

perience which, in their cases, may be equally as important as their educational attainments. Proper employment of the Federal College Work-Study Program also cultivates a sense of pride in achievement among these youths and is vital to students whose cultural mores prohibit borrowing. These Amendments provide that the Federal support formula for this program be changed from the present 90%-10% to 80%-20% rather than 75%-25% as originally scheduled. Again, we join with the American Council on Education in recommending that the present 90%-10% ratio be retained. In any case, this latter ratio should be continued for those community projects which otherwise might of necessity be terminated. Whatever the decision, it is urgent that the Congress act before August 20 when the original ratio change is scheduled to take effect.

An amendment to Section 124(d) of the Economic Opportunity Act of 1964 should be included in these Amendments to permit graduate students to work twenty hours a week rather than the stated fifteen and to allow the fifteen hours a week for undergraduates to be averaged out over the month. This would allow employment on the Work-Study Program to conform to college employment for other graduate students and permit undergraduates, particularly those under the quarter system, to schedule free time before examinations.

Since the 5% allowance for the cost of administering off-campus projects is wholly inadequate, allowance should be made for at least a part of the administrative costs of the total program. A cost study should be undertaken similar to the one employed for the National Defense Student Loan Program. The Federal Government should be expected to assume its fair share of the administrative costs of the total program as determined by an advisory committee which would have the benefit of information gathered through the study.

Section 402(a) provides that Educational Opportunity Grants can be matched by earnings from the Work-Study Program. This is desirable. However, in addition, such grants should be able to be matched by any other financial resources such as private employment arranged by the institution. The college should be required to insure that these grants are matched at the required percentage and that the student will be assured of the resources to complete his undergraduate education.

In view of the need for remedial education among youths from disadvantaged backgrounds, it is recommended that Section 403 of the Higher Education Act of 1965 be amended to permit the renewal of their grants for a fifth year in cases where remedial studies or special tutorial assistance may be required. In addition, grants to students enrolled in regular five-year undergraduate programs, such as the education curriculum leading to the elementary or secondary teaching credential, should also be renewable.

The Student Loan Insurance Program was intended to make loans available from the private sector to students from all income levels. States and non-profit corporations were encouraged to provide funds to guarantee such loans. An appropriation for reserve funds to make such guarantees was approved but the amount was insufficient to meet anticipated demands.

In the same Act, Congress provided for an interest subsidy for students from moderate income families which made these loans almost comparable to National Defense loans. It is suggested that the 6% interest rate is a subsidy in itself and it is recommended that the additional interest subsidy be cancelled. The funds thus saved might well be used to provide additional loan insurance and thereby provide a substantial increase in the amount of guarantee funds.

It is also recommended that commercial lenders be permitted to compute interest on these loans in any manner they desire, including the discount (add-on) method.

The invitation to set forth our views is very much appreciated. The Association wishes to compliment you, Madame Chairman, and the Committee for the in-depth attention that you have given these problems and for the substantial progress that has been made in educational legislation under your guidance.

Thank you.

Mrs. GREEN. Thank you very much, Dr. Parish.
Congress Brademas?

Mr. BRADEMAS. Thank you, Madam Chairman.

I have just one or two quick questions. One question concerns the last suggestion you made on page 5 of your statement where you are suggesting that the additional interests subsidy be canceled. Have