

the Federal amount—would be maintained. In addition, institutions wishing to increase the amount of loan funds available to their students could borrow funds from this revolving fund. Such funds would constitute 100 percent of the loan capital; no institutional matching would be required. This latter procedure would be especially beneficial to smaller and less affluent institutions, which may find the matching requirements of the current loan program burdensome if not impossible to meet with institutional funds. In addition, more funds would be available to students to finance their undergraduate and graduate educations.

Title III of NDEA is designed to strengthen instruction in critical subjects; science, mathematics, modern foreign languages, history, civics, geography, economics, English, reading, and industrial arts. The title authorizes acquisition of equipment necessary for instruction in these areas, and minor remodeling incident to the effective use of such equipment. Grants are made to public elementary and secondary schools, and loans are made to nonprofit private elementary and secondary schools. Federal grant funds are matched by States and localities on a 50-50 basis, thereby assuring a greater expenditure for critically needed equipment. In Fiscal Year 1966, a preliminary survey of 46 States and 3 Territories showed that \$156 million was spent for acquisition of equipment and \$3 million for concomitant minor remodeling by States and local education agencies. A random sample of approved projects showed that 42.9 percent of the funds were to be spent on science equipment, 14.6 percent for reading materials and equipment, and 7.77 percent to strengthen instruction in modern foreign languages. In Fiscal Year 1966, approximately 58 percent of the funds were used for equipment and 42 percent for instructional materials; audiovisual equipment and materials accounted for 38 percent of the acquisition projects.

Private elementary and secondary schools are eligible for loans to strengthen their instructional capabilities. During Fiscal Year 1966, 37 loans were made to 35 schools in 20 States, schools which served nearly 18,000 students. The availability of funds for loans has taken on increased importance during the past year because of the unavailability of commercial credit.

The bill under consideration by this Subcommittee provides for the extension of Title III for 5 years, through Fiscal Year 1973. Subject matter limitations would be eliminated, providing a broader base of support for elementary and secondary school instructional programs. In addition, Section 12 of the National Foundation on the Arts and the Humanities Act would be merged with Title III. In instances where States impose matching requirements for financial participation of Title III project applicants, within-State equalization would be encouraged. Many States now allow local educational agencies to match Federal funds on a sliding scale based on ability to pay. This amendment would encourage such modifications of the matching requirements and would make a description of such equalization procedures part of the State plan submitted to the Commissioner for approval.

Another amendment would provide that State administrative expenses would be paid out of project funds, thereby enabling the amounts available for State administration to bear a more direct relationship to the amounts expended for equipment and materials.

Since private schools seeking loans under Title III are not distributed geographically across the country, the loan allotment formula would be repealed, and all applications would receive equal consideration. American-sponsored schools which provide services to American children abroad currently are ineligible to benefit from Title III's provisions. Under the amendments, they would be made eligible to apply for loans.

Title IV of NDEA, the Graduate Fellowship Program, has a dual purpose: to increase the number of well-qualified college and university teachers and to develop and expand the capacity of doctoral study facilities throughout the country. The need for additional college and university faculty is well documented. Enrollments in institutions of higher education are expected to expand from the estimated 6 million students enrolled in college this year to nearly 9 million in 1975. It is estimated that approximately 610,000 new full-time-equivalent professional staff members will be needed to meet these demands, but projections indicate that only 230,000 doctorates will be produced by 1975, and no more than half of these can be expected to go into college teaching.

Although only 1,000 fellowships were initially authorized under Title IV, the program has experienced rapid growth. Of the 23,500 fellowships which have