(d) Sec. 423(b) which would extend the guaranteed loan program for another five years to 1977. We feel the insured loan program should definitely be a part of what we hope will be a comprehensive package of student financial aid.

(e) Sec. 435 which would authorize students attending proprietary institutions to participate in the work-study program of Title IV–C. These would be real work-study programs and not just another type of fellowship program. The students would not be working in the school but rather in places like hospitals and legal aid centers. Thus, there would be a real work experience combined with financial aid to the student. There is an urgent shortage of trained medical and legal secretaries and white collar workers to administer the Medicare program.

This amendment illustrates well that statutory language can be successfully drafted to provide aid to students without any deviation from present public policy on aid to institutions.

(f) Part F which would establish one Advisory Council on Student Aid. This is a most commendable proposal. At the present time there is no comprehensive program of aid for students in accredited proprietary schools. Through the means of one coordinated council the problems of all types of students in all types of institutions can be discussed and put into perspective.

However, of extreme concern and interest to needy students in accredited proprietary institutions is the fact that they still do not have access to the Title II student loan provisions of the National Defense Education Act. It is to this problem which we would like to address ourselves.

EXPAND THE NDEA STUDENT LOAN PROGRAM

Despite eligibility and participation in some eighteen other Federal programs by needy students in accredited proprietary institutions, including six such programs which provide cash monthly payments to students, there seems to be a reluctance on the part of some administrators to make this landmark legislative program available to needy students in accredited proprietary schools. As best we can determine from the testimony last week of Commissioner Howe and Associate Commissioner Muirhead, this reluctance is grounded in five questions which these gentlemen raised in response to questions by Members of the Subcommittee. These five questions, or reservations, and our responses to them are as follows:

1. Does the Vocational Guaranteed Loan Program meet the need? It does not.
2. What budgetary effects would result from an NDEA expansion? It would have an overall beneficial dollar allocating effect on nonprofit institutions of higher education and need not disrupt present programs.
3. As a matter of policy, should Federal resources be used to help strengthen profit-making institutions? The policy has been long established that Federal resources have long been used to help people via proprietary schools. Student aid is not institutional aid. We are talking about aid to needy students. We are not asking for institutional support.
4. Do these students have access to direct loans? We find no evidence that a single dollar has been appropriated or has been requested as an appropriation to implement Section 10 of the National Vocational Student Loan Insurance Act of 1965 (P.L. 89–287).
5. Are there any "loan forgiveness" problems under the NDEA? There are no problems because the loan is "forgiven" by reason of subsequent service in a nonprofit institution. If there be any statutory technicalities they can easily be resolved by amending Sec. 205(b)(3) of the NDEA (P.L. 88–665). The USOE has already shown that statutory technicalities can be handled so as to aid students without aiding institutions. The Sec. 435 work-study proposal proves that point.

We plan to develop these answers more fully but with the Subcommittee's permission we would like to give some background on present Federal policy as reflected in other programs of student financial aid and training.

EIGHTEEN OTHER FEDERAL PROGRAMS

Our research leads us to the conclusion that there are at least eighteen Federal programs which involve proprietary business schools with Federal programs relating to education which provide: