HIGHER EDUCATION AMENDMENTS OF 1967

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HEARINGS

BEFORE THE

SPECIAL SUBCOMMITTEE ON EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

FIRST SESSION

ON

H.R. 6232 and H.R. 6265

BILLS TO AMEND THE HIGHER EDUCATION ACT OF 1965, THE NATIONAL DEFENSE EDUCATION ACT OF 1958, THE NATIONAL VOCATIONAL STUDENT LOAN INSURANCE ACT OF 1965, AND THE HIGHER EDUCATION FACILITIES ACT OF 1963

PART 1

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HEARINGS HELD IN WASHINGTON, D.C.,

APRIL 17, 18, 19, 20, 26, 27, 28; MAY 2, 1967

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CARL D. PERKINS, *Chairman*

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HIGHER EDUCATION AMENDMENTS OF 1967

MONDAY, APRIL 17, 1967

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Brademas, Gibbons, Carey, Hathaway, Burton, Thompson, Holland, Scheuer, Quie, Reid, Erlenborn, Scherle, and Esch.

Mrs. GREEN. The meeting will come to order.

While we are expecting members of the minority side here, I think we will not delay the Secretary any longer. This subcommittee is meeting for the purpose of considering H.R. 6232 and H.R. 6265, the 1967 Higher Education Amendments.

A copy of the agenda for the week with a list of witnesses is available on the table at the side of the room. This morning we are pleased to have Secretary Gardner and Commissioner Howe, and accompanying them, Dr. Ralph K. Huitt, Dr. Peter Muirhead and Dr. Sam Halperin.

(Text of H. R. 6232 follows:)

[H.R. 6232, 90th Cong., first sess.]

A BILL To amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, and the Higher Education Facilities Act of 1963

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Higher Education Amendments of 1967".

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TITLE I—AMENDMENTS TO TITLE I OF HIGHER EDUCATION ACT OF 1965 (COMMUNITY SERVICE AND CONTINUING EDUCATION PROGRAMS)

EXTENSION OF GRANT PROGRAM

SEC. 101. Section 101 of the Higher Education Act of 1965 is amended (1) by striking out "and" before "$50,000,000", (2) by inserting after "succeeding fiscal year" the following: ", and such sums as may be necessary for the next five fiscal years", and (3) by striking out the last sentence of such section.

EXTENSION OF 75 PER CENTUM FEDERAL SHARE THROUGH FISCAL YEAR 1969

SEC. 102. (a) Section 106(a) of such Act is amended by striking out "75 per centum of such costs for the fiscal year ending June 30, 1967, and 50 per centum of such costs for each of the three succeeding fiscal years" and inserting in lieu thereof "and for each of the three succeeding fiscal years, and 50 per centum of such costs for the fiscal year ending June 30, 1970, and for each of the three succeeding fiscal years".

(b) The amendment made by subsection (a) of this section shall be effective with respect to grants awarded after the enactment of this Act.

AUTHORIZATION OF EXPERIMENTAL OR PILOT PROJECTS

SEC. 103. (a) Sections 107, 108, 109, 110, and 111 of the Higher Education Act of 1965, and references thereto, are redesignated as sections 108, 109, 110, 111, and 112, respectively, and there is inserted after 106 a new section as follows:

"EXPERIMENTAL PROJECTS

"SEC. 107. From the sums reserved therefor pursuant to paragraph (2) of section 103 for any fiscal year, the Commissioner is authorized to make grants to or contracts with institutions of higher education to pay all or part of the cost of experimental or pilot projects in the fields of community service or continuing education, with emphasis on innovative approaches and on the promotion of comprehensiveness and coordination in these fields. The Commissioner may also, from such sums, make grants to other public or private nonprofit agencies or organizations, or contracts with public or private organizations, including grants to or contracts with professional or scholarly associations, when such grants or contracts will make an especially significant contribution to attaining the objectives of this section."

(b)(1) Subsection (a) of section 103 of such Act is amended by inserting "(1)" immediately after "(a)", and by adding at the end thereof the following new paragraph:

"(2) Not to exceed 10 per centum of the sums appropriated pursuant to section 101 shall be reserved by the Commissioner for grants and contracts pursuant to section 107."

(2) Subsection (a) of section 103 of such Act is further amended by inserting after "each fiscal year," the following: "reduced by the sums reserved pursuant to paragraph (2)," and by inserting after "remainder of such sums" the following: "(as reduced by the sums reserved pursuant to paragraph (2))".

(3) The heading of such section 103 is amended by adding at the end thereof "—SET-ASIDE FOR SPECIAL PROJECTS".

(c) The amendments made by this section shall be effective with respect to appropriations pursuant to section 101 of such Act for fiscal years ending after June 30, 1967, except so much of any such appropriation as has been allotted prior to the enactment of this Act.

TITLE II—AMENDMENTS TO TITLE II OF HIGHER EDUCATION ACT OF 1965 (COLLEGE LIBRARIES, ETC.)

PART A—COLLEGE LIBRARY RESOURCES

EXTENSION OF PROGRAM

SEC. 201. (a) Section 201 of the Higher Education Act of 1965 is amended by striking out "$50,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years" and inserting in lieu thereof "$50,000,000 each for the fiscal years ending June 30, 1966, 1967, and 1968, respectively, and such sums as may be necessary for the next five fiscal years".

(b) Such section 201 is further amended by striking out the last sentence of such section.

REVISION OF MAINTENANCE-OF-EFFORT REQUIREMENT FOR SPECIAL PURPOSE GRANTS

SEC. 202. (a) Clause (2) of section 204(b) of the Higher Education Act of 1965 is amended by inserting after "June 30, 1965", the following: ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less".

(b) The amendment made by subsection (a) shall be effective with respect to applications for grants payable on or after the effective date of the enactment of this Act.

PART B—LIBRARY TRAINING AND RESEARCH, AND LIBRARY SCHOOL PROGRAM DEVELOPMENT

EXTENSION OF PROGRAM

SEC. 221. Section 221 of such Act is amended by striking out the second sentence thereof and by inserting "and such sums as may be necessary for each of the next five years," after "$15,000,000 for the fiscal year ending June 30, 1966, and for each of the two succeeding fiscal years,".

AUTHORIZING PLANNING AND DEVELOPMENT GRANTS FOR LIBRARY SCHOOLS

SEC. 222. (a)(1) Subsection (a) of section 224 of the Higher Education Act of 1965 is amended (1) by inserting "(1)" after "organizations,"; (2) by inserting after "such activities;" the following: "and, (2) for the planning or development of programs for the opening of library or information science schools, or of programs intended to lead to the accreditation of such existing schools;" and (3) by striking out "no such grant" and by inserting in lieu thereof "no grant under this section".

(2) The heading of such section is amended by adding ", AND GRANTS FOR LIBRARY SCHOOL PLANNING AND DEVELOPMENT" at the end thereof.

(b) The amendments made by paragraph (1) of subsection (a) of this section shall be effective with respect to grants payable from appropriations for fiscal years ending after June 30, 1967.

CLARIFYING AUTHORITY OF INSTITUTIONS TO USE TRAINING INSTITUTES

SEC. 223. Subsection (a) of section 223 of the Higher Education Act of 1965 is amended by inserting after "the cost of courses of training or study" the following: "(including short-term or regular session institutes)".

PART C—STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES THROUGH LIBRARY OF CONGRESS

EXTENSION OF PROGRAM

SEC. 231. (a) Section 231 of the Higher Education Act of 1965 is amended by striking out "and" before "$7,770,000", and by inserting after "June 30, 1968," the following: "and such sums as may be necessary for the next two fiscal years,".

(b) Such section is further amended by striking out the last sentence.

CLARIFYING AUTHORITY TO PURCHASE COPIES; INCREASING AUTHORITY TO PREPARE CATALOG AND BIBLIOGRAPHIC MATERIALS; AUTHORIZING LIBRARIAN TO ACT AS ACQUISITIONS AGENT

SEC. 232. Section 231 of the Higher Education Act of 1965, as amended by section 231 of this Act, is further amended:

(1) in paragraph (1), by inserting "copies of" before "all";

(2) in paragraph (2), by striking out "providing catalog information for these materials promptly after receipt, and distributing bibliographic information by" and inserting in lieu thereof "providing catalog information promptly and distributing this and other bibliographic information about library materials by"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the United States, its territories, and its possessions, and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries."

