

Mr. GUNNESS. We have always been short.

Mr. MORRISEY. Every year.

I wanted to mention along with Bob Kates' remarks along with the Opportunity Grant funds in reference to the matching funds, I would like to preface my remarks by saying that if one could generalize on needy students, which one should never try to do, one might say you could have three groups of needy students.

You have the real needy student who has need of a thousand dollars on up to go to college. You have a student who is slightly needy, needs somewhere between \$500 and \$1,000 and you have the student who is not really needy at all, he might need a \$100 to \$500 but he is not very needy.

OEG funds are going to the most needy group that need at least \$1,000 or more. Now we have to match that. In most cases we do not have enough scholarship money of our own to match. Therefore, we dig very heavily into the National Defense Loan Fund to match. As a result, since OEG came out, our National Defense Loan funds are being used so heavily with this heavy-need group that your middle-need group, the \$500 to \$1,000, which I use as an offhand figure, is hurting in terms of getting National Defense Loan money because we have gone so heavily into using that in matching with the OEG.

Now what I would like to suggest is that it all be amended to allow us to match OEG by culling work-study models as well as National Defense and also by the Guaranteed Loan Program.

This would give us a much greater cushion for the matching of the OEG.

Mr. GIBBONS. That sounds like a good suggestion.

Mr. MORRISEY. I have lots of other things but I told Bob I would stick to that point. So I will turn it back to Bob Kates.

Mr. KATES. One of our other problems was a shift in the basic philosophy on relying heavily on the judgment and integrity of the aid officers and their institutions into a type of control which penalizes the institution and our operations.

I would like Mr. Gunness from Harvard to speak on this problem.

Mr. GUNNESS. This becomes a sort of more general problem, I think, of one that was mentioned earlier by John Herzog. The whole range of control, Federal control, implicit or otherwise, that gets injected into colleges as they administer various programs—

Mr. GIBBONS. When did this begin to take place?

Mr. GUNNESS. As I think back in history, and these are my observations: the NDEA program was set up in quite a remarkable way. Congress was to appropriate money to colleges to give to students. The colleges were to develop their specific standards which, as long as they followed the broad general guidelines set up both in the legislation and in the way that the guidelines were written. A lot of discretion was left to the financial aid officer and to the university to choose those students to whom it would give the money, and how it would report and keep track of the money, as long as it was accountable in whatever way the Office said, but not down to specific operational day-to-day details.

I guess how I see what happened was that at first a lot of colleges didn't go into these programs. Colleges that had loan programs did.