lection may be made notwithstanding any provision of law or rule of law which otherwise would prevent such assessment and collection.

"(d) MEMBERS OF CONTROLLED GROUP.—Under regulations prescribed by the Secretary or his delegate, if a corporation is a member of a controlled group of corporations (within the meaning of section 1563), subsections (a) (2) and (c) shall be applied by treating all members of such controlled group as one corporation."

(b) The table of sections for such part VIII is amended by adding at the end thereof the following:

"Sec. 250. Certain payments to the National Railroad Passenger Corporation."

(c) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

Approved October 30, 1970.

Public Law 91-519

AN ACT

November 2, 1970

[S. 3586] To amend title VII of the Public Health Service Act to establish eligibility of new schools of medicine, dentistry, osteopathy, pharmacy, optometry, veterinary medicine, and podiatry for institutional grants under section 771 thereof, to extend and improve the program relating to training of personnel in the allied health professions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Training Improvement Act of 1970".

TITLE I—SCHOOLS OF MEDICINE, DENTISTRY, OSTEOPATHY, PHARMACY, OPTOMETRY, VETERINARY MEDICINE, AND PODIATRY
INSTITUTIONAL GRANTS

SEC. 101. (a) Section 771 of the Public Health Service Act (42 U.S.C. 295f-1) is amended by adding at the end thereof the following new subsection:

"(d) In the case of a new school of medicine, dentistry, osteopathy, pharmacy, optometry, veterinary medicine, or podiatry, which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subparagraph (a)(1)(A) of this section shall be the number of full-time students which the Secretary determines, on the basis of assurances provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made."

(b) The amendment made by subsection (a) of this section shall be effective only with respect to sums available for grants under section 771 of the Public Health Service Act from appropriations under section 770 of such Act for the fiscal years ending after June 30, 1970.

SEC. 102. (a) Section 772 of the Public Health Service Act (42 U.S.C. 295f-2) is amended—

(1) by adding at the end thereof the following new sentence: "Sums appropriated under section 770 for the fiscal year ending June 30, 1971, for grants under this section to assist any such schools which are in serious financial straits to meet their costs of operation shall remain available to make such grants until June 30, 1972."; and

(2) by inserting "(a)" after "Sec. 772." and by adding at the end the following new subsection:

"(b) The Congress finds and declares that the Nation's economy, welfare, and security are adversely affected by the acute financial crisis which threatens the survival of medical and dental schools which provide the highest quality of teaching, medical and dental research, and delivery of health care for the Nation. The Secretary shall determine the need for emergency financial assistance to such medical and dental schools and shall report to the Congress on or before June 30,
1971, his determinations of such need and his recommendations for such administrative and legislative action as he determines is necessary to meet such needs.”

(b) The amendment made by paragraph (1) of subsection (a) of this section shall apply only with respect to appropriations under section 770 of the Public Health Service Act made after the date of the enactment of this Act.

TITLE II—ALLIED HEALTH PROFESSIONS

GRANTS FOR CONSTRUCTION OF TEACHING FACILITIES FOR ALLIED HEALTH PROFESSIONS PERSONNEL

SEC. 201. (a) Paragraph (1) of subsection (a) of section 791 of the Public Health Service Act (42 U.S.C. 295h(a) (1)) is amended (1) by striking out “and” after “June 30, 1969;”, and (2) by striking out the period and inserting in lieu thereof a semicolon and the following: “; $20,000,000 for the fiscal year ending June 30, 1971; $30,000,000 for the fiscal year ending June 30, 1972; and $40,000,000 for the fiscal year ending June 30, 1973.”

(b) Paragraph (1) of subsection (b) of such section is amended by striking out “July 1, 1969” and inserting in lieu thereof “July 1, 1972”.