TITLE III—STRENGTHENING DEVELOPING INSTITUTIONS

EXTENSION OF PROGRAM

SEC. 301. Paragraph (1) of section 301(b) of the Higher Education Act of 1965 is amended by striking out "and the sum of $55,000,000 for the fiscal year ending June 30, 1968" and inserting in lieu thereof "the sum of $55,000,000 for the fiscal year ending June 30, 1968, and such sums as may be necessary for the next five fiscal years".

TITLE IV—STUDENT ASSISTANCE

PART A—AMENDMENTS TO EDUCATIONAL OPPORTUNITY GRANT PROGRAM

EXTENSION OF PROGRAM

SEC. 401. (a) The first sentence of subsection (b) of section 401 of the Higher Education Act of 1965 is amended by inserting after "two succeeding fiscal years," the following: "and such sums as may be necessary for the next five fiscal years,".

(b)(1) Such subsection (b) is further amended by striking out the second sentence thereof.

(2) Sections 405(b), 406(b), and 407(b)(2) of such Act are each amended by striking out "third sentence" and inserting in lieu thereof "second sentence".

COUNTING WORK-STUDY ASSISTANCE TO STUDENT IN COMPUTING MAXIMUM ALLOWABLE EDUCATIONAL OPPORTUNITY GRANT

SEC. 402. (a) Section 402(1) of the Higher Education Act of 1965 is amended by striking out ", but excluding assistance from work-study programs".

(b) The amendments to such Act made by the preceding subsection shall be effective with respect to educational opportunity grants awarded by an institution on or after September 1, 1967, or the date of the enactment of this Act, whichever date is later.

AUTHORIZING GRANTS (AS WELL AS CONTRACTS) FOR TALENT SEARCH

SEC. 403. Section 408 of the Higher Education Act of 1965 is amended by striking out ", to enter into contracts, not to exceed $100,000 per year, with State and local educational agencies and other public or nonprofit organizations and institutions" and inserting in lieu thereof the following: "to make grants to State or local educational agencies or other public or nonprofit private agencies, institutions, or organizations, or make contracts with public or private agencies, institutions, or organizations, not to exceed (in the case of any contract or grant) $100,000 per year,".

PART B—AMENDMENTS TO PROVISIONS ON STUDENT LOAN INSURANCE PROGRAMS

AUTHORIZING DEFERMENT OF REPAYMENT OF STATE OR PRIVATELY INSURED LOAN DURING ATTENDNCE OF STUDENT BORROWER AT INSTITUTION OF HIGHER EDUCATION, OR DURING MILITARY, PEACE CORPS, OR VISTA SERVICE; REQUIRING DEFERRAL OF SUCH REPAYMENT OF FEDERALLY INSURED LOAN UNDER NATIONAL VOCATIONAL STUDENT LOAN INSURANCE ACT DURING VISTA SERVICE; AND AUTHORIZING FEDERAL PAYMENT OF ALL INTEREST ACCRUING DURING ANY SUCH ATTENDANCE OR SERVICE

SEC. 421. (a)(1) Section 428 of the Higher Education Act of 1965 and section 9 of the National Vocational Student Loan Insurance Act of 1965 are amended by adding at the end of each such section the following new subsection:

"(c) The Commissioner shall encourage the inclusion, in any State student loan program or any State or nonprofit private student loan insurance program meeting the requirements of subsection (a)(1)(B) or (C), of provisions authorizing or requiring that in the case of student loans covered by such program periodic installments of principal need not be paid, but interest shall accrue and be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education (or at a comparable institution outside the States approved for this purpose by the Commissioner), (ii) not in excess of three years during which the borrower is a member of the Armed Forces of the United States, (iii) not in excess of three years during which the borrower is in sevice as a volunteer under the Peace Corps Act, or (iv) not in excess of three years during which the borrower is in service as a volunteer under title VIII of the Economic Opportunity Act of 1964. In the case of any such State or nonprofit private program containing such a provision any such period shall be excluded in determining the period specified in clause (ii) of subparagraph (C), or the maximum period for repayment specified in subparagraph (D), of subsection (b)(1) of this section."

(2)(A) Subparagraph (C)(ii) of paragraph (1) of section 428(b) of the Higher Education Act of 1965 and subparagraph (C)(ii) of paragraph (1) of section 9(b) of the National Vocational Student Loan Insurance Act of 1965 are each amended by inserting after "(ii)" the following: "except as provided in subsection (c) of this section,".

(B) Subparagraph (D) of each such paragraph is amended by inserting after "subject to subparagraph (C)" the following: "of this paragraph and except as provided by subsection (c) of this section".

(b) Subparagraph (C) of section 8(a)(2) of the National Vocational Student Loan Insurance Act of 1965 is amended (1) by striking out "or" before "(iii)", and (2) by inserting after "Peace Corps Act," the following: "or (iv) not in excess of three years during which the borrower is in service as a volunteer under title VIII of the Economic Opportunity Act of 1964,".

(c) The first sentence of paragraph (2) of section 428(a) of the Higher Education Act of 1965, and the first sentence of paragraph (2) of section 9(a) of the National Vocational Student Loan Insurance Act of 1965, are each amended by inserting after "repayment period of the loan," the following: "or which accrues during a period in which principial need not be paid (whether or not such principal is in fact paid) by reason of a provision described in subsection (c) of this section or in subsection (a) (2) (C) of the preceding section,".

(d) Deferment of repayment of principal, as provided in the amendments made by subsection (a) of this section, may be authorized (but not required) with respect to loans meeting the requirements of subparagraph (B) or (C) of section 428(a) (1) of the Higher Education Act of 1965, or of subparagraph (B) or (C) of section 9(a) (1) of the National Vocational Student Loan Insurance Act of 1965, which are outstanding on the date of enactment of this Act, but only with respect to periods of attendance or service occurring on or after such date, or after June 30, 1967, whichever is later. The amendments made by subsection (b) shall be effective with respect to loans made by the Commissioner and, with the consent of the lender, loans insured by the Commissioner, which are outstanding on such date of enactment, but only with respect to periods of attendance or service occurring on or after such date or after June 30, 1967, whichever is later. The amendments made by subsection (c) shall become effective on the date of enactment of this Act or on July 1, 1967, whichever is later.

COORDINATION BETWEEN NON-FEDERAL AND FEDERAL PROGRAMS WITH RESPECT TO MAXIMUM AMOUNTS OF INDIVIDUAL LOANS INSURED AND MINIMUM AMOUNTS OF REPAYMENT INSTALLMENTS ON SUCH LOANS

Annual Maximum of $1,500, Aggregate Maximum of $7,500 for Higher Education

SEC. 422. (a) (1) Subparagraph (A) of section 428(b) (1) of the Higher Education Act of 1965 is amended by inserting the following before the semicolon at the end of such subparagraph: ", which limit shall not be deemed exceeded by line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all such insured loans made to any student shall not at any time exceed $7,500;".

(2) Paragraph (1) of section 425(a) of the Higher Education Act of 1965 is amended (1) by striking out "in the case of a graduate or professional student (as defined in regulations of the Commissioner), or $1,000 in the case of any other student" in the first sentence, and (2) by striking out "in the case of any graduate or professional student (as defined in regulations of the Commissioner, and including any such insured loans made to such person before he became a graduate or professional student), or $5,000 in the case of any other student" in the second sentence.

Annual Maximum of $1,500, Aggregate Maximum of $3,000, for Vocational Education

(b) (1) Subparagraph (A) of section 9(b) (1) of the National Vocational Student Loan Insurance Act of 1965 is amended to read as follows:

"(A) provides that the program will insure loans made to any individual student in any academic year or its equivalent (as determined under regulations of the Commissioner) of up to but not in excess of $1,500, which limit shall not be deemed exceeded by a line of credit under which actual payments by the lender to the borrower will not be made in any such year in excess of such annual limit; and provides that the aggregate insured unpaid principal amount of all insured loans under the program made to any student shall not at any time exceed $3,000;".

(2) Subsection (a) of section 6 of the National Vocational Student Loan Insurance Act of 1965 is amended (1) by striking out "$1,000" in the first sentence and inserting "$1,500" in lieu thereof, and (2) by striking out "$2,000" in the second sentence and inserting "$3,000" in lieu thereof.

Minimum Annual Repayments for Higher and Vocation Education

(c) Paragraph (1) of section 428(b) of the Higher Education Act of 1965 and paragraph (1) of section 9(b) of the National Vocational Student Loan Insurance Act of 1965 are each amended (1) by striking out the period at the end of subparagraph (J) and inserting a semicolon in lieu thereof, and (2) by adidng at the end of subparagraph (J) the following:

"(K) provides that the total of the payments by a borrower during any year of any repayment period with respect to the aggregate amount of all loans to the borrower which are insured under the program shall not be less than $360 or the balance of all such loans (together with interest thereon), whichever amount is less."

