Last year USOE Assistant Commissioner Walter Arnold told the General Subcommittee on Education about the need to use all resources. He said:

"Mr. MEEDS. And the fields in which there is such a crying need today, with inadequate facilities to even serve vocational education.

Mr. ARNOLD. That is correct. I was reminded when you were discussing where the emphasis should be placed, I think you could say safely that if we utilized every resource in this country to its maximum, we wouldn't meet the needs in all of these programs, and for all kinds of persons in the country, at different levels of schooling." [9]

Public policy in the State of Pennsylvania now includes scholarship grants to students in proprietary business, trade and technical schools. Please see Exhibit "B."

In terms of the total education budget it would be consonant with long-established public policy to further utilize the resources of the proprietary schools through NDEA student loans with no problem or expense of institutional support.

NO LOAN "FORGIVENESS" PROBLEMS UNDER NDEA

An increasing percentage of business school graduates are transferring on to a number of four-year colleges with credit hour recognition for their business school courses. Many are becoming busines education teachers of which, according to the testimony last week, there is a shortage. Is such a partial solution to an admitted shortage to be discouraged or encouraged? It should be encouraged.

Present public policy dictates that services as a teacher in certain institutions justify "forgiveness" of the loan at the rate of 10 percent per year up to 50 percent. If there is some statutory technicality involved, it can easily be rectified by amending Sec. 205 (b) (3) of the NDEA (P. L. 88–665).

The Administration has already proved via the proposed language amending Sec. 435 Work Study that statutory technicalities can be resolved with a little thought and a little care in order to help students without aiding insitutions.

It is unconscionable to penalize a qualified teacher in a favored institution because of where he might have gotten some portion of his education.

ACCREDITATION IS NO PROBLEM

When the Congress enacted Social Security payments for student dependent survivors under P.L. 89–97 there were no halting steps in implementing this program of monthly cash grants to students enrolled in proprietary institutions. Within weeks the checks began to flow from the Social Security Administration, an agency of HEW, to the students. The same expeditious handling has been accomplished for similar cash payments under the F.E.C.A. (P.L. 89–488); Railroad Retirement (P.L. 89–700); Civil Service Retirement (P.L. 89–504); and of course for Veterans and War Orphans.

Certainly accreditation is no problem. The Accrediting Commission for Business Schools was designated back in 1956 by the USOE as a "nationally recognized accrediting agency." The Social Security Administration, for example, merely asked for our Directory of Accredited Schools and that was that. If it can be done for cash grants to aid students it can be done for NDEA loans.

GOVERNMENT AND INDUSTRY SEEK OUR GRADUATES

Certainly the quality of our educational programs is not a problem.

Attached are representative letters (Exhibit "C") from the U.S. Civil Service Commission, General Tire and Rubber Company and the National Institutes of Health all showing the need for our graduates.

The NIH uses without charge our monthly magazine The Compass to help recruit needed secretarial and clerical employees. The U.S. Civil Service Commission equates a business school education with that of a junior or community college for purposes of the Junior Federal Assistant Examination as well as for many other Federal positions.

Business School graduates are eagerly sought by government and industry. Other Federal agencies have experienced little, if any, difficulty in administering

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[9] Statement of Walter M. Arnold, Assistant Commissioner for Vocational and Technical Education, Bureau of Adult and Vocational Education, Office of Education, Hearings before the General Subcommittee on Education of the Committee on Education and Labor, House of Representatives, (89th Congress, Second Session). Vocational Education Amendments of 1966, H.R. 1544 and H.R. 1545, June 1966, p. 42.