

89TH CONGRESS
1ST SESSION

H. R. 11205

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 1965

MR. FOGARTY introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To authorize a three-year program of grants for construction of veterinary medical education facilities, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Veterinary Medical Edu-
4 cational Facilities Construction Act of 1965".

5 NATIONAL ADVISORY COUNCIL

6 SEC. 2. Section 725 of the Public Health Service Act
7 (relating to the National Advisory Council on Education for
8 Health Professions) is amended as follows:

9 (a) (1) In the first sentence of subsection (a) of

1 such section, strike out "sixteen" and insert in lieu
2 thereof "seventeen";

3 (2) In the second sentence of such subsection (a),
4 (A) strike out "eight" and insert in lieu thereof "nine",
5 and (B) strike out "or the public health professions"
6 and insert in lieu thereof "the public health professions,
7 or veterinary medicine";

8 (3) In the third sentence of such subsection (a),
9 strike out "or schools of public health" and insert in lieu
10 thereof "schools of public health or schools of veterinary
11 medicine";

12 (b) In subsection (b) of such section, insert "and
13 part A of title VIII" after "this part"; and

14 (c) In subsection (c) of such section, strike out
15 "this part" (wherever it appears therein) and insert in
16 lieu thereof "this part or part A of title VIII".

17 GRANTS FOR VETERINARY MEDICAL TEACHING FACILITIES

18 SEC. 3. The Public Health Service Act is amended by
19 adding after title VII thereof (42 U.S.C., ch. 6A) the fol-
20 lowing new title:

1 "TITLE VIII—TRAINING OF VETERINARY

2 MEDICAL PERSONNEL

3 "PART A—GRANTS FOR CONSTRUCTION OF TEACHING

4 FACILITIES FOR VETERINARY MEDICAL PERSONNEL

5 "DECLARATION OF POLICY

6 "SEC. 801. (a) The Congress hereby finds and declares
7 that (1) increased demand for veterinary services and re-
8 search necessitates the expansion and improvement of exist-
9 ing educational facilities for the training of veterinary
10 medical personnel, and (2) steadily increasing tuition fees
11 and increasing contributions from private citizens, State ap-
12 propriations and funds from the veterinary medical profession
13 itself have proven insufficient to provide the necessary capital
14 funds required for such expansion and improvement.

15 "(b) It is, therefore, the policy of the Congress to pro-
16 vide funds for construction of veterinary medical teaching
17 facilities for our public and nonprofit veterinary medical
18 schools, thus insuring the continued production of an ade-
19 quate number of properly qualified and trained veterinarians.

1 "AUTHORIZATION OF APPROPRIATIONS

2 "SEC. 802. (a) There are hereby authorized to be ap-
3 propriated over a period of three fiscal years, beginning
4 with the fiscal year ending June 30, 1966, not to exceed the
5 following amounts—

6 "(1) \$2,000,000 for the fiscal year beginning
7 July 1, 1965, and for each of the two succeeding fiscal
8 years, for grants to assist in the replacement or rehabili-
9 tation of existing teaching facilities for the training of
10 veterinary medical personnel; and

11 "(2) \$15,000,000 for the fiscal year beginning
12 July 1, 1965, and for each of the two succeeding fiscal
13 years, for grants to assist in the construction of new
14 or expanded teaching facilities for the training of veter-
15 inary medical personnel.

16 "(b) Sums appropriated pursuant to this section shall
17 remain available until expended.

18 "APPROVAL OF APPLICATIONS

19 "SEC. 803. (a) No application for a grant under this
20 part may be approved unless it is submitted to the Surgeon
21 General prior to July 1, 1967.

22 "(b) To be eligible to apply for a grant to assist in
23 the construction of any facility under this part, the applicant
24 must be (A) a public or other nonprofit school of veter-
25 inary medicine, and (B) accredited by a recognized body

1 or bodies approved for such purpose by the Commissioner
2 of Education, except that a new school which (by reason
3 of no, or insufficient, period of operation) is not, at the time
4 of application for a grant to construct a facility under this
5 part, eligible for accreditation by such a recognized body or
6 bodies, shall be deemed accredited for purposes of this part
7 if the Commissioner of Education finds, after consultation
8 with the appropriate accreditation body or bodies, that there
9 is reasonable assurance that the school will, upon comple-
10 tion of such facility, meet the accreditation standards of such
11 body or bodies.