(d) (1) The amendments made by this section shall apply to loans made on or after the sixtieth day after the date of enactment of this Act. In computing the maximum amounts which may be borrowed by a student, and the minimum amounts of repayment allowable with respect to sums borrowed by a student, after such sixtieth day there shall be included all loans, whenever made, insured pursuant to the insurance program under which the computation is made.

(2) Paragraph (1) of this subsection shall not apply so as to require violation of any commitment for insurance made to an eligible lender, or of any line of credit granted to a student prior to such sixtieth day or, except with the consent of the State or nonprofit private agency concerned, impair the obligation of any agreement made pursuant to section 428(b) of the Higher Education Act of 1965 or section 9(b) of the National Vocational Student Loan Insurance Act of 1965.

EXTENSION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 423. (a) Subsection (a) of section 424 of the Higher Education Act of 1965 is amended (1) in the first sentence by striking out "and $1,400,000,000 in the fiscal year ending June 30, 1968" and inserting in lieu thereof "and such limitation in the six succeeding fiscal years as may be specified in appropriations Acts, except that in the fiscal year ending June 30, 1968, such amount shall not exceed the lesser of any such limitation specified for that year and $1,400,000,000"; and (2) in the second sentence by striking out "1972" and inserting in lieu thereof "1977".

(b) Subsection (a) of section 5 of the National Vocational Student Loan Insurance Act of 1965 is amended (1) in the first sentence by striking out "and in each of the two suceeding fiscal years" and inserting in lieu thereof "and such limitations as may be specified in appropriations Act for each of the seven succeeding fiscal years, except that for the fiscal year ending June 30, 1968, such amount shall not exceed the lesser of such limitation and $75,000,000"; and (2) in the second sentence by striking out "1972" and inserting in lieu thereof "1977".

TECHNICAL CORRECTIONS

SEC. 424. (a) (1) Section 2(a) of the National Vocational Student Loan Insurance Act of 1965 is amended by striking "9(a) (1) (A)" and inserting in lieu thereof "9(a) (1) (C)".

(2) Section 5 of such Act is amended (A) by inserting "FEDERAL" before "LOAN INSURANCE" in the caption, and (B) by inserting, in subsection (a), "Federal" before "insurance" in the first sentence and "Federal" before "insurance pursuant to this part" in the second sentence.

(3) Section 6 of such Act is amended (A) by inserting "UNDER FEDERAL INSURANCE PROGRAM" in the caption after "LIMITATIONS". (B) by inserting "Federal" before "insurance" in the first sentence of subsection (a), and (C) by inserting "federally" before "insured" in the first sentence of subsection (b).

(4) Section 8 of such Act is amended (A) by inserting "UNDER FEDERAL INSURANCE PROGRAM" after "LOANS" in the caption, and (B) by inserting "by the Commissioner" after "insurable" in the introductory phrase of subsection (a).

(5) Clause (A) of the first sentence of section (a) (1) of such Act is amended by inserting "by the Commissioner" after the word "insured".

(b) The second sentence of 435(a) of the Higher Education Act of 1965, as amended by the International Education Act of 1966 to make students in comparable institutions abroad eligible under the reduced-interest loan insurance program, is further amended by inserting ", with respect to students who are nationals of the United States," after "Such term includes".

PART C—AMENDMENTS TO COLLEGE WORK-STUDY PROGRAM

EXTENSION OF PROGRAM

SEC. 431. The first sentence of section 442 of the Higher Education Act of 1965 is amended (1) by striking out "and" before "$200,000,000", and (2) by inserting after "June 30, 1968," the following: "and such sums as may be necessary for the next five fiscal years,".

EIGHTY PER CENTUM FEDERAL MATCHING

SEC. 432. (a) Paragraph (f) of section 124 of the Economic Opportunity Act of 1964 is amended by striking out "75 per centum" and inserting in lieu thereof "80 per centum".

(b) The amendment made by the preceding subsection shall be effective with respect to work performed by a student on or after August 21, 1967, or on or after the date of enactment of this Act, whichever date is later.

AUTHORIZING WORK-STUDY EMPLOYMENT OF FORTY HOURS A WEEK FOR STUDENTS ENROLLED IN CLASSES DURING VACATION PERIODS

SEC. 433. (a) Paragraph (d) of section 124 of the Economic Opportunity Act of 1964 is amended to read as follows:

"(d) provide that no student shall be employed under such work-study program for more than fifteen hours in any week in which classes in which he is enrolled are in session, except that, to the extent and in accordance with criteria established by or pursuant to regulations of the Commissioner, such maximum work week shall be forty hours with respect to classes conducted in vacation or comparable periods of additional or nonregular enrollment (as respects the particular student);".

(b) The amendment made by the preceding subsection shall be effective with respect to work performed on or after the date of enactment of this Act.

REVISING MAINTENANCE-OF-EFFORT REQUIREMENT TO TAKE INTO ACCOUNT ADDITIONAL FORMS OF INSTITUTIONAL STUDENT AID

SEC. 434. (a) Paragraph (e) of section 124 of the Economic Opportunity Act of 1964 is amended to read as follows:

"(e) provide assurance that in each fiscal year during which the agreement remains in effect the institution will expend in its own programs of student assistance (including student assistance through employment of its students, whether or not in employment eligible for assistance under this part), exclusive of any component of such expenditures representing payment to the institution of Federal financial assistance as determined in accordance with regulations of the Commissioner, an amount that is not less than its average annual expenditure for such purposes during the three fiscal years preceding the fiscal year in which the agreement is entered into;".

(b) The amendment made by the preceding subsection shall be effective with respect to grants made under any agreement on or after the effective date of the enactment of this Act, or after June 30, 1968, whichever is later.

AUTHORIZING PROPRIETARY INSTITUTIONS TO CONDUCT WORK-STUDY PROGRAMS FOR OFF-CAMPUS WORK OF THEIR STUDENTS FOR PUBLIC OR PRIVATE NONPROFIT ORGANIZATIONS

SEC. 435. (a) Paragraph (a) of section 124 of the Economic Opportunity Act of 1964 is amended by inserting after "work for the institution itself" the following: "but only in the case of a public or other nonprofit institution,".

(b) Paragraph (1) of section 123(b) of such Act is amended (1) by striking out "(D) is a public or other non-profit institution," in the first sentence thereof; (2) by striking out "(D)," in the second sentence of such paragraph; and (3) by striking out "(E)" wherever it appears in such paragraph and inserting "(D)" in lieu thereof.

(c) Paragraph (1) of section 122(b) is amended by striking out all of that paragraph following the words "full-time basis" the first time these words occur, and inserting in lieu thereof the following: "in public or other nonprofit institutions of higher education in such State bears to the total number of persons enrolled on a full-time basis in such institutions in all the States,".

(d) The amendments made by this section shall be effective only with respect to work performed on or after the date of enactment of this Act, or after June 30, 1967, whichever is later.

PROVIDING FOR INSTITUTIONAL EXPENSES OF ADMINISTRATION OF COOPERATIVE-EDUCATION DEMONSTRATION PROGRAMS

SEC. 436. (a) Sections 125 and 126 of the Economic Opportunity Act of 1964 are redesignated as sections 126 and 127, respectively, and the following new section is inserted immediately following section 124:

"USE OF WORK-STUDY FUNDS FOR ADMINISTRATIVE EXPENSES OF COOPERATIVE-EDUCATION PROGRAMS

"SEC. 125. (a) An agreement entered into pursuant to section 124 may also include provisions authorizing the institution, to the extent and under terms and conditions prescribed by the Commissioner by or pursuant to regulation, to use, out of the sums granted to it under section 123, a portion for its administrative expenses (which for this purpose may, among other expenses, include expenses of counseling and guidance, placement, and consulting services) in developing or carrying out a program, described in such agreement, to demonstrate or explore the feasibility or value of methods of cooperative education involving alternative periods of full-time academic study at the institution and periods of full-time public or private employment (whether or not afforded by an organization described in section 124(a)) approved or arranged for by the institution under such program. The Commissioner may, if in his judgment it would promote efficiency and economy to do so, prescribe regulations applicable both to administrative expenses for which an institution may use work-study funds under this section and to administrative expenses for which it may use such funds under section 124(b) and to the determination of the amounts allowable for such expenses from such funds, and such regulations shall, to the extent (if any) provided therein, supersede with respect to administrative expenses referred to in section 124(b) the limitations specified therein.