GRANTS TO IMPROVE THE QUALITY OF TRAINING FOR ALLIED HEALTH PROFESSIONS

SEC. 202. (a) Effective with respect to appropriations for the fiscal year beginning July 1, 1970, section 792 of the Public Health Service Act (42 U.S.C. 295h-1 (a)) is amended as follows:

(1) Subsection (a) of such section is amended to read as follows:

“Basic Improvement Grants

“SEC. 792. (a) (1) There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1971, $15,000,000 for the fiscal year ending June 30, 1972, and $15,000,000 for the fiscal year ending June 30, 1973, for basic improvement grants under this subsection.”

(2) Subsection (b) of such section is amended—

(A) by striking out the subsection heading,

(B) by striking out “(b) (1)” and inserting in lieu thereof “(2),”;

(C) by striking out “paragraph (2)” and inserting in lieu thereof “paragraph (3)”;

(D) by striking out “June 30, 1970” and inserting in lieu thereof “June 30, 1973”, and

(E) by striking out “(2)” in paragraph (2) and inserting in lieu thereof “(3)”.

(3) Subsection (c) is repealed and the following new subsections are inserted immediately before subsection (d):

“Special Improvement Grants

“(b) There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1971, $20,000,000 for the fiscal year ending June 30, 1972, and $30,000,000 for the fiscal year ending June 30, 1973, for special improvement grants to assist training centers for allied
health professions in projects for the provision, maintenance, or improvement of the specialized functions which the center serves.

"Special Projects for Experimentation, Demonstration, and Institutional Improvement"

"(c) (1) There are authorized to be appropriated $10,000,000 for the fiscal year ending June 30, 1971, $20,000,000 for the fiscal year ending June 30, 1972, and $30,000,000 for the fiscal year ending June 30, 1973, for grants and contracts for special projects under this subsection.

"(2) The Secretary is authorized, from sums available therefor from appropriations made under this subsection and subsection (b), to make grants to public or nonprofit private agencies, organizations, and institutions, and to enter into contracts with individuals, agencies, organizations, and institutions, for special projects related to training or retraining of allied health personnel, including—

"(A) planning, establishing, demonstrating, or developing new programs, or modifying or expanding existing programs, including interdisciplinary training programs;

"(B) developing, demonstrating, or establishing special programs, or adapting existing programs, to reach special groups such as returning veterans with experience in a health field, the economically or culturally deprived, or persons reentering any of the allied health fields;

"(C) developing, demonstrating, or evaluating new or improved teaching methods or curriculums;

"(D) developing, demonstrating, or establishing interrelationships among institutions which will facilitate the training, retraining, or utilization of allied health manpower;

"(E) developing, demonstrating, or evaluating new types of health manpower;

"(F) developing, demonstrating, or evaluating techniques for appropriate recognition (including equivalency and proficiency testing mechanisms) of previously acquired training or experience; and

"(G) developing, demonstrating, or evaluating new or improved means of recruitment, retraining, or retention of allied health manpower."

(b) Effective with respect to grants from appropriations for the fiscal year beginning July 1, 1970, subsection (d) of section 792 is amended—

(A) by striking out “basic or special improvement” in paragraph (1);

(B) by inserting “in the case of a basic or special improvement grant,” immediately after “(A)” in paragraph (2)(A); and

(C) by striking out “for grants under subsection (c)” in paragraph (3) and inserting in lieu thereof “for special improvement grants under subsection (b) and for special project grants under subsection (c)”.

(c) Effective with respect to grants from appropriations for the fiscal year beginning July 1, 1970, section 795(3) of such Act (42 U.S.C. 295h–1) is amended by striking out “as applied to any training center for allied health professions” and inserting in lieu thereof “as applied to any training center for allied health professions or to any private agency, organization, or institution.”

(d) Effective with respect to the fiscal year beginning July 1, 1970, section 794 of such Act (42 U.S.C. 295h–3) is repealed.
SEC. 203. (a) Subsection (a) of section 793 of the Public Health Service Act (42 U.S.C. 295h–2(a)) is amended (1) by striking out “and” after “June 30, 1969;”, and (2) by inserting after “June 30, 1970;” the following: “$8,000,000 for the fiscal year ending June 30, 1971; $10,000,000 for the fiscal year ending June 30, 1972; and $12,000,000 for the fiscal year ending June 30, 1973;”.