12 “(c) A grant under this part may be made only if the
13 application therefor is approved by the Surgeon General
14 upon his determination that—

15 “(1) the applicant meets the eligibility conditions
16 set forth in subsection (b) ;

17 “(2) the application contains or is supported by
18 reasonable assurances that (A) for not less than ten
19 years after completion of construction, the facility will
20 be used for the purposes of the teaching of veterinary
21 medical personnel, (B) sufficient funds will be available
22 to meet the non-Federal share of the cost of constructing
23 the facility, (C) sufficient funds will be available when
24 construction is completed, for effective use of the facility
25 for the training for which it is constructed, and (D) in

1 the case of an application for construction to expand the
2 training capacity of an existing school of veterinary
3 medicine, the first-year enrollment at such school during
4 the first full school year after the completion of the
5 construction and for each of the next nine school years
6 thereafter will exceed the average first-year enrollment
7 at such school for the five full school years preceding
8 the year in which the application is made by at least
9 5 per centum of such highest first-year enrollment.

10 “(3) (A) in the case of an application for a grant
11 from funds appropriated pursuant to clause (1) of sec-
12 tion 802 (a), such application is for aid in construction
13 which will replace or rehabilitate facilities of, or used by,
14 an existing school of veterinary medicine which are so
15 obsolete as to require the school to curtail substantially
16 either its enrollment or the quality of the training pro-
17 vided, or (B) in the case of an application for a grant
18 from funds appropriated pursuant to clause (2) of sec-
19 tion 802 (a), such application is for aid in the construc-
20 tion of a new school of veterinary medicine, or construc-
21 tion which will expand the training capacity of an
22 existing school of veterinary medicine;

23 “(4) the plans and specifications are in accordance
24 with regulations relating to minimum standards of con-
25 struction and equipment; and

1 “(5) the application contains or is supported by
2 adequate assurance that any laborer or mechanic em-
3 ployed by a contractor or subcontractor in the perfor-
4 mance of work on the construction of the facility will
5 be paid wages at rates not less than those prevailing
6 on similar construction in the locality as determined by
7 the Secretary of Labor in accordance with the Davis-
8 Bacon Act, as amended (40 U.S.C. 276a—276a-5) ;
9 and the Secretary of Labor shall have, with respect to the
10 labor standards specified in this clause, the authority and
11 functions set forth in Reorganization Plan Numbered 14
12 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15), and section
13 2 of the Act of June 13, 1934, as amended (40 U.S.C.
14 276c).

15 Before approving or disapproving an application under this
16 part, the Surgeon General shall secure the advice of the
17 National Advisory Council on Education for Health Pro-
18 fessions established by section 725 (hereinafter in this part
19 referred to as the ‘Advisory Council’).

20 “(d) In considering applications for grants, the Ad-
21 visory Council and the Surgeon General shall take into
22 account—

23 “(1) (A) in the case of a project for replacement
24 or rehabilitation of existing facilities of, or used by, a
25 school, the relative need for such replacement or re-

1 habilitation to prevent curtailment of the school's en-
2 rollment or deterioration of the quality of the training
3 provided by the school, and the relative size of any
4 such curtailment and its effect on the geographical dis-
5 tribution of opportunities for training (giving due con-
6 sideration to population, available veterinarians, and
7 available resources in various areas of the Nation for
8 training veterinarians); or

9 " (B) in the case of a project for a new school or
10 for expansion of the facilities of, or used by, an existing
11 school, and relative effectiveness of the proposed facili-
12 ties in expanding the capacity for the training of first-
13 year students of veterinary medicine (or, in the case
14 of a two-year school which is expanding to a four-year
15 school, expanding the capacity for four-year training of
16 students of veterinary medicine), and in promoting an
17 equitable geographical distribution of opportunities for
18 such training (giving consideration to the factors men-
19 tioned above in subparagraph (A); and

20 " (2) in the case of an applicant in a State which
21 has in existence a State planning agency, or which par-
22 ticipates in a regional or other interstate planning
23 agency, described in section 809, the relationship of the
24 application to the construction or training program
25 which is being developed by such agency with respect

1 to such State and, if such agency has reviewed such
2 application, any comment thereon submitted by such
3 agency.

4 "AMOUNT OF GRANT; PAYMENTS

5 "SEC. 804. (a) (1) Except as provided in paragraph
6 (2), the amount of any grant under this part shall be such
7 amount as the Surgeon General determines to be appropriate
8 after obtaining the advice of the Advisory Council; except
9 that (A) in the case of a project for a new school, and in
10 the case of a grant for new facilities for an existing school
11 in cases where such facilities are of particular importance in
12 providing a major expansion of training capacity, as deter-
13 mined in accordance with regulations, such amount may not
14 exceed 66 $\frac{2}{3}$ per centum of the necessary cost of construction,
15 as determined by the Surgeon General, of such project; (B)
16 in the case of any other grant, such amount may not exceed
17 50 per centum of the necessary cost of construction, as so
18 determined, of the project with respect to which the grant
19 is made.

