine for allotment as provided in section 1008(B)".

20 USC 403.

(c) Section 103(a) of such Act is amended (1) by striking out "or" each time it appears before "the Virgin Islands", (2) by inserting after "the Virgin Islands," as it first appears "and, for the purposes of titles II, III, and V, the Trust Territory of the Pacific Islands," (3) by striking out "(1) as used in section 205(b) (3) of this title such term includes the Trust Territory of the Pacific Islands, and (2)", and (4) by inserting before the period at the end thereof ", or the Trust Territory of the Pacific Islands".

Effective date.

(d) The amendments made by this section shall be effective with respect to fiscal years ending after June 30, 1968.

TITLE IV—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

EXTENSION OF PROGRAM

SEC. 401. (a) (1) Subsection (a) of section 101 of the Higher Education Facilities Act of 1963 is amended by striking out “during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years.”.

Appropriation.
20 USC 711.

(2) Subsection (b) of section 101 of such Act is amended by striking out so much of the first sentence thereof as follows “June 30, 1968, and” and inserting in lieu thereof “\$936,000,000 for each of the succeeding fiscal years ending prior to July 1, 1971.”.

(3) Subsection (b) of section 105 of such Act is amended (A) by striking out “two succeeding fiscal years” in the first sentence thereof and inserting in lieu thereof “four succeeding fiscal years”, and (B) by striking out the last sentence of such subsection.

20 USC 715.

(4) Section 103(b) (1) and section 104(b) (1) of such Act are each amended by striking out the last sentence.

20 USC 713,
714.

(b) Section 201 of the Higher Education Facilities Act of 1963 is amended—

Appropriation.
20 USC 731.

(1) in the first sentence, by striking out “, during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years,”; and

(2) by striking out so much of the second sentence as follows “and the sum of \$120,000,000” and inserting in lieu thereof “for each of the succeeding fiscal years ending prior to July 1, 1971.”.

(c) Subsection (c) of section 303 of the Higher Education Facilities Act of 1963 is amended—

20 USC 743.

(1) in the first sentence thereof by striking out “, during the fiscal year ending June 30, 1964, and each of the seven succeeding fiscal years,”; and

(2) in the second sentence thereof by striking out so much of such sentence as follows “\$400,000,000” and inserting in lieu thereof “for each of the succeeding fiscal years ending prior to July 1, 1971.”.

BROADENING ELIGIBILITY FOR CONSTRUCTION GRANTS

SEC. 402. (a) Effective with respect to fiscal years ending on or after June 30, 1969—

(1) Section 106 (1) and (2) of the Higher Education Facilities Act of 1963, as amended, is amended by inserting after “enrollment capacity” in each case the following: “, capacity to provide needed health care to students or personnel of the institution,”.

20 USC 716.

(2) The second sentence of section 107(a) of such Act is amended by striking out “and” before “(2)” and by inserting before the period at the end thereof the following: “, and (3) shall give consideration to expansion of capacity to provide needed health care to students and institutional personnel”.

20 USC 717.

(3) Section 108(b) of such Act is amended by striking out “and”, at the end of paragraph (5), redesignating paragraph (6) as paragraph (7) and inserting after paragraph (5) the following:

20 USC 718.

“(6) in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, he determines that no financial assistance will be provided such project under title IV of the Housing Act of 1950; and”.

12 USC 1749-
1749c.

20 USC 743.

(4) Section 303(a) is amended by striking out "and" at the end of clause (2), and by inserting before the period the following: "and (4) that, in the case of a project to construct an infirmary or other facility designed to provide primarily for outpatient care of students and institutional personnel, no financial assistance will be provided such project under title IV of the Housing Act of 1950".

12 USC 1749-1749c.

20 USC 751.

(5) The first sentence of section 401(a) of such Act is amended by inserting before the period at the end thereof the following: "and, for purposes of titles I and III, such term includes infirmaries or other facilities designed to provide primarily for outpatient care of students and institutional personnel".