(b) Effective with respect to grants from appropriations for the fiscal year beginning July 1, 1970—

(1) Subsection (b) of such section is amended by striking out “training centers for allied health professions” and inserting in lieu thereof “agencies, organizations, and institutions”.

(2) Subsection (c) of such section is amended by striking out “centers” and inserting in lieu thereof “public or nonprofit private agencies, organizations, and institutions”.

ENCOURAGEMENT OF FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE ALLIED HEALTH PROFESSIONS

SEC. 204. Part G of title VII of the Public Health Service Act is amended by adding immediately after section 793 thereof the following new sections:

"GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR ALLIED HEALTH PROFESSIONS"

"Sec. 794A. (a) To assist in meeting the need for additional trained personnel in the allied health professions, the Secretary is authorized to make grants to State or local educational agencies or other public or nonprofit private agencies, institutions, and organizations, or enter into contracts without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), for the purpose of—

(1) identifying individuals of financial, educational, or cultural need with a potential for education or training in the allied health professions, including returning veterans of the Armed Forces of the United States with training or experience in the health field, and encouraging and assisting them, whenever appropriate, to (A) complete secondary school, (B) undertake such postsecondary training as may be required to qualify them for training in the allied health professions, and (C) undertake postsecondary educational training in the allied health professions, or

(2) publicizing existing sources of financial aid available to persons undertaking training or education in the allied health professions.

(b) For the purpose of carrying out the provisions of this section, there are authorized to be appropriated $750,000 for the fiscal year ending June 30, 1971; $1,000,000 for the fiscal year ending June 30, 1972; and $1,250,000 for the fiscal year ending June 30, 1973.

"SCHOLARSHIP GRANTS"

"Sec. 794B. (a) The Secretary is authorized to make (in accordance with such regulations as he may prescribe) grants to public or nonprofit private agencies, institutions, and organizations with an established program for training or retraining of personnel in the allied health professions or occupations specified by the Secretary for (1) scholarships to be awarded by such agency, institution, or organization to students thereof, and (2) scholarships in retaining programs
of such agency, institution, or organization to be awarded to allied health professions personnel in occupations for which such agency, institution, or organization determines that there is a need for the development of, or the expansion of, training.

"(b) Scholarships awarded by any agency, institution, or organization from grants under subsection (a) shall be awarded for any year only to individuals of exceptional financial need who require such assistance for such year in order to pursue a course of study offered by such agency, institution, or organization.

"(c) Grants under subsection (a) may be paid in advance or by way of reimbursement and at such intervals as the Secretary may deem appropriate and with appropriate adjustments on account of overpayments or underpayments previously made.

"(d) Any scholarship awarded from grants under subsection (a) to any individual for any year shall cover such portion of the individual's tuition, fees, books, equipment, and living expenses as the agency, institution, or organization awarding the scholarship may determine to be needed by such individual for such year on the basis of his requirements and financial resources; except that the amount of any such scholarship shall not exceed $2,000, plus $600 for each dependent (not in excess of three) in the case of any individual who is awarded such a scholarship.

"(e) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practicable, increase the level of non-Federal funds, which would in the absence of such grant, be made available for the purpose for which such grant is requested.

"(f) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $4,000,000 for the fiscal year ending June 30, 1971; $5,000,000 for the fiscal year ending June 30, 1972; and $6,000,000 for the fiscal year ending June 30, 1973.

"WORK-STUDY PROGRAMS

"Sec. 794C. (a) The Secretary is authorized to enter into agreements with public or nonprofit private agencies, institutions, and organizations with established programs for the training or retraining of personnel in the allied health professions specified by the Secretary under which the Secretary will make grants to such agencies, institutions, and organizations to assist them in the operation of work-study programs for individuals undergoing training or retraining provided by such programs.

