

dle-class families. It is equally clear that most of the students in business, trade, and technical schools come from families of a lower income background.

In addition, this program is only functioning in about half the States. Attached to our statement as exhibit A are 11 copies of letters, mimeographed bank rejection forms and data proving that the vocational loan program is not meeting the need in Alabama. This is one exhibit.

Second it has been suggested that to open the NDEA program to needy students in proprietary schools would require a great deal of budgetary planning. We would simply point out that the presently participating schools are planning their loan programs in light of the fiscal 1968 budget submission of \$190 million.

Mr. Muirhead suggested to you last week that he anticipated that an additional \$50 million in loan funds would be generated in fiscal 1968 by reason of the proposed financing amendments to the NDEA program. There would be \$240 million available instead of \$190 million.

Third, I was very surprised to note a question was raised as to the policy of permitting Federal funds to be used to help strengthen profit-making institutions. In the first place, that is not the point. We are here to discuss aid to students and not aid to institutions. In the second place, it has long been Federal policy, as reflected by the 18 programs listed at pages 5 and 6, to utilize the resources of proprietary taxpaying educational institutions to contribute to the success of Federal education programs to help people.

For many years we have been under contract to train students for vocational rehabilitation. More recently we have been training students under contract for MDTA and title V of the poverty program. I repeat, we are only talking about aid to students.

Fourth, there was the suggestion that as part of the vocational guaranteed loan program our students have access to direct loans under section 10 of that act. In fact, however, as I am sure you will all realize, no funds have ever been appropriated to implement the section nor has the Office of Education submitted a budget request for fiscal 1968.

Finally it has been suggested that there may be problems relating to the loan forgiveness provisions of NDEA. It would seem to us that to the extent that the forgiveness clause constitutes a national policy to encourage students to go into the teaching profession, it would be a contradiction in policy to penalize a needed business education teacher serving in a public or nonprofit institution because of where that teacher received a portion of his education. The forgiveness is related to where the teacher serves and not where he was educated.

We hope we have answered the objections to including needy students in accredited proprietary schools in the NDEA student loan program.

Thank you very much for your courtesy. All of us here will do our best to respond to any questions.

Before questions, Dr. Binnion from Texas has a short statement which I wish he would be permitted to give at this time.

Mrs. GREEN. Very good, and his complete statement will be placed in the record at this point.

(The document referred to follows:)