"(b) The question of the authority of the institution to use funds obtained under section 123 to pay for particular work performed by a student under a cooperative-education program covered under this section by an agreement with the Commissioner shall be determined solely by reference to the provisions included in the agreement pursuant to section 124."

(b) Section 124(b) of such Act is amended by inserting "except as otherwise provided under section 125," before "provide".

WORK-STUDY PROGRAM RECONSTITUTED AS PART C OF TITLE IV, HIGHER EDUCATION ACT OF 1965

SEC. 437. (a) The purpose of this section is to reconstitute part C of title I of the Economic Opportunity Act of 1964 (as amended by the foregoing sections of this Act) as part C of title IV of the Higher Education Act of 1965, without substantive change.

(b)(1) So much of part C of title IV of the Higher Education Act of 1965 (including the heading of such part) as precedes section 442 thereof is deleted (but without thereby affecting the amendments heretofore made by that part to parts C and D of title I of the Economic Opportunity Act of 1964); (2) such section 442 (as amended by this Act) and references thereto, are redesignated as section 448; (3) part C of title I of the Economic Opportunity Act of 1964 (as amended by the foregoing sections of this Act) is deleted from that Act (but without repeal thereof) and is inserted (as captioned) as part C in title IV of the Higher Education Act of 1965 immediately before the section of such title redesignated as section 448; and (4) the sections so transferred (which are numbered 121, 122, 123, 124, 125, 126, and 127), and internal cross-references therein to any such section, are redesignated as sections 441, 442, 443, 444, 445, 446, and 447, respectively.

(c) Wherever in any law, rule, regulation, order, or agreement of the United States (including the first sentence of the section redesignated by paragraph (1) as section 448 of title IV of the Higher Education Act of 1965), reference is made, however styled, to part C of title I of the Economic Opportunity Act of 1964, or to any section thereof, such reference is amended so as to make comparable reference to part C of title IV of the Higher Education Act of 1965, or to such section of that part as redesignated herein, respectively.

(d) Subject to the provisions of subsection (c), any order, rule, regulation, right, agreement, or application in effect under C of title I of the Economic Opportunity Act of 1964 immediately prior to the enactment of this Act, shall continue in effect to the same extent as if this section had not been enacted.

(e)(1) The section of title IV of the Higher Education Act of 1965 redesignated by this section as section 448 of that title, as amended by this Act, is further amended by deleting all that follows the first sentence of that section but without thereby affecting the effect of such deleted matter.

(2) Appropriations made for carrying out part C of title I of the Economic Opportunity Act of 1964 which is reconstituted by this section as part C of title IV of the Higher Education Act of 1965 shall be deemed made for carrying out such part C of such title IV.

PART D—AMENDMENTS TO NATIONAL DEFENSE STUDENT LOAN PROGRAM

EXTENSION OF PROGRAM

SEC. 451. (a) Section 201 of the National Defense Education Act of 1958 is amended (1) by striking out "and" before "$225,000,000", (2) by inserting after "June 30, 1968," the following: "and such sums as may be necessary for such of the five succeeding fiscal years;" and (3) by striking out "and such sums for the fiscal year ending June 30, 1969" and inserting in lieu thereof "and there are further authorized to be appropriated such sums for the fiscal year ending June 30, 1974".

(b) Section 202 of such Act is amended by striking out "1968" in subsections (a) and (b) and inserting in lieu thereof "1973".

(c) Section 206 of such Act is amended by striking out "1972" each time it appears in subsections (a), (b), and (c) of such section, and inserting in lieu thereof "1977".

MAKING 10 PER CENTUM LOAN CANCELLATION APPLICABLE TO TEACHER SERVICE FOR CERTAIN SPECIAL PROGRAMS CONDUCTED BY NONPROFIT INSTITUTIONS

SEC. 452. (a) So much of paragraph (3) of section 205(b) of the National Defense Education Act of 1958 as precedes clause (A) thereof is amended by inserting the following immediately before "at the rate of 10 per centum": "or for comparable service as a full-time teacher in a program of special (including preschool) education or training designed to combat disadvantage, poverty, or unemployment which is conducted by such a school or institution or by another public or nonprofit agency, institution, or organization in a State,".

(b) The amendments made by this section shall apply with respect to teaching service performed during academic years beginning on or after the date of enactment of this Act, whether the loan was made on, before, or after such date.

ENCOURAGING AVAILABILITY OF NON-FEDERAL CAPITAL FOR NATIONAL DEFENSE STUDENT LOANS BY ESTABLISHING A REVOLVING FUND FROM WHICH INSTITUTIONS MAY OBTAIN LOANS TO CAPITALIZE STUDENT LOAN FUNDS, AND PROVIDING FOR ALLOTMENT OF FEDERAL CAPITAL CONTRIBUTIONS TO SUCH FUNDS

SEC. 453. (a) (1) Section 207 of the National Defense Education Act of 1958 (relating to loans to institutions to help finance their student loan funds) is amended to read as follows:

"LOANS TO INSTITUTIONS; REVOLVING FUND

"Loans to Institutions

"SEC. 207. (a) (1) During the period of six fiscal years beginning with the fiscal year ending June 30, 1968, the Commissioner may make loans, from the National Defense Education Loan Fund estiblished by subsection (d), to institutions of higher education to provide all or part of the capital needed by them for making loans to students (other than capital needed to finance the institutional contribution to a student loan fund established with the aid of Federal capital contributions pursuant to an agreement under section 204). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 205. The requirement in section 204(2) (B) with respect to institutional contributions to student loan funds established under that section shall not apply to loans made to institutions under this section.

"(2) Loans to institutions under this section may be made upon such terms and conditions, consistent with applicable provisions of section 204, as the Commissioner deems appropriate, including a requirement that the proceeds of such loan be deposited by the institution in a separate student loan fund established and maintained, in accordance with regulations, solely for operations on connection therewith (or, in accordance with such regulations, in a segregated account so established and maintained within a student loan fund established pursuant to an agreement under section 204, in which event such account shall be treated as a separate fund for the purposes of this title). If the Commissioner deems it to be necessary to assure that the purposes of this section will be achieved, these terms and conditions may also include provisions making the institution's obligation to the Commissioner on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Commissioner may approve. Such a loan shall bear interest at a rate which the Commissioner determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Commissioner under this section, (B) the estimated cost of administering this section, and (C) probable losses.

"PAYMENTS TO INSTITUTIONS TO COVER CERTAIN COSTS INCURRED IN MAKING STUDENT LOANS FROM BORROWED FUNDS

"(b) If an institution of higher education borrows from the Commissioner from the national defense education loan fund established under subsection (d), the Commissioner shall agree to pay to the institution (1) an amount equal to 90 per centum of the loss to the institution from defaults on student loans made from the student loan fund (or account) established pursuant to paragraph (2) of subsection (a), (2) the amount by which the interest payable by the institution on the Commissioner's loan exceeds the interest received by it on student loans made from such student loan fund (or account), (3) an amount equal to so much of the expenses of the institution arising out of its operation of such student loan fund (or account) as would be allowable under paragraphs (3) (C) and (D) of section 204 if such fund (or account) were established under that section, and (4) the amount of principal which is canceled persuant to section 205(b) (3) with respect to student loans made from such student loan fund (or account). There are authorized to be appropriated without fiscal-year limitations such sums as may be necessary to carry out the purposes of this subsection.

"LIMITATION ON LOANS FROM REVOLVING FUND

"(c) The total of the loans made in any fiscal year from the national defense education loan fund established by subsection (d) shall not exceed such limitations as may be specified for such year in Appropriation Acts.

"REVOLVING FUND

"(d) (1) There is hereby created within the Treasury a national defense education loan fund (hereafter in this section called the fund) which shall be available to the Commissioner without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847–849) for wholly owned Government corporations.

"(2) The fund shall consist of appropriations paid into the fund pursuant to section 201, all amounts received by the Commissioner as interest payments or repayments of principal on loans, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

"(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Commissioner under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Commissioner in connection with the sale, under section 302 (c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least at the close of each fiscal year, the Commissioner shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid into the fund as capital for loans under this section less than average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. The Commissioner also from time to time (not less often than annually) transfer from the fund, to the credit of the appropriation (current at the time of such transfer) for salaries and expenses of the Office of Education, an amount that in his judgment constitutes a reasonable estimate of the normal administrative expenses of the Office incurred, or to be incurred, in connection with operations of the Commissioner under this section during the period covered by the transfer. If at any time the Commissioner determines that moneys in the funds exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury."

