cation[6] show that colleges and universities spent an estimated $2,442 per student in operating costs per student in 1965. The American Association of Junior Colleges[7] claimed they spend annually per student $800 to $1200 in operating costs and $3000 to $4000 for construction and equipment.

The Oregon study showed that for 1964–65 operating costs per student at the University of Oregon were $1,117 and that tuition and fees of in-state students of $330 were only 29.5 percent of those operating costs. Thus, another $787 had to come from Federal, state or endowment sources.

In contrast, the proprietary business, trade or technical school relies 100 percent upon tuition for its operating costs. It gets no Federal or state tax money and seeks no such institutional support.

The increasing percentage of students with one or more semesters of college who are enrolling in business schools and the USOE sponsored SRI report show that these schools have a needed and legitimate role in American postsecondary education for some students. The Oregon study devotes fifteen pages to proprietary schools.

Every time one of these such students enrolls in a proprietary Oregon business school the University of Oregon budget can then devote that same $787 to a student who can more properly benefit from a four-year college program.

The business schools are not in competition with the colleges and universities for the same students. Our role is to complement and supplement the structure of postsecondary education. Access to NDEA loans for our students has a far reaching budgetary impact of almost geometric proportions in permitting the colleges and universities to budget their operating cost of $2442 per student for those students who can best profit by a college or university program.

By making NDEA loans available to students in accredited proprietary schools the University of Oregon would then be relieved of $787 operating cost for a student who should not be there. The University of Oregon could properly aid a needy student from its NDEA allocation for the payment of the tuition increment of $330.

On the budget side, it would be most judicious to utilize the resources of the proprietary business, trade and technical schools by allowing them to administer Title II NDEA funds for students to use and pay back. This is certainly a far more conservative approach than that recommended by the U.S. Chamber of Commerce in its report calling for tuition grants.[8]

NO REQUEST FOR USE OF FEDERAL RESOURCES TO HELP STRENGTHEN PROPRIETARY SCHOOLS

The question has been raised whether, as a matter of policy, should Federal resources be used to help strengthen profit-making institutions? The question is not pertinent and such an allegation is, perhaps, a red herring. Student aid is not institutional aid.

For many years it has been Federal policy to utilize "under contract" the resources of the quality proprietary (i.e., tax-paying) schools. Since 1920 proprietary schools have been training students for the Vocational Rehabilitation Administration. According to Secretary Gardner of HEW in his 1967 Report to the Congress on MDTA:

In all, 140 Manpower training projects in 28 states involved private schools in one or more of these ways during the year. The cost was about $6.8 million, and 7,858 trainees were enrolled. (p. 27)

UBSA itself is administering the educational aspect of a million dollar MDTA demonstration project in an eight state area for about 450 people. Tuition is limited to $300,000 with the balance for subsistence and transportation to the MDTA trainees.

If there ever was a question of public policy over the use of proprietary schools, it was resolved long ago. Little publicity has been given to the successful training of students in proprietary schools under Title V of the Poverty Program. Only the notoriety of the Job Corps Centers seems to have emerged.

[6] "Higher Education and National Affairs," American Council on Education, Vol. XV, No. 41, December 16, 1966, p. 8.

[7] Statement by Bill J. Priest, President, American Association of Junior Colleges, Hearings before the Subcommittee on Education of the Committee on Labor and Public Welfare, United States Senate, (89th Congress, Second Session), Higher Education Amendments of 1966, July 1966, p. 181.

[8] "The Disadvantaged Poor: Education and Employment," Third Report of the Task Force on Economic Growth and Opportunity. Chamber of Commerce of the United States, Library of Congress Cat. No. 66-29037.