

They saw the opportunity and jumped in easily. It was easy for them to add another kind of loan program to their already existing program. They had procedures, styles, operational means whereby they could handle the new money that they were given to lend to students.

As long as the Office of Education defined broad frameworks within which they were to give this money, it was quite easy for the college that had experience to follow these guidelines without having to change many of its own procedures to coadapt to the needs of the Office of Education. Then, as new colleges came into the program that had no experience with loan programs—and this I think might apply to other of the financial aid programs—turned to the Office of Education for guidance. When colleges asked, “How do we do it, what do we do?” the Office of Education probably said, and I would say this was not intentional on their part, “You have to figure out how to do it, we don’t want to control you.”

The colleges said, “You can’t give us this much money and not tell us how to administer it.” There was a felt need on the part of some colleges to have more direction.

The response was very obvious. Some guidelines would be drafted which were really not guidelines but in fact rules on how one should run a program. The Office of Education was responding to a request for guidelines which were drafted for colleges who were often new to programs of this type. Those of us who had a lot of experience were confronted with guidelines which really drastically altered the operations of our programs and very often the decisionmaking that we had sort of had as a prize before. We had been trusted instruments, if you will, and we became less so, I think.

I don’t think there was any conspiracy or any intentional effort on the part of the Office to take over, to move into an area which we feel is our responsibility, but in fact I think it has happened.

I suppose it is terribly hard to set up guidelines that respond to what I think is the great strength of American education, which is its diversity and variety. Yet you begin to pipe in guidelines to help colleges having many different purposes and many different points of view, and you begin to get a kind of homogenization or standardization. In a way, the colleges are asked to produce whatever it is the Office of Education wants to see at the end of the line. We have to alter our procedures, and maybe we do begin to standardize some of our practices beyond the point that we would want to.

Mr. HATHAWAY. Can you give us an example of how you are restricted now compared to when you were not before?

Mr. KATES. Probably the Work-Study Program was the first major program where they changed the direction of operations. We had to spell out exactly what we were going to do, where the students were going to work, how much they would be paid on a job-by-job category. Our application this year for our own institution runs 70 pages, and I am sure it is not going to be read, absorbed, and really scrutinized in that sort of detail. Nor does it have any effect on our program. Rather, it has an adverse effect in that in dealing with outside agencies who have the same budgetary problems that we do they are apt to say, “Well, we can’t tell you specifically what the job would be or how many we can use. We can make a tentative commitment.”