"(b) Any agreement entered into pursuant to this section with a public or nonprofit private agency, institution, or organization shall—

"(1) provide that such agency, institution, or organization, will operate a work-study program for the part-time employment of its students or trainees either (A) in work for such agency, institution, or organization or (B) pursuant to arrangements between such agency, institution, or organization and another public or private nonprofit agency, institution, or organization, in work which is in the public interest for such other agency, institution, or organization;

"(2) provide that any such work-study program shall be operated in such manner that its operation will not result in the displacement of employed workers or impair existing contracts for employment;

"(3) provide that any such work-study program will provide conditions of employment, for the students or trainees partici-
(4) provide that no Federal funds made available to such agency, institution, or organization pursuant to such agreement shall be used for the construction, operation, or maintenance of any facility or part thereof which is used or is to be used for sectarian instruction or as a place for religious worship;

(5) provide that Federal funds made available to such agency, institution, or organization pursuant to such agreement shall be used only to make payments to its students or trainees performing work in the work-study program operated by such agency, institution, or organization; except that such agency, institution, or organization may use a portion of such funds to meet administrative expenses connected with the operation of such program, but the portion which may be so used shall not exceed 5 per centum of that part of such funds which is used for the purpose of making payments, to such students or trainees, for work performed for a public or private nonprofit agency, institution, or organization other than the agency, institution, or organization receiving such Federal funds pursuant to such agreement;

(6) provide that such agency, institution, or organization, in selecting students or trainees for employment in such work-study program, will give preference to individuals from low-income families, and that no individual will be selected for employment in such program unless he (A) is in need of the earnings from such employment in order to pursue a course of study (whether on a full-time or part-time basis) for training or retraining of personnel in the allied health professions provided by such agency, institution, or organization, (B) is capable, in the opinion of such agency, institution, or organization, of maintaining good standing in such course of study while employed under such work-study program, and (C) in the case of any individual who at the time he applies for such employment is a new student or trainee, has been accepted for enrollment in such course of study on a full-time basis or part-time and, in the case of any other individual, is enrolled in such course of study on such a basis and is maintaining good standing in such course of study;

(7) provide that such agency, institution, or organization shall, in the operation of such work-study program, provide all individuals desiring employment therein an opportunity to make application for such employment and that, to the extent that necessary funds are available, all eligible applicants will be employed in such program; and

(8) include such other provisions as the Secretary may deem necessary or appropriate to carry out the purposes of this section.

(c) The Secretary shall not approve any grant under this section unless the applicant therefor provides assurances satisfactory to the Secretary that funds made available through such grant will be so used as to supplement and, to the extent practical, increase the level of non-Federal funds which would, in the absence of such grant, be made available for the purpose for which such grant is requested.

(d) (1) Funds provided through any grant made under this section shall not be used to pay more than—

(A) 90 per centum, in the case of the period commencing on the date of the enactment of this section and ending with the close of the third June 30th thereafter;

(B) 85 per centum, in the case of the one-year period which immediately succeeds the period referred to in clause (A),
“(C) 80 per centum, in the case of the one-year period which immediately succeeds the period referred to in clause (B), nor “(D) 75 per centum, in the case of any period after the period referred to in clause (C), of the costs attributable to the payment of compensation to students or trainees for employment in the work-study program with respect to which such grant is made. “(2) (A) In determining (for purposes of paragraph (1)) the amounts attributable to the payment of compensation to students or trainees for employment in any work-study program, there shall be disregarded any Federal funds (other than such funds derived from a grant under this section) used for the payment of such compensation. “(B) In determining (for purposes of paragraph (1)) the total amounts expended for the payment of compensation to students or trainees for employment in any work-study program operated by any agency, institution, or organization receiving a grant under this section, there shall be included the reasonable value of compensation provided by such agency, institution, or organization to such students or trainees in the form of services and supplies (including tuition, board, and books). “(e) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1971, $4,000,000 for the fiscal year ending June 30, 1972, and $6,000,000 for the fiscal year ending June 30, 1973.