20 "(2) Notwithstanding subsection (a), upon application
21 of any veterinary medical school, a grant of not more than
22 \$25,000 may be made for the purpose of preparing initial
23 plans with estimates for proposed new construction.

24 "(b) Upon approval of any application for a grant

1 under this part, the Surgeon General shall reserve, from any
2 appropriation available therefor, the amount of such grant
3 as determined under subsection (a) ; the amount so reserved
4 may be paid in advance or by way of reimbursement, and
5 in such installments consistent with construction progress, as
6 the Surgeon General may determine. The Surgeon General's
7 reservation of any amount under this section may be amended
8 by him, either upon approval of an amendment of the appli-
9 cation or upon revision of the estimated cost of construction
10 of the facility.

11 “(c) In determining the amount of any grant under this
12 part, there shall be excluded from the cost of construction an
13 amount equal to the sum of (1) the amount of any other
14 Federal grant which the applicant has obtained, or is as-
15 sured of obtaining, with respect to the construction which is
16 to be financed in part by grants authorized under this part,
17 and (2) the amount of any non-Federal funds required to
18 be expended as a condition of such other Federal grant.

19 “RECAPTURE OF PAYMENTS

20 “SEC. 805. If, within ten years after completion of any
21 construction for which funds have been paid under this part—

22 “(a) the applicant or other owner of the facility
23 shall cease to be a public or nonprofit school,

24 “(b) the facility shall cease to be used for the teach-
25 ing purposes for which it was constructed (unless the

1 Surgeon General determines, in accordance with regula-
2 tions, that there is good cause for releasing the applicant
3 or other owner from the obligation to do so), or

4 “(c) the facility is used for sectarian instruction
5 or as a place for religious worship,

6 the United States shall be entitled to recover from the ap-
7 plicant or other owner of the facility the amount bearing
8 the same ratio to the then value (as determined by agree-
9 ment of the parties or by action brought in the United States
10 district court for the district in which such facility is situated)
11 of the facility, as the amount of the Federal participation
12 bore to the cost of construction of such facility.

13 “DEFINITIONS

14 “SEC. 806. As used in this part—

15 “(1) The term ‘Advisory Council’ means the National
16 Advisory Council on Education for Health Professions estab-
17 lished by section 725;

18 “(2) The terms ‘construction’ and ‘cost of construction’
19 include (A) the construction of new buildings, the expansion
20 of existing buildings, and remodeling, replacement, renova-
21 tion, major repair (to the extent permitted by regulations),
22 or alteration of existing buildings, including architects’ fees,
23 but not including the cost of acquisition of land or offsite
24 improvements, and (B) initial equipment of new buildings
25 and of the expanded, remodeled, repaired, renovated, or

1 altered part of existing buildings; but such terms shall not
2 include the construction or cost of construction of so much
3 of any facility as is used or is to be used for sectarian instruc-
4 tion or as a place for religious worship;

5 “(3) The term ‘nonprofit school’ means a school owned
6 and operated by one or more corporations or associations
7 no part of the net earnings of which inures, or may lawfully
8 inure, to the benefit of any private shareholder or individual;
9 and

10 “(4) The terms ‘school of veterinary medicine’ and
11 ‘veterinary medical school’ mean a school or college pro-
12 viding training leading to the degree of doctor of veterinary
13 medicine.

14 “NONINTERFERENCE WITH ADMINISTRATION OF
15 INSTITUTIONS

16 “SEC. 807. Nothing contained in this part shall be con-
17 strued as authorizing any department, agency, officer, or
18 employee of the United States to exercise any direction,
19 supervision, or control over, or impose any requirement with
20 respect to, the personnel, curriculum, methods of instruction,
21 or administration of any institution.

22 “REGULATIONS

23 “SEC. 808. (a) The Surgeon General, after consulta-
24 tion with the Advisory Council and with the approval of
25 the Secretary, shall prescribe general regulations for this

1 part covering the eligibility of institutions, the order of
2 priority in approving applications, the terms and conditions
3 for approving applications, determinations of the amounts
4 of grants, and minimum standards of construction and equip-
5 ment for various types of institutions.

6 “(b) The Surgeon General is authorized to make, with
7 the approval of the Secretary, such other regulations as he
8 finds necessary to carry out the provisions of this part.