20 USC 716.

(b) (1) Section 106 of the Higher Education Facilities Act of 1963 is amended by inserting at the end thereof the following new sentence: "If the Commissioner finds that the student enrollment capacity of an institution would decrease if an urgently needed academic facility is not constructed, construction of such a facility may be considered, for the purposes of this section, to result in expansion of the institution's student enrollment capacity."

Effective date.

(2) The amendment made by paragraph (1) of this subsection shall be effective only with respect to grants made from appropriations for fiscal years beginning after June 30, 1969.

ANNUAL INTEREST GRANTS

20 USC 741-745.

SEC. 403. Title III of the Higher Education Facilities Act of 1963 is amended by adding at the end thereof the following new section:

"ANNUAL INTEREST GRANTS

"SEC. 306. (a) To assist institutions of higher education and higher education building agencies to reduce the cost of borrowing from other sources for the construction of academic facilities, the Commissioner may make annual interest grants to such institutions and agencies.

"(b) Annual interest grants to an institution of higher education or higher education building agency with respect to any academic facility shall be made over a fixed period not exceeding forty years, and provision for such grants shall be embodied in a contract guaranteeing their payment over such period. Each such grant shall be in an amount not greater than the difference between (1) the average annual debt service which would be required to be paid, during the life of the loan, on the amount borrowed from other sources for the construction of such facilities, and (2) the average annual debt service which the institution would have been required to pay, during the life of the loan, with respect to such amounts if the applicable interest rate were the maximum rate specified in section 303(b): *Provided*, That the amount on which such grant is based shall be approved by the Secretary.

"(c) (1) There are hereby authorized to be appropriated to the Commissioner such sums as may be necessary for the payment of annual interest grants to institutions of higher education and higher education building agencies in accordance with this section.

"(2) Contracts for annual interest grants under this section shall not be entered into in an aggregate amount greater than is authorized in appropriation Acts; and in any event the total amount of annual interest grants which may be paid to institutions of higher education and higher education building agencies in any year pursuant to contracts entered into under this section shall not exceed \$5,000,000, which amount shall be increased by \$6,750,000 on July 1, 1969, and by \$13,500,000 on July 1, 1970.

"(d) Not more than 12½ per centum of the funds provided for in this section for grants may be used within any one State.

“(e) No annual interest grant pursuant to this section shall be made unless the Commissioner finds (1) that not less than 10 per centum of the development cost of the facility will be financed from non-Federal sources, (2) that the applicant is unable to secure a loan in the amount of the loan with respect to which the annual interest grant is to be made, from other sources upon terms and conditions equally as favorable as the terms and conditions applicable to loans under this title, and (3) that the construction will be undertaken in an economical manner and that it will not be of elaborate or extravagant design or materials. For purposes of this section, a loan with respect to which an interest grant is made under this section shall not be considered financing from a non-Federal source. For purposes of the other provisions of this Act, such a loan shall be considered financing from a non-Federal source.”

EXTENDING AUTHORIZATION FOR HIGHER EDUCATION FACILITIES
CONSTRUCTION ASSISTANCE IN MAJOR DISASTER AREAS

SEC. 404. Section 408(a) of the Higher Education Facilities Act of 1963 is amended by striking out “July 1, 1967,” and inserting in lieu thereof “July 1, 1971,”. 20 USC 758.

INCREASING FEDERAL SHARE

SEC. 405. (a) Sections 107(b) and 401(d) of the Higher Education Facilities Act of 1963 are each amended (1) by striking out “33 $\frac{1}{3}$ per centum” and inserting in lieu thereof “50 per centum” and (2) by striking out “40 per centum” and inserting in lieu thereof “50 per centum”. 20 USC 717, 751.

(b) Section 202(b) of such Act is amended by striking out “33 $\frac{1}{3}$ per centum” and inserting in lieu thereof “50 per centum”. 20 USC 732.

MINIMUM TITLE I ALLOTMENTS TO STATES AND TERRITORIES

SEC. 406. (a) Title I of the Higher Education Facilities Act of 1963 is amended by inserting after the second sentence of section 103 and after the first sentence of section 104 the following: “The amount allotted to any State under the preceding sentence for any fiscal year which is less than \$50,000 shall be increased to \$50,000, the total of increases thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any such remaining States from being thereby reduced to less than \$50,000.” 20 USC 713, 714.

(b) The amendments made by this section shall apply with respect to fiscal years ending on or after June 30, 1969. Effective date.

TITLE V—MISCELLANEOUS

EXTENSION OF PROGRAM OF FINANCIAL ASSISTANCE FOR STRENGTHENING
INSTRUCTION IN THE HUMANITIES AND ARTS

SEC. 501. (a) The first sentence of section 12 of the National Foundation on the Arts and the Humanities Act of 1965 is amended (1) by striking out “two succeeding years” and inserting in lieu thereof “five succeeding fiscal years”, and (2) by striking out all that follows “\$500,000” and inserting in lieu thereof a period. 20 USC 961.

(b) Such section is further amended, (1) in subsection (b), by striking out “allotted” and inserting in lieu thereof “reserved, allotted, and reallocated”; and (2) in subsection (f), by striking out “allot and”.

EXTENSION OF INTERNATIONAL EDUCATION ACT OF 1966

20 USC 1176.

SEC. 502. Section 105(a) of the International Education Act of 1966 is amended by striking out "the fiscal year ending June 30, 1969," and inserting in lieu thereof "each of the succeeding fiscal years ending prior to July 1, 1971,".

AGE QUOTAS IN YOUTH WORK AND TRAINING PROGRAMS

42 USC 2741.

SEC. 503. Section 124 of the Economic Opportunity Act of 1964 is amended by adding at the end thereof the following:

42 USC 2740.

"(f) In the case of a program under section 123(a)(1), the Director shall not limit the number or percentage of the participants in the program who are fourteen or fifteen years of age."

ELIGIBILITY FOR STUDENT ASSISTANCE

SEC. 504. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this Act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institution from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c). If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactment of this Act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(c) The programs referred to in subsections (a) and (b) are as follows:

(1) The student loan program under title II of the National Defense Education Act of 1958.

(2) The educational opportunity grant program under part A of title IV of the Higher Education Act of 1965.

(3) The student loan insurance program under part B of title IV of the Higher Education Act of 1965.

(4) The college work-study program under part C of title IV of the Higher Education Act of 1965.

(5) Any fellowship program carried on under title II, III, or V of the Higher Education Act of 1965 or title IV or VI of the National Defense Education Act of 1958.

(d) (1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from re-

20 USC 421-429.

20 USC 1061-1069.

20 USC 1071-1086; *Ante*, p. 1020.20 USC 1021-1041, 1051-1055, 1091-1119b-2; *Ante*, pp. 1038, 1041.

20 USC 461-465, 511-513.

fusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

RULEMAKING REQUIREMENTS

SEC. 505. No standard, rule, regulation, or requirement of general applicability prescribed for the administration of this Act or any Act amended by this Act may take effect until 30 days after it is published in the Federal Register.

Publication in
Federal Register.

DUPLICATION OF BENEFITS

SEC. 506. No grant, award, or loan of assistance to any student under any Act amended by this Act shall be considered a duplication of benefits for the purposes of section 1781 of title 38, United States Code.

80 Stat. 21.

FINANCIAL AID TO STUDENTS NOT TO BE TREATED AS INCOME OR RESOURCES UNDER CERTAIN PROGRAMS

SEC. 507. For the purpose of any program assisted under title I, IV, X, XIV, XVI, or XIX of the Social Security Act, no grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education shall be considered to be income or resources.

42 USC 301,
601, 1201, 1351,
1381, 1396.

PRESIDENTIAL RECOMMENDATION WITH RESPECT TO POST-SECONDARY EDUCATION FOR ALL

SEC. 508. On or before December 31, 1969, the President shall submit to the Congress proposals relative to the feasibility of making available a post-secondary education to all young Americans who qualify and seek it.

Approved October 16, 1968.