“LOANS FOR STUDENTS OF THE ALLIED HEALTH PROFESSIONS

Sec. 704D. (a) (1) The Secretary is authorized (in accordance with such regulations as he may prescribe) to enter into an agreement for the establishment and operation of a student loan fund in accordance with this section with any public or private nonprofit agency, institution, or organization which has an established program for the training or retraining of personnel in the allied health professions specified by the Secretary.

(2) Each agreement entered into under this subsection shall—

(A) provide for establishment of a student loan fund by such agency, institution, or organization for students or trainees enrolled in such program;

(B) provide for deposit in the fund of (i) the Federal capital contributions paid under this section to the agency, institution, or organization by the Secretary, (ii) an additional amount from other sources equal to not less than one-ninth of such Federal capital contributions, (iii) collections of principal and interest on loans made from the fund, (iv) collections pursuant to subsection (b) (6), and (v) any other earnings of the fund;

(C) provide that the fund shall be used only for loans to students or trainees enrolled in such program of the agency, institution, or organization in accordance with the agreement and for costs of collection of such loans and interest thereon;

(D) provide that loans may be made from such fund to students pursuing a course of study (whether full time or part time) in such program of such agency, institution, or organization and that while the agreement remains in effect no such student who is attending such program of such agency, institution, or organization shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958 or pursuant to part B of the title IV of the Higher Education Act of 1965; and

(E) contain such other provisions as are necessary to protect the financial interests of the United States.
"(b) (1) The total of the loans for any academic year (or its equivalent, as determined under regulations of the Secretary) made by agencies, institutions or organizations from loan funds established pursuant to agreements under this section may not exceed $1,500 in the case of any student. The aggregate of the loans for all years from such funds may not exceed $6,000 in the case of any student.

"(2) Loans from any such student loan fund by any agency, institution or organization shall be made on such terms and conditions as it may determine; subject, however, to such conditions, limitations, and requirements as the Secretary may prescribe (by regulation or in the agreement with the agency, institution, or organization) with a view to preventing impairment of the capital of such fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

"(A) such loan may be made only to a student who (i) is in need of the amount of the loan to pursue a part-time or full-time course of study at the agency, institution, or organization, and (ii) is capable, in the opinion of the agency, institution, or organization, of maintaining good standing in such course of study;

"(B) such loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a part-time or full-time course of study in a program for the training or retraining of personnel in the allied health professions at an agency, institution, or organization approved by the Secretary, excluding from such ten-year period all (i) periods (up to three years) of (I) active duty performed by the borrower as a member of a uniformed service, or (II) service as a volunteer under the Peace Corps Act, and (ii) periods (up to five years) during which the borrower is pursuing a full-time course of study at a school leading to a baccalaureate or associate degree or the equivalent of either or to a higher degree in one of the allied health professions;

"(C) not to exceed 50 per centum of any such loan (plus interest) shall be canceled for full-time employment in any of the allied health professions (including teaching any such profession or service as an administrator, supervisor, or specialist in any such profession) in any public or private nonprofit agency, institution, or organization, or in a rural area with an individual practitioner of medicine or dentistry if such service is approved by a local county health department or its equivalent at the rate of 10 per centum of the amount of such loan plus interest thereon, for each complete year of service, except that such rate shall be 15 per centum for each complete year of service in such a profession in a public or other nonprofit hospital, other health service facility or health agency which is determined, in accordance with regulations of the Secretary, to have a substantial shortage of persons rendering service in such profession, and for purposes of any cancellation at such higher rate, an amount equal to an additional 50 per centum of the total amount of such loans plus interest may be canceled;

"(D) the liability to repay the unpaid balance of such loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently and totally disabled;

"(E) such a loan shall bear interest on the unpaid balance of the loan, computed only for periods during which the loan is repayable, at the rate of 3 per centum per annum;
"(F) such a loan shall be made without security or endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required; and

"(G) no note or other evidence of any such loan may be transferred or assigned by the agency, institution, or organization making the loan except that, if the borrower transfers to another agency, institution, or organization participating in the program under this section, such note or other evidence of a loan may be transferred to such other agency, institution, or organization."