9 “TECHNICAL ASSISTANCE

10 “SEC. 809. In carrying out the purposes of this part,
11 and to further the development of State, or joint, or coordi-
12 nated regional or other interstate planning of programs for
13 relieving shortages of training capacity in the field of veteri-
14 nary medicine through constructing teaching facilities, pro-
15 viding adequate financial support for schools, or otherwise,
16 the Surgeon General is authorized to provide technical as-
17 sistance and consultative services to State or interstate plan-
18 ning agencies established for such purpose.”

19 “PART B—STUDENT LOANS

20 “LOAN AGREEMENTS

21 “SEC. 820. (a) The Secretary of Health, Education,
22 and Welfare is authorized to enter into an agreement for
23 the establishment and operation of a student loan fund in
24 accordance with this part with any public or other nonprofit
25 school of veterinary medicine (as defined in section 806)

1 which is located in a State and accredited as provided in
2 section 803 (b) (B).

3 “(b) Each agreement entered into under this section
4 shall—

5 “(1) provide for establishment of a student loan
6 fund by the school;

7 “(2) provide for deposit in the fund of (A) the
8 amounts allocated under this part to the school by the
9 Secretary, (B) an additional amount from other sources
10 equal to not less than one-ninth of amounts deposited
11 pursuant to clause (A), (C) collections of principal
12 and interest on loans made from the fund, and (D) any
13 other earnings of the fund;

14 “(3) provide that the fund shall be used only for
15 loans to students of the school in accordance with the
16 agreement and for costs of collection of such loans and
17 interest thereon;

18 “(4) provide that loans may be made from such
19 fund only to students pursuing a full-time course of
20 study at the school leading to a degree of doctor of
21 veterinary medicine, and that while the agreement re-
22 mains in effect no such student who has attended such
23 school before July 1, 1967, shall receive a loan from
24 a loan fund established under section 204 of the National
25 Defense Education Act of 1958; and

1 “(5) contain such other provisions as one neces-
2 sary to protect the financial interests of the United
3 States.

4 “LOAN PROVISIONS

5 “SEC. 821. (a) Loans from a loan fund established
6 under this part may not exceed \$2,000 for any student for
7 any academic year or its equivalent. In the granting of
8 such loans, a school shall give preference to persons who
9 enter as first-year students after June 30, 1964.

10 “(b) Any such loans shall be made on such terms and
11 conditions as the school may determine, but may be made
12 only to a student in need of the amount thereof to pursue
13 a full-time course of study at the school leading to a degree
14 of doctor of veterinary medicine.

15 “(c) Such loans shall be repayable in equal or gradu-
16 ated periodic installments (with the right of the borrower
17 to accelerate repayment) over the ten-year period which
18 begins three years after the student ceases to pursue a full-
19 time course of study at a school of veterinary medicine,
20 excluding from such ten-year period all periods (up to three
21 years) of (1) active duty performed by the borrower as
22 a member of a uniformed service, or (2) service as a
23 volunteer under the Peace Corps Act.

24 “(d) The liability to repay the unpaid balance of such
25 loan and accrued interest thereon shall be canceled upon the

1 death of the borrower, or if the Secretary determines that
2 he has become permanently and totally disabled.

3 “(e) Such loans shall bear interest, on the unpaid bal-
4 ance of the loan, computed only for periods during which the
5 loan is repayable, at the rate of 3 per centum per annum,
6 or the going Federal rate at the time the loan is made,
7 whichever rate is the greater. For purposes of this sub-
8 section, the term ‘going Federal rate’ means the rate of in-
9 terest which the Secretary of the Treasury specifies during
10 June of each year for purposes of loans made during the
11 fiscal year beginning on the next July 1, determined by
12 estimating the average yield to maturity, on the basis of
13 daily closing market quotations or prices during the preced-
14 ing May on all outstanding marketable obligations of the
15 United States having a maturity date of fifteen or more
16 years from the first day of such month of May, and by
17 rounding off such estimated average annual yield to the
18 next higher multiple of one-eighth of 1 per centum.

19 “(f) Loans shall be made under this part without
20 security or endorsement, except that if the borrower is a
21 minor and the note or other evidence of obligation executed
22 by him would not, under the applicable law, create a bind-
23 ing obligation, either security or endorsement may be
24 required.

25 “(g) No note or other evidence of a loan made under

1 this part may be transferred or assigned by the school making
2 the loan except that, if the borrower transfers to another
3 school participating in the program under this part, such
4 note or other evidence of a loan may be transferred to such
5 other school.

6 “(h) Where all or any part of a loan, or interest, is
7 canceled under this section, the Secretary shall pay to the
8 school an amount equal to the school's proportionate share
9 of the canceled portion, as determined by the Secretary.