(2) Section 201 of the National Defense Education Act of 1958 is amended by striking out the last sentence and substituting therefor the following: "Sums appropriated under this section shall be available (1) in accordance with agreements between the Commissioner and institutions of higher education, for payment of Federal capital contributions which, together with contributions from the institutions, shall be used for establishment and maintenance of student loan funds in accordance with agreements pursuant to section 204, and (2) to the extent determined by the Commissioner not to be required for the foregoing purpose, for payments into the loan fund established by section 207 (d)."

(3) Section 208 of such Act is amended by substituting "title" for "subsection" in the parenthetical phrase.

(b)(1) Section 202 of the National Defense Education Act of 1958 (relating to allotments of appropriations among States), as amended by section 451 of this Act, is further amended by inserting "(for payment as Federal capital contributions or as loans to institutions under section 207)" after "the Commissioner shall lot to each State" in the first sentence of subsection (a), and by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following new subsection:

"(b) Funds available in any fiscal year for payments to institutions under this title (whether as Federal capital contributions or as loans to institutions under section 207) which are in excess of the amount appropriated pursuant to section 201 for that year shall be allotted among the States in such manner as the Commissioner determines will best carry out the purpose of this Act."

(2) Section 203 of such Act (relating to the payment of Federal capital contributions to institutions), including the heading thereof, is amended to read as follows:

"DISTRIBUTION AMONG INSTITUTIONS OF FEDERAL CAPITAL CONTRIBUTIONS AND INSTITUTIONAL LOANS

"SEC. 203. (a) The Commissioner shall from time to time set dates by which institutions of higher education in a state must file applications for Federal capital contributions, and for loans pursuant to section 207, from the allotment of such State under section 202(a). In the event the total requested in such applications (which meet the requirements established in regulations of the Commissioner) exceeds the amount of such allotment of such State available for such purpose, the total of the Federal capital contributions and loans from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of such allotment available for such purpose bears to the total requested in all such applications. In the event the total requested in such applications which are made by institutions in a State is less than the amount of the allotment of such State available for such purpose, the Commissioner may reallot the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under section 202 for such year.

"(b) Sums allotted among States pursuant to section 202(b) shall be allocated among institutions within States in such manner as the Commissioner determines will best carry out the purposes of this Act.

"(c) The Federal capital contribution to an institution shall be paid to it from time to time in such installments as the Commissioner determines will not result in unnecessary accumulations in the student loan fund established under its agreement under section 204 of this title."

(c)(1) So much of section 206(a) of such Act as precedes paragraph (1) is amended by striking out "this title" and inserting in lieu thereof "an agreement pursuant to section 204".

(2) Paragraph (1) of such section 206(a) is amended by striking out "the balance" and inserting in lieu thereof "such balance";

(3) Such section 206 is further amended by adding at the end thereof the following subsection:

"(d) Subsections (a) and (c) shall not apply to a separate student loan fund or account established by an institution pursuant to section 207(a)(2) of such Act with the proceeds of a loan to the institution from the national defense education loan fund, and subsection (b) shall not apply to amounts of principal or interest on student loans made from such separate student loan fund or account."

(d)(1) The amendments made by this section shall be effective in the case of payments to student loan funds made on or after June 30, 1967, or on or after the date of enactment of this Act, whichever date is later, except that such amendments shall not be effective with respect to payments pursuant to commitments (made prior to enactment of this Act) to make loans under section 207 of the National Defense Education Act of 1958 as in effect prior to the enactment of this Act.

(2) The Commissioner of Education is authorized, at the request of any institution, to take such steps as are necessary to convert a Federal capital contribution to a student loan fund of such institution, made pursuant to title II of the National Defense Education Act from funds appropriated pursuant to section 201 for the fiscal year ending June 30, 1968, to a loan under section 207 as amended by this Act.

Part E—Amendments to National Defense Fellowship Program

EXTENSION OF PROGRAM

Sec. 471. (a) Section 402(a) of the National Defense Education Act of 1958 is amended by striking out "two succeeding fiscal years" and inserting in lieu thereof "seven succeeding fiscal years".

(b) Section 403(a) of such Act is amended by striking out "three succeeding fiscal years" and inserting in lieu thereof "eight succeeding fiscal years".

INCREASING MAXIMUM LENGTH OF FELLOWSHIP FROM 3 TO 4 YEARS IN SPECIAL CIRCUMSTANCES, AND REQUIRING INSTITUTIONAL EFFORT TO ENCOURAGE RECIPIENTS TO ENTER OR CONTINUE TEACHING

Sec. 472. (a) Subsection (a) of section 402 of the National Defense Education Act of 1958 is amended by inserting "(1)" after "except" in the second sentence thereof, and by inserting immediately before the period at the end of such sentence the following: ", and (2) that the Commissioner may provide by regulation for the granting of such fellowships for a period of study not to exceed one academic year (or one calendar year in the case of fellowships to which clause (1) applies) in addition to the maximum period otherwise applicable, under special circumstances in which the purposes of this title would most effectively be served thereby".

(b) The Commissioner may in his discretion increase, in accordance with the amendment made by subsection (a), the maximum periods of fellowships awarded prior to the enactment of this Act.

(c) The second sentence of section 403(a) is amended by striking out the period at the end of clause (2) of such sentence and inserting ", and" in lieu thereof; and by adding the following new clause:

"(3) that the application contains satisfactory assurance that the institution will make reasonable continuing efforts to encourage recipients of fellowships under this title, enrolled in such program, to teach or continue to teach in institutions of higher education."

(d) The amendment made by subsection (c) of this section shall be effective with respect to fellowships awarded on or after June 30, 1967, or on or after the date of enactment of this Act, whichever date is later.

REQUIRING STIPENDS TO BE SET IN AN AMOUNT CONSISTENT WITH THOSE AWARDED FOR COMPARABLE FELLOWSHIPS

SEC. 473. (a) Section 404(a) of the National Defense Education Act of 1958 is amended to read as follows:

"SEC. 404. (a) The Commissioner shall pay to persons awarded fellowships under this title such stipends (including such allowances for subsistence and other expenses for such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs."

(b) The amount of any stipend payable with respect to a fellowship awarded prior to the date of enactment of this Act shall not, during the period for which such fellowship was awarded, be less with respect to any year of study than the amount that would in the absence of the amendment made by subsection (a) of this section be payable with respect to such year.

PART F—ADVISORY COUNCIL ON STUDENT AID

ESTABLISHMENT OF ADVISORY COUNCIL ON ALL FINANCIAL AID TO STUDENTS; ABSORPTION OF ADVISORY COUNCILS ON INSURED LOANS

SEC. 481. (a) Title IV of the Higher Education Act of 1965 is amended by adding after part D the following new part:

"PART E—ADVISORY COUNCIL ON FINANCIAL AID TO STUDENTS

"SEC. 481. (a) There is established in the Office of Education an Advisory Council on Financial Aid to Students (hereafter in this section referred to as the 'Council'), consisting of the Commissioner, who shall be Chairman, and of members appointed by the Commissioner without regard to the civil service or classification laws. Such appointed members shall include leading authorities in the field of education, persons representing State and private nonprofit loan insurance programs, financial and credit institutions, and institutions of higher education and other eligible institutions as those terms may be variously defined in this Act, in the National Vocational Student Loan Insurance Act of 1965, or in the National Defense Education Act of 1958.

"(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to financial assistance to students and on evaluation of the effectiveness of these programs.

"(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem (or, if higher, the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code), including traveltime, and while so serving on the business of the Council away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions."

(b)(1) Section 433 of such Act, providing for establishment of an Advisory Council on Insured Loans to Students is repealed, and sections 434 and 435 are redesignated as sections 433 and 434, respectively.

(2) Section 15 of the National Vocational Student Loan Insurance Act of 1965, providing for establishment of an Advisory Council on Insured Loans to Vocational Students is repealed, and sections 16 and 17 of such Act are redesignated as sections 15 and 16, respectively.

TITLE V—EDUCATION PROFESSIONS DEVELOPMENT (AMENDMENTS TO TITLE V OF HIGHER EDUCATION ACT OF 1965)

STATEMENT OF PURPOSE

SEC. 501. It is the purpose of this title to coordinate, broaden, and strengthen programs for the training and improvement of the qualifications of teachers and other educational personnel for all levels of the American educational system so as to provide a better foundation for meeting the critical needs of the Nation for personnel in these areas.