"(3) When all or any part of a loan, or interest, is canceled under this subsection, the Secretary shall pay to the agency, institution, or organization an amount equal to its proportionate share of the canceled portion, as determined by the Secretary.

"(4) Any loan for any year by an agency, institution, or organization from a student loan fund established pursuant to an agreement under this section shall be made in such installments as may be provided in regulations of the Secretary or such agreement and, upon notice to the Secretary by the agency, institution, or organization that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate.

"(5) An agreement under this section with any agency, institution, or organization shall include provisions designed to make loans from the student loan fund established thereunder reasonably available (to the extent of the available funds in such fund) to all eligible students in the agency, institution, or organization in need thereof.

"(6) Subject to regulations of the Secretary, an agency, institution, or organization may assess a charge with respect to a loan from the loan fund established pursuant to an agreement under this section for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under paragraph (2)(B) or cancellation of part or all of the loan under paragraph (2)(C), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter. The agency, institution, or organization may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the agency, institution, or organization not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

"(7) An agency, institution, or organization may provide, in accordance with regulations of the Secretary, that during the repayment period of a loan from a loan fund established pursuant to an agreement under this section payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds so established shall be at a rate equal to not less than $15 per month.

"(c) There are authorized to be appropriated to the Secretary for Federal capital contributions to student loan funds pursuant to subsection (a)(2)(B)(i) $3,500,000 for the fiscal year ending June 30, 1971, $5,000,000 for the fiscal year ending June 30, 1972, and $10,000,000 for the fiscal year ending June 30, 1973, and there are also authorized to be appropriated such sums for the fiscal year ending June 30, 1974, and each of the two succeeding fiscal years as may be
necessary to enable students who have received a loan from any academic year ending before July 1, 1973, to continue or complete their education. Sums appropriated pursuant to this subsection for any fiscal year shall be available to the Secretary (1) for payments into the funds established by subsection (f) (4), and (2) in accordance with agreements under this section, for Federal capital contributions to schools with which such agreements have been made, to be used together with deposits in such funds pursuant to subsection (a) (2) (B) (ii), for establishment and maintenance of student loan funds.

“(d) (1) From the sums appropriated pursuant to subsection (c) for any fiscal year, the Secretary shall allot to each agency, institution, or organization, which has an established program or programs for the training or retraining of personnel in the allied health professions approved by the Secretary, an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such program or programs in such agency, institution, or organization approved by the Secretary bears to the total number of persons enrolled on a full-time basis in such programs in all such agencies, institutions, or organizations in all the States.

The number of persons enrolled, in such a program, on a full-time basis in such agencies, institutions, or organizations for purposes of the subsection shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. Funds available in any fiscal year for payment to agencies, institutions, or organizations under this section (whether as Federal capital contributions or as loans under subsection (f)) which are in excess of the amount appropriated pursuant to subsection (c) for that year shall be allotted among agencies, institutions, or organizations approved by the Secretary in such manner as the Secretary determines will best carry out the purposes of this section.

“(2) The Secretary shall from time to time set dates by which agencies, institutions, or organizations must file applications for Federal capital contributions and for loans pursuant to subsection (f).

“(3) The Federal capital contributions to a loan fund of an agency, institution, or organization approved by the Secretary under this section shall be paid from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in its loan fund.

“(e) (1) After June 30, 1977, and not later than September 30, 1977, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to subsection (a) (2) by each agency, institution or organization approved by the Secretary as follows:

“(A) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of June 30, 1977, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to subsection (a) (2) (B) (i) bears to the total amount in such fund derived from such Federal capital contributions from funds deposited therein pursuant to subsection (a) (2) (B) (ii).

“(B) The remainder of such balance shall be paid to the agency, institution, or organization approved by the Secretary.

