

- (a) "Under Contract" training, or,
- (b) financial aid to students

without discrimination to the student by reason of the corporate structure (i.e. public, nonprofit, or proprietary) of the school.

Eight of these programs involve under contract training with proprietary institutions. The money received by the institution is not a grant or a subsidy, but is legal consideration received in performance of a contractual service performed by the institution. The two best known programs of this type are the Vocational Rehabilitation Act and the Manpower Development and Training Act.

Ten of the programs provide direct aid to the student. Six of these programs provide monthly cash allowances, which are not loans, to students enrolled in educational institutions and this includes accredited proprietary schools.

These programs are:

- (a) "Under Contract" training.
 - 1. Vocational Rehabilitation Act of June 2, 1920, as amended 29 U.S.C. 31 et seq.
 - 2. Manpower Development and Training Act of 1962; as amended 42 U.S.C. 2571; P.L. 89-792
 - 3. Indian Adult Vocational Education; 25 U.S.C. 309, 452, 823(c)
 - 4. Economic Opportunity Act of 1964, as amended, 42 U.S.C. 2701 et seq; P. L. 89-794
 - 5. Government Employee's Training Program; (P. L. 80-554) 5 U.S.C. 4101-4118
 - 6. Economic Development Administration (P. L. 89-15) 42 U.S.C. 2583
 - 7. Veteran's Vocational Rehabilitation, 38 U.S.C. 1501-1511
 - 8. Vocational Education Act of 1963; P. L. 88-210; Sec. 8(1)
- (b) Student Financial Grants, Loans or Tax Benefits.
 - *9. Social Security Student Dependent; P. L. 89-97; See Sec. 202(d)
 - (8) (C)
 - *10. F.E.C.A. Student Dependents; P. L. 89-488; See Sec. 10(M)
 - *11. Railroad Retirement Student Dependents; P. L. 89-700; See Sec. 5(1) (Z)
 - *12. Civil Service Retirement Student Dependents; P. L. 80-504; 5 U.S.C. 2251-2268; See Sec. 2251(j) and Sec. 2260, and P. L. 89-554; Sec. 8341
 - *13. War Orphans Educational Assistance; 38 U.S.C. 1701 et seq.
 - *14. Veterans Readjustment Benefits Act of 1966; P. L. 80-358; See Sec. 1652(c)
 - 15. Vocational Loans to Indians; 25 U.S.C. 471.
 - 16. Vocational Loans to Eskimos; 25 U.S.C. 479
 - 17. National Vocational Student Loan Insurance; P. L. 89-287
 - 18. Income Tax Deduction for Student Dependents; 26 U.S.C. 151(e) (4)

STUDENT AID IS NOT INSTITUTIONAL AID

Much confusion has resulted from the lack of a conceptual analysis of how Federal money is used in support of education. Educational support is accomplished both by aid to institutions and by aid to students. The eighteen programs cited are all in the form of student aid. None of them constitutes institutional aid insofar as the involvement of proprietary schools is concerned.

It is the need of the student and the quality of the educational program offered which determines whether or not the student is properly enrolled in an eligible institution. The corporate form of the institution, whether it is public, private nonprofit or proprietary, has nothing to do with the need of the student or the quality of the education program. The proper question is "Is the institution approved or accredited by a recognized authority?"

It is true that proprietary institutions are the recipients of Federal funds under at least eight programs whereby their facilities are used to provide training for people "under contract." But, in none of these cases is the money received in the form of grants or subsidies. It is payment for services rendered under a contract. The money is earned.

NDEA IS THE KEYSTONE

All of the eighteen programs which we have previously listed are specialized, peripheral, and ancillary programs designed to meet the particular needs of a

*Outright grants of money paid monthly direct to student.