AMENDMENTS TO PART A (GENERAL PROVISIONS) OF TITLE V OF HIGHER EDUCATION ACT OF 1955

SEC. 502. Title V of the Higher Education Act of 1965 is amended by—

(a) striking out "TEACHER PROGRAMS" in the heading of such title and inserting in lieu thereof "EDUCATION PROFESSIONS DEVELOPMENT";

(b) redesignating section 502 as section 508; and

(c) striking out section 501 and inserting in lieu thereof the following sections:

"STATEMENT OF PURPOSE

"SEC. 501. The purpose of this title is to improve the quality of teaching and to help meet critical shortages of adequately trained educational personnel by (1) developing information on the actual needs for educational personnel, both present and long range, (2) providing a broad range of high quality training and retraining opportunities, responsive to changing manpower needs; (3) attracting a greater number of qualified persons into the teaching profession; (4) attracting persons who can stimulate creativity in the arts and other skills to undertake short-term or long-term assignments in education; and (5) helping to make educational personnel training programs more responsive to the needs of the schools and colleges.

"NATIONAL ADVISORY COUNCIL ON EDUCATION PROFESSIONS DEVELOPMENT

"SEC. 502. (a) There is hereby established in the Department of Health, Education, and Welfare a National Advisory Council on Education Professions Development (hereafter in this section referred to as the 'Council'), consisting of members appointed by the President without regard to the civil service and classification laws and, in addition, the Commissioner and one representative each from the National Science Foundation and the National Foundation on the Arts and the Humanities. The appointed members, one of whom shall be designated by the President as Chairman, shall include persons broadly representative of the fields of education, the arts, the sciences, and the humanities, and of the general public, and a majority of them shall be engaged in teaching or in the education of teachers.

"(b) The Council shall, in addition to performing the functions set forth in subsection (c), advise the Secretary and the Commissioner with respect to policy matters arising in the administration of this title and any other matters, relating to the purposes of this title, on which their advice may be requested.

"(c) The Council shall from time to time review the operation of this title and of all other Federal programs for the training and development of educational personnel and shall evaluate their effectiveness in meeting needs for additional educational personnel, and in achieving improved quality in training programs as evidenced in the competency of the persons receiving such training when entering positions in the field of education. The Council shall make annual reports of its findings and recommendations (including recommendations for changes in this title and other Federal laws relating to educational personnel training) to the Secretary for transmittal to the President, who shall transmit such reports to the Congress together with his comments and recommendations.

"(d) Members of the Council who are not in the regular full-time employ of the United States shall, while serving on the business of the Council, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding $100 per day (or, if higher, the rate specified at the time of such service for grade GS-18 in section 5332 of title 5, United States Code), including traveltime, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(e) The Secretary shall make available to the Council such technical, secretarial, clerical, and other assistance and such pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out its functions. The Secretary may also assist the Council by utilizing for that purpose the services and facilities of any other agency of the Federal Government, in accordance with agreements (on a reimbursable basis or otherwise) between him and the head of such agency.

"APPRAISING EDUCATION PERSONNEL NEEDS

"SEC. 503. (a) The Commissioner shall from time to time appraise the Nation's existing and future personnel needs in the field of education, including preschool programs, elementary and secondary education, vocational and technical education, adult education, and higher education, and the adequacy of the Nation's efforts to meet these needs. In developing information relating to educational personnel needs, the Commissioner shall consult with the Department of Labor, the National Science Foundation, the National Foundation on the Arts and the Humanities, and other appropriate public and private agencies.

"(b) The Commissioner shall prepare and publish annually a report on the education professions, in which he shall present in detail his views on the state of the education professions and the trends which he discerns with respect to the future complexion of programs of education throughout the Nation and the needs for well-educated personnel to staff such programs. The report shall indicate the Commissioner's plans concerning the allocation of Federal assistance under this title in relation to the plans and programs of other Federal agencies.

"ATTRACTING QUALIFIED PERSONS TO THE FIELD OF EDUCATION

"SEC. 504. The Commissioner is authorized to make grants to, or contracts with, State or local educational agencies, institutions of higher education, or other public or nonprofit agencies, organizations, or institutions, or to enter into contracts with public or private agencies, institutions, or organizations, for the purpose of—

"(a) identifying capable youth in secondary schools who may be interested in careers in education and encouraging them to pursue postsecondary education in preparation for such careers;

"(b) publicizing available opportunities for careers in the field of education;

"(c) encouraging qualified persons to enter or reenter the field of education; or

"(d) encouraging artists, craftsmen, artisans, scientists, and persons from other professions and vocations, and homemakers to undertake teaching or related assignments on a part-time basis or for temporary periods.

"CONSULTATION

"SEC. 505. In the development and review of grant and contract programs under this title the Commissioner shall consult with the National Science Foundation and the National Foundation on the Arts and the Humanities to promote coordinated planning of programs to train educational personnel.

"TRANSFER OF FUNDS

"SEC. 506. In addition to the authority for utilization of other agencies conferred by section 803(b) of this Act, funds available to the Commissioner for grants or contracts under this title shall, with the approval of the Secretary, be available for transfer to any other Federal agency for use (in accordance with an interagency agreement) by such agency (alone or in combination with funds of that agency) for purposes for which such transferred funds could be otherwise expended by the Commissioner under the provisions of this title, and the Commissioner is likewise authorized to accept and expend funds of any other Federal agency for use under this title.

"EXPERTS AND CONSULTANTS

"SEC. 507. The Commissioner may employe experts and consultants, as authorized by section 3109 of title 5, United States Code, to advise him with respect to the making of grants and contracts and the approving of programs under this title. Experts and consultants employed pursuant to this section may be compensated while so employed at rates not in excess of $100 per day (or, if higher, the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code), including travel-time, and, while so serving away from their homes or regular places of business, may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently."

EXTENDING TEACHER FELLOWSHIP PROGRAM TO INCLUDE GRADUATE EDUCATION FOR PRESCHOOL AND ADULT AND VOCATIONAL EDUCATION PERSONNEL

SEC. 503. (a) The heading of part C of title V of the Higher Education Act of 1965 is amended by inserting "AND RELATED EDUCATIONAL PERSONNEL" after "FELLOWSHIPS FOR TEACHERS".

(b) (1) The first sentence of section 521 of the Higher Education Act of 1965 is amended (A) by striking out "elementary and secondary schools" and inserting in lieu thereof "schools", and (B) by inserting "or postsecondary vocational education" after "career in elementary or secondary education".

(2) The second sentence of such section is amended by striking out "teacher education programs" and inserting in lieu thereof "programs for the education of teachers and related educational personnel".

(3) (A) So much of the third sentence of such section as precedes the first comma therein is amended to read as follows: "For the purposes of this part the term 'elementary and secondary education' includes preschool and adult and vocational education, and the term 'career in elementary and secondary education or postsecondary vocational education' means a career of teaching in elementary or secondary schools (including teaching in preschool and adult and vocational education programs) or in postsecondary vocational schools"; (B) the words "elementary or secondray schools", the second time these words occur in such third sentence, are changed to read "such schools"; and (C) the following is inserted in such sentence before the comma after "educational media": "(including educational and instructional television and radio), child development".

(c) Section 522 of such Act is amended to read as follows:

"FELLOWSHIPS AUTHORIZED

"SEC. 522. The Commissioner is authorized to award fellowships in accordance with the provisions of this part for graduate study leading to an advanced degree for persons who are pursuing or plan to pursue a career in elementary and secondary education or postsecondary vocational education."

(d) (1) Paragraph (1) of section 523 of such Act is amended by striking out "Advisory Council on Quality Teacher Preparation" and inserting in lieu thereof "National Advisory Council on Education Professions Development".

(2) Paragraph (2) of such section is amended by inserting "or postsecondary vocational schools" after "elmentary or secondary schools"; inserting "or postsecondary vocational education" after "elementary or secondary education"; and amending the term "career in elementary and secondary education", each time such term occurs, to read "career in elementary and secondary education or postsecondary vocational education".

(e) Section 524 of such Act is amended by striking out "; GRANTS" in the heading therof, by striking out the subsection designation "(a)", and by repealing subsections (b) and (c). (For substantially equivalent provisions, see sections 531(b) and 507, respectively, of such Act as inserted therein by section 504 and 502 of this Act.)

