phrase to use, but certainly opportunity for stimulation of the element of education which provides its leadership and trustees of colleges and universities.

Members of school boards, could under this legislation, gain the benefit of conferences or workshops which would be very helpful.

So these are our major reasons for suggesting this rather comprehensive piece of legislation. In addition to including these various categories I have been discussing within the total number of people who could receive opportunities for training, it broadens the eligibility for grants or contracts under this program. Thus, instead of dealing primarily with institutions of higher education, for training purposes we could deal with State departments of education, with local school districts for significant inservice training programs with groups of States who had associated themselves for some form of inservice training program for a particular group of teachers for the summer. The act really reflects the element of flexibility and comprehensiveness to which the Secretary addressed himself in testimony yesterday.

Now, we have one other section of legislation we are bringing before you. That has to do with the Higher Education Facilities Act. We are making a proposal that the interest rates be adjusted in this act.

I would like to ask Mr. Muirhead to speak to the details of that and let me mention first just one other item; that is, the development of two new advisory groups: one to serve the Educational Professions Development Act broadly replacing a number of groups we have and the other a new advisory group related to graduate education. The advisory group on graduate education will combine the endeavors of two existing advisory groups related to graduate education; a group concerned with facilities on the one hand and a group concerned with fellowships on the other.

I wonder if Mr. Muirhead would cover the higher education facilities interest range?

Mr. MUIRHEAD. Yes, it is under title III of the Higher Education Service Act, the construction loan title, and the proposal is to change the interest rates from its present level of 3 percent to a rate of interest comparable to the amount that it cost the Government for obligations of comparable material, also to provide the Commissioner of Education with authority to reduce that interest rate up to 1 percent and to reduce it presumably to a level approximately of the interest rate of public institutions with a high credit rating obtaining by borrowing money in the private market.

Now, the rationale for this particular change is somewhat as follows: During the past 2 years when the interest rate had been at 3 percent the program had been participated in rather vigorously by public institutions as contrasted with the situation in the first year of the operation of the program when the interest rate was higher when the public institutions did not participate very vigorously in the program.

For example, in 1965, about 5 percent of the applications for the loan program were public institution applications. When the interest rate changed to 3 percent in the subsequent year of 1966, 32 percent of the public institutions, or 30 percent of the applications were from public institutions and this year when the interest rate is 3 percent; that percentage has risen to about 49 percent.