10 “AUTHORIZATION OF APPROPRIATIONS

11 “SEC. 822. (a) There are hereby authorized to be ap-
12 propriated to the Secretary of Health, Education, and Wel-
13 fare to carry out this part \$510,000 for the fiscal year ending
14 June 30, 1965, \$1,020,000 for the fiscal year ending June
15 30, 1966, \$1,540,000 for the fiscal year ending June 30,
16 1967, and such sums for the fiscal year ending June 30,
17 1968, and each of the two succeeding fiscal years as may be
18 necessary to enable students who have received a loan for
19 any academic year ending before July 1, 1967, to continue
20 or complete their education. Sums appropriated pursuant
21 to this subsection shall be allotted among loan funds at
22 schools which have established loan funds under this part.

23 “(b) (1) The Secretary shall from time to time set
24 dates by which schools with which he has in effect agree-

1 ments under this part must file applications for allotments to
2 their loan funds.

3 “(2) If the total of the amounts requested for any fiscal
4 year in such applications exceeds the amounts appropriated
5 under this part for that fiscal year, the allotment to the loan
6 fund of each such school shall be reduced by whichever of
7 the following is the smaller: (A) the amount requested in
8 its application, or (B) an amount which bears the same
9 ratio to the amounts appropriated as the number of students
10 estimated by the Secretary to be enrolled in such school dur-
11 ing such fiscal year bears to the estimated total number of
12 students in all such schools during such year. Amounts re-
13 maining after allotment under the preceding sentence among
14 schools whose applications requested more than the amounts
15 so allotted to their loan funds, but with such adjustments as
16 may be necessary to prevent the total allotted to any such
17 school's loan fund from exceeding the total so requested
18 by it.

19 “(3) Allotments to a loan fund of a school shall be paid
20 to it from time to time in such installments as the Secretary
21 determines will not result in unnecessary accumulations in
22 the loan fund at such school.

23 “DISTRIBUTION OF ASSETS FROM LOAN FUNDS

24 “SEC. 823. (a) After June 30, 1970, and not later
25 than September 30, 1970, there shall be a capital distribu-

1 tion of the balance of the loan fund established under this
2 part by each school as follows:

3 “(1) The Secretary shall first be paid an amount
4 which bears the same ratio to the balance in such fund
5 at the close of June 30, 1970, as the total amount of
6 the allotments to such fund by the Secretary under this
7 part bears to the total amounts in such fund derived from
8 such allotments and from funds deposited therein pur-
9 suant to section 820 (b) (2) (B).

10 “(2) The remainder of such balance shall be paid
11 to the school.

12 “(b) After September 30, 1970, each school with which
13 the Secretary has made an agreement under this part shall
14 pay to the Secretary, not less often than quarterly, the same
15 proportionate share of amounts received by the school after
16 June 30, 1970, in payment of principal or interest on loans
17 made from the loan fund established pursuant to such agree-
18 ment as was determined for the Secretary under subsection
19 (a).

20 “LOANS TO SCHOOLS

21 “SEC. 824. Upon application by any school with which
22 he has made an agreement under this part, the Secretary
23 may make a loan to such school for the purpose of helping
24 to finance deposits required by section 820 (b) (2) (B) in
25 a loan fund established pursuant to such agreement. Such

1 loan may be made only if the school shows it is unable to
2 secure such funds upon reasonable terms and conditions from
3 non-Federal sources. Loans made under this section shall
4 bear interest at a rate sufficient to cover (1) the cost of the
5 funds to the Treasury, (2) the cost of administering this
6 section, and (3) probable losses.

7 "ADMINISTRATIVE PROVISIONS

8 "SEC. 825. The Secretary may agree to modifications of
9 agreements or loans made under this part, and may com-
10 promise, waive, or release any right, title, claim, or demand
11 of the United States arising or acquired under this part."

12 TECHNICAL AMENDMENTS

13 SEC. 4. (a) Section 1 of the Public Health Service Act
14 is amended to read as follows:

15 "SHORT TITLE

16 "SECTION 1. Titles I to VIII, inclusive, of this Act may
17 be cited as the 'Public Health Service Act'."

18 (b) The Act of July 1, 1944 (58 Stat. 682), as
19 amended, is further amended by renumbering title VIII (as
20 in effect prior to the enactment of this Act) as title IX, and
21 by renumbering sections 801 through 814 (as in effect
22 prior to the enactment of this Act), and references thereto,
23 as sections 901 through 914, respectively.

89TH CONGRESS
1ST SESSION

H. R. 11205

A BILL

To authorize a three-year program of grants for construction of veterinary medical education facilities, and for other purposes.

By Mr. FOGARTY

SEPTEMBER 22, 1965

Referred to the Committee on Interstate and Foreign
Commerce