(f) Subsection (b) of section 525 is amended to read as follows:

"(b) Unless in the judgment of the Commissioner a program development grant under section 531 of this title adequately covers the institution's cost of education for persons awarded fellowships in a graduate program approved under section 524, the Commissioner shall (in addition to the stipends paid to persons under subsection (a)) pay to the institution of higher education at which such person is pursuing his course of study such amount as the Commissioner may determine to be appropriate, not to exceed the equivalent of $2,500 per academic year, but any amount charged such person for tuition and nonrefundable fees and deposits shall be deducted from the amount payable to the institution of higher education under this subsection."

(g) Section 528 of such Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 528. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part for each fiscal year ending prior to July 1, 1973."

NEW PARTS ADDED TO TITLE V OF HIGHER EDUCATION ACT OF 1965

SEC. 504. Title V of the Higher Education Act of 1965 is further amended by adding the following new parts at the end thereof:

"PART D—IMPROVING TRAINING OPPORTUNITIES FOR PERSONNEL SERVING IN PROGRAMS OF EDUCATION OTHER THAN HIGHER EDUCATION

"PROGRAM DEVELOPMENT GRANTS

"SEC. 531. (a) The Commissioner is authorized, in accordance with the provisions of this section, to make grants to, or contracts with, institutions of higher education to pay all or part of the cost of projects for developing or strengthening undergraduate or graduate programs (or other programs of advanced study) which the Commissioner finds will afford substantially improved training opportunities for persons who are pursuing or plan to pursue a career in elementary and secondary education or postsecondary vocational education (as defined in section 521).

"(b) Projects for developing or strengthening graduate programs may be approved by the Commissioner under this section, either individually or in conjunction with graduate programs approved for purposes of awarding fellowships under part C of this title, for such purposes as—

"(1) encouraging imaginative and innovative approaches to teacher education, including new patterns of education and new curriculums;

"(2) obtaining an appropriate geographical distribution of high-quality graduate programs which meet or, as a result of assistance received under this section, will be enabled to meet the requirements for approved fellowship programs under part C of this title;

"(3) establishing and supporting for a reasonable period of time projects for the development of new or expanded graduate programs which provide opportunities to prepare persons to serve in school systems in nonteaching professional fields; or

"(4) meeting other critical needs for advanced study in the area of critical personnel training.

"(c) Projects for developing or strengthening undergraduate programs may be approved by the Commissioner under this section for such purposes as improving the curriculums designed to prepare persons for teaching and related fields, and establishing or expanding programs for the training of teacher aids and other nonprofessional educational personnel.

"PRE-SERVICE AND IN-SERVICE TRAINING

"SEC. 532. (a) The Commissioner is authorized to make grants to, or contracts with, institutions of higher education, State or local educational agencies, or other public or nonprofit agencies, institutions, or organizations, and to enter into contracts with public or private agencies, institutions, or organizations (including in either case professional or scholarly associations), for carrying out programs or projects to improve the qualifications of persons who are serving or preparing to serve in education programs in elementary and secondary schools (including preschool and adult and vocational education programs) or postsecondary vocational schools or in educational or other related agencies, or in the fields of educational or instructional television or radio, or to supervise or train persons so serving.

"(b) Programs or projects under this section may include, among others—

"(1) programs or projects to train or retrain teachers, or supervisors or trainers of teachers, in any subject generally taught in the schools, including such subjects as history, geography, economics, civics, industrial schools, including such subjects as English, reading, history, geography, economics, civics, science, mathematics, industrial arts, modern foreign languages, health, physical education, international affairs, and the arts and the humanities;

"(2) programs or projects to train or retrain other educational personnel in such fields as guidance and counseling (including occupational counseling), school social work, child psychology, remedial speech and reading, child development, and educational media (including educational or instructional television or radio);

"(3) programs or projects to train teacher aids and other nonprofessional educational personnel;

"(4) programs or projects to provide training and preparation for persons participating in educational programs for children of preschool age;

"(5) programs or projects to prepare teachers and other educational personnel to meet the special needs of the socially, culturally, and economically disadvantaged;

"(6) programs or projects to train or retrain persons engaging in programs of special education for the handicapped;

"(7) programs or projects to provide inservice and other training and preparation for school administrators, school board members, State educational agency personnel, and persons responsible for or involved in planning or administering educational programs; and

"(8) programs or projects to prepare artists, craftsmen, scientists, or persons from other professions or vocations to teach or otherwise assist in programs or projects of education on a long-term, short-term, or part-time basis.

"(c) Grants or contracts under this section may provide for use of funds received thereunder to pay the cost of—

"(1) short-term or regular-session institutes or refresher courses;

"(2) seminars, symposia, workshops, or conferences; or

"(3) other preservice and inservice training programs or projects designed to improve the qualifications of persons entering or reentering the field of elementary and secondary education or postsecondary vocational education.

"(d) The Commissioner may include in the terms of any grant or contract under this section provisions authorizing the payment, to persons participating in training programs supported under this section, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs.

"APPROPRIATIONS AUTHORIZED

"SEC. 533. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part for each fiscal year ending prior to July 1, 1973.

"PART E—TRAINING AND DEVELOPMENT PROGRAMS FOR HIGHER EDUCATION PERSONNEL

"PROGRAMS AND PROJECTS

"SEC. 541. (a) The Commissioner is authorized to make grants to, or contracts with, institutions of higher education to pay all or part of the cost of projects for developing or improving programs which the Commissioner finds will substantially improve educational opportunities for persons who have, or are preparing to undertake, teaching, administrative, or other educational specialist responsibilities in institutions of higher education, or in educational or other related agencies, including—

"(1) projects to establish new, or improve existing, programs of advanced education for prospective college teachers, with emphasis upon developing the cabilities of such persons for teaching;

"(2) projects for planning changes in the curriculums of advanced-degree programs in order to meet the specific needs of particular subject-matter areas for increased numbers of qualified teachers;

"(3) projects to develop or establish programs or courses designed to improve the administration of institutions of higher education; or

"(4) preservice or inservice programs, including arrangements for short-term or regular-session institutes, refresher courses, seminars, symposia, workshops, or conferences.

"(b) The Commissioner is authorized to make arrangements with institutions of higher education for providing fellowships, traineeships, or internships to persons undergoing advanced education in a program assisted under this section.

"STIPENDS

"SEC. 542. The Commissioner may include in the terms of any arrangement with an institution of higher education under this part provisions authorizing the payment, to persons participating in training programs supported under this part, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as he may determine, which shall be consistent with prevailing practices under comparable federally supported programs.

"APPROPRIATIONS AUTHORIZED

"SEC. 543. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this part for each fiscal year ending prior to July 1, 1973."

LIMITATION

SEC. 505. The Higher Education Act of 1965 is further amended by inserting before the period at the end of section 508 (as redesignated by section 502(b) of this Act) the following words: "or training for a religious vocation or to teach theological subjects".

SHORT TITLE OF TITLE V OF HIGHER EDUCATION ACT OF 1965

SEC. 506. Title V of the Higher Education Act of 1965, as amended by this Act, is further amended by adding at the end of part A thereof the following new section:

"SHORT TITLE

"SEC. 509. This title may be cited as the 'Education Professions Development Act'."

EFFECTIVE DATES

SEC. 507. (a) The amendments to title V of the Higher Education Act of 1965 made by the foregoing sections of this title shall be effective with respect to fiscal years beginning after June 30, 1968, except that the following amendments made by this Act shall take effect on the date of enactment of this Act:

(1) The redesignation of section numbers made by section 502 of this Act.

(2) The repeal (by section 502(c) of this Act) of section 501 of title V of the Higher Education Act of 1965 (which provides for an Advisory Council on Quality Teacher Preparation) and the enactment, in lieu thereof, of section 501 (Statement of Purpose) and section 502 (National Advisory Council of Education Professions Development) of such title; and the conforming amendment of section 523(1) of such title V made by section 503(d)(1) of this Act.

(3) The enactment (by section 502(c) of this Act) of section 507 of title V of the Higher Education Act of 1965 (relating to experts and consultants), and the concomitant repeal (by section 503(e) of this Act) of subsection (c) of section 524 of such title V.

(4) The amendments made by sections 505 and 506 of this Act.

(b) Nothing in this section shall be construed to preclude advance planning and dissemination of information by the Commissioner of Education with respect to amendments the effective date of which is deferred by this section.

TITLE VI—INSTRUCTIONAL EQUIPMENT AND MATERIALS

PART A—EQUIPMENT AND MATERIALS FOR HIGHER EDUCATION (AMENDMENTS TO HIGHER EDUCATION ACT OF 1965)

EXTENSION OF PROGRAM

SEC. 601. (a) Subsection (b) of section 601 of the Higher Education Act of 1965 is amended (1) by striking out "and" before "$60,000,000", and (2) by inserting after "June 30, 1968," the following: "and such sums as may be necessary for each of the five succeeding fiscal years,".

