Mr. GIBBONS. Are we really encouraging this?

Mr. KATES. Let me speak to that point. I am diametrically opposed because in my experience you design the law to encourage teaching by forgiveness. It does not do that. It works the other way around. The students apply for the loan because they are going into teaching and can take advantage of the forgiveness aspect.

Their concern is, "Where can I get the money? I have these sources, this is most favorable. I will take it."

But if we think we are going to encourage anyone to go into a career with enthusiasm and vigor on the basis of a 10-percent or even 50-percent writeoff over 5 years or a hundred percent over 7 years—that is an amount that is $1,000 or $2,000—we are going at it the wrong way.

Mr. GUNNESS. I would be in favor of helping people, giving money to people who are going into higher social need areas, but I don't think you attract them through a device like this.

Mr. JONES. A rebuttal. It is not just attraction. It is driving them out by reason of having too many burdens after they get into the profession. It is to the extent you are preventing a loss, an attrition on the profession after the students go into the work. A teacher may have every intention of making a career out of it, but he begins to run into problems of family formation, of carrying a home mortgage, and that sort of thing. If he also has to pay off a lot of NDEA, then obviously you are forcing him to look around for alternative professions.

Mr. GIBBONS. The answer is to pay him better.

Mr. MORRISEY. I think the important point here is that the intent of the law is really not being served. I understand the intent of the law was to get more people into teaching. I don't think the intent of the law is served.

Mr. JONES. Iwould want to see statistics on that.

Mr. HATHAWAY. I was going to ask you about Work-Study any time you are ready. Will the increase from 10 to 25 percent materially affect your program?

Mr. KATES. This will hurt the on-campus program particularly. We have not found any problem offcampus. We have a fairly substantial off-campus program. The 25 percent does not scare these people off. On campus this would mean an increase in the cost of the Work-Study programs. It would wipe out roughly 30 percent of the proposed tuition increase next year, which is rough.

It also means I can't get as much in scholarship aid which I need to match my EOG funds. So that the increase would have a very serious effect on our total aid program, not necessarily Work-Study. Off campus my feeling is that the increase to 25 percent is beneficial, at least if you are going to run a large and effective program, because it gives the agency more of a stake and perhaps encourages them to more closely supervise the students.

Mr. HATHAWAY. You think they will be able to raise the money?

Mr. KATES. We have hard and firm commitments on our students for next year. We didn't expend our money this year because of a duplication in summer jobs. They file them with several agencies. We are attempting to work on an exclusive arrangement for fixed commitment of people to certain agencies, and they have assured us that they will come up with the funds on the 25-percent basis, and