“(2) After September 30, 1977, each agency, institution or organization approved by the Secretary with which the Secretary has made an agreement under this section shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by it after June 30, 1977, in payment of principal and interest on loans made from the loan fund established pursuant to such agreement (other than so much of such fund as relates to payments from the revolving fund established by subsection (f) (4)) as was determined for the Secretary under paragraph (1).
“(f) (1) (A) During the fiscal year ending June 30, 1971, and each of the next two fiscal years, the Secretary may make loans, from the revolving fund established by paragraph (4), to any public or private nonprofit agency, institution or organization approved by him, to provide all or part of the capital needed by any such agency, institution or organization for making loans to students under this subsection (other than capital needed to make the institutional contributions required of agencies, institutions or organizations by subsection (a) (2) (B) (ii)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in subsection (b). The requirement in subsection (a) (2) (B) (ii) with respect to institutional contributions by agencies, institutions, or organizations to student loan funds shall not apply to loans made to agencies, institutions, or organizations under this subsection.

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

“(2) If an agency, institution, or organization approved by the Secretary borrows any sums under this subsection, the Secretary shall agree to pay to it (A) an amount equal to 90 percent of the loss to it from defaults on student loans made from such sums, (B) the amount by which the interest payable by it on such sums exceeds the interest received by it on student loans made from such sums, (C) an amount equal to the amount of collection expenses authorized by subsection (a) (2) (C) to be paid out of a student loan fund with respect to such sums, and (D) the amount of the principal which is canceled pursuant to subsection (b) (2) (C) or (D) with respect to student loans made from such sums. There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the purposes of this paragraph.

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

“(4) (A) There is hereby created within the Treasury an allied professions training fund (hereinafter in this paragraph referred to as the ‘fund’) which shall be available to the Secretary without fiscal year limitation as a revolving fund for the purposes of this subsection. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 108, and 104 of the Government Corporation Control Act, 31 U.S.C. 847-849) for wholly owned Government corporations.

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

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

"(g) The Secretary may agree to modifications of agreements or loans made under this section, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this section."

**STUDY OF ALLIED HEALTH PROGRAMS**

Sec. 205. Section 798 of the Public Health Service Act (42 U.S.C. 295h-7) is amended to read as follows:

**STUDY**

"Sec. 798. (a) The Secretary shall conduct a study of the administration of-

"(1) the provisions of this part,

"(2) other provisions of this Act which relate to the allied health professions or the training of individuals to prepare them to engage in any of such professions; and

"(3) provisions of law which are administered by the Commissioner of Education and which relate to the allied health professions or the training of individuals to prepare them to engage in any of such professions;

with a view to determining the adequacy of such provisions and the programs established pursuant thereto to meet the needs of the Nation for allied health professions personnel."

**ADVANCE FUNDING**

Sec. 206. Part G of title VII of the Public Health Service Act is further amended by adding after section 798 thereof the following new section:
"ADVANCE FUNDING"

"Sec. 799. Any appropriation Act which appropriates funds for any fiscal year for grants, contracts, or other payments under this part may also appropriate for the next fiscal year the funds that are authorized to be appropriated for such payments for such next fiscal year; but no funds may be made available therefrom for obligation for such payments before the fiscal year for which such funds are authorized to be appropriated."

LICENSURE REPORT

Sec. 207. Part G of title VII of the Public Health Service Act is further amended by adding after section 799 (as added by section 206 of this Act) the following new section:

"LICENSURE REPORT"

"Sec. 799A. The Secretary shall prepare and submit to the Congress, prior to July 1, 1971, a report identifying the major problems associated with licensure, certification, and other qualifications for practice or employment of health personnel (including group practice of health personnel), together with summaries of the activities (if any) of Federal agencies, professional organizations, or other instrumentalities directed toward the alleviation of such problems and toward maximizing the proper and efficient utilization of health personnel in meeting the health needs of the Nation. Such report shall include specific recommendations by the Secretary for steps to be taken toward the solution of the problems so identified in such report."

Approved November 2, 1970.