(b) Subsection (c) of section 601 of such Act is amended by inserting after "the succeeding fiscal year," the following: "and such sums as may be necessary for the next five fiscal years".

(c) Section 601 of such Act is further amended by striking out subsection (d).

ELIMINATION OF SUBJECT LIMITATIONS; EXTENSION OF ASSISTANCE TO GRADUATE INSTRUCTION

SEC. 602. (a) Subsection (a) of section 601 of the Higher Education Act of 1965 is amended by striking out "in selected subject areas".

(b) (1) Clause (A) of paragraph (2) of the second sentence of section 603 is amended by striking out "other than" before "supplies consumed in use" and inserting in lieu thereof "except (i) laboratory or other special equipment for education in the natural or physical sciences at the graduate level; (ii) athletic or recreational equipment; and (iii)"; and such clause is further amended by striking out "in science, mathematics, foreign languages, history, geography, government, English, other humanities, the arts, or education at the undergraduate level".

(2) Subclause (i) of clause (B) of such paragraph (2) is amended by striking out "in such fields".

(c) The caption of title VI of such Act is amended by striking out "UNDERGRADUATE".

PART B—EQUIPMENT AND MATERIAL FOR ELEMENTARY AND SECONDARY EDUCATION (AMENDMENTS TO TITLE III OF NATIONAL DEFENSE EDUCATION ACT)

EXTENSION OF PROGRAM

SEC. 621. Section 301 of the National Defense Education Act of 1958 is amended by striking out "and" before "$110,000,000" and by inserting after "June 30, 1968," the following: and such sums as may be necessary for the next five years,".

ELIMINATION OF SUBJECT LIMITATIONS; AND MERGER WITH SECTION 12 OF NATIONAL FOUNDATION ON ARTS AND HUMANITIES ACT

SEC. 622. (a) (1) Paragraph (1) of subsection (a) of section 303 of the National Defense Education Act of 1958 is amended (A) by striking out 'in science, mathematics, history, civics, geography, economics, industrial arts, modern foreign languages, English, or reading"; (B) by inserting before "supplies consumed in use" the following: "(i) athletic or recreational equipment, and (ii)", and (C) by striking out "and such equipment may, if there exists a critical need therefor in the judgment of local school authorities, be used when available and suitable in providing education in other subject matter,".

(2) Paragraph (5) of such subsection is amended by striking out "in the fields of science, mathematics, history, civics, geography, economics, industrial arts, modern foreign languages, English, and reading" and inserting in lieu thereof "in the subject-matter areas for which equipment and materials acquired under the State plan are used";

(3) The heading of title III of the National Defense Education Act of 1958 is amended to read "FINANCIAL ASSISTANCE FOR STRENGTHENING INSTRUCTION IN ACADEMIC SUBJECTS".

(4) There is added at the end of title III of such Act the following new section:

"LIMITATION ON PAYMENTS UNDER THIS TITLE

"SEC. 306. No grant or loan may be made under this title for equipment or materials to be used for sectarian instruction or religious worship."

(b) Section 12 of the National Foundation on the Arts and the Humanities Act of 1965 is repealed, and sections 13 and 14 of such Act are redesignated as sections 12 and 13, respectively.

(c) The amendments made by this section shall be applicable with respect to appropriations for fiscal years ending after June 30, 1967.

PROVISION FOR WITHIN-STATE EQUALIZATION IN STATE-IMPOSED REQUIREMENTS FOR FINANCIAL PARTICIPATION OF PROJECT APPLICANTS

SEC. 623. Subsection (a) of section 303 of the National Defense Education Act of 1958 is further amended by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and by inserting at the end of such subsection the following new paragraph:

"(6) sets forth any requirements imposed upon applicants for financial participation in projects assisted under this title, including any provision for taking into account, in such requirements, the resources available to any applicant for such participation relative to the resources for participation available to all other applicants;".

PAYMENT OF STATE ADMINISTRATIVE EXPENSES OUT OF PROJECT FUNDS IN LIEU OF SEPARATE FUNDING

SEC. 624. Effective with respect to fiscal years beginning after June 30, 1968, title III of such Act is further amended as follows:

(a) Paragraph (1) of subsection (a) of section 303 (as amended by section 622 of this Act) is further amended by striking out "and" before "(B)" and by inserting the following before the semicolon at the end thereof: ", and (C) administration of the State plan, except that the amount used for administration of the State plan for any year shall not exceed an amount equal to 3 per centum of the amount paid to the State under this title for that year, or $50,000, whichever is greater".

(b)(1) Paragraph (5) of such section 303(a), the second sentence of section 301, subsection (b) of section 302, and subsection (b) of section 304 are repealed.

(2) Section 302 is amended by striking out "the first sentence of" in subsection (a)(1); striking out "or (b)" in the first sentence of subsection (c); striking out "subsection (a) and (b)" in the same sentence of such subsection and inserting in lieu thereof "subsection (a)"; striking out "or (b)" in the second sentence of such subsection; and redesignating such subsection (c) as subsection (b), and references elsewhere to such subsection (c) are redesignated accordingly.

(3) Subsection (a) of section 304, and references thereto, are redesignated as section 304; and there is deleted from section 304 the obsolete phrase "as provided in paragraph (4) of section 302(a) of this title".

(4) Section 304 is further amended (A) by striking out "for projects for acquisition of equipment and minor remodeling referred to in paragraph (1) of section 303(a) which are carried out", and (B) by inserting the following after "except that": "(1) such payments with respect to expenditures for administration of the State plan shall not exceed the limitation established by paragraph (1)(C) of section 303 and (2)".

(5) Paragraph (6) of section 303(a), as added by section 623 of this Act, is redesignated as paragraph (5).

PRIVATE SCHOOLS: AUTHORIZING LESS THAN MAXIMUM SET-ASIDE FOR LOAN; REPEALING LOAN ALLOTMENT FORMULA; AND AUTHORIZING LOANS TO AMERICAN-SPONSORED SCHOOLS SERVING AMERICAN CHILDREN ABROAD

SEC. 625. (a) Paragraph (1) of section 302(a) of the National Defense Education Act of 1958 is amended by inserting "not in excess of" before "12 per centum".

(b)(1) Section 305 of such Act of 1958 is amended (1) by striking out subsection (a) (including the section designation preceding it), (2) by striking out so much of subsection (b) (including the subsection designation) as precedes clause (1) of the second sentence and inserting in lieu thereof the following:

"SEC. 305. From the sums reserved for each fiscal year for the purposes of this section under the provisions of section 302(a), the Commissioner is authorized to make loans to private nonprofit elementary and secondary schools in any

State, and to private nonprofit elementary and secondary schools outside of the United States that the Commissioner determine to be founded or sponsored by citizens of the United States and serving primarily children of American citizens. Any such loan shall be made only for the purposes for which payments to State educational agencies are authorized under the first sentence of section 301, and—".

(2) Clause (3) of such second sentence is amended by striking out "the current average yield on all outstanding marketable obligations of the United States" and inserting in lieu thereof "the current average market yield on outstanding marketable obligations of the United States with redemption periods to maturity comparable to the average maturities of such loans".

(c) The amendments made by this section shall be effective with respect to fiscal years ending after June 30, 1967.

TITLE VII—GUIDANCE, COUNSELING, AND TESTING (AMENDMENTS TO PART A OF TITLE V OF NATIONAL DEFENSE EDUCATION ACT OF 1958)

EXTENSION OF PROGRAM

SEC. 701. (a) Section 501 of the National Defense Education Act of 1958 is amended by striking out "and" before "$30,000,000" and by inserting after "two succeeding fiscal years," the following: "and such sums as may be necessary for the next five fiscal years,".

(b)(1) Subsection (a) of section 504 of such Act is amended by striking out "eight succeeding fiscal years" and inserting in lieu thereof "thirteen succeeding fiscal years".

(2) Subsection (b) of such section is amended by striking out "nine succeeding fiscal years" and inserting in lieu thereof "fourteen succeeding fiscal years".

TITLE VIII—LANGUAGE DEVELOPMENT (AMENDMENTS TO TITLE VI OF NATIONAL DEFENSE EDUCATION ACT OF 1958)

EXTENSION OF PROGRAM

SEC. 801. (a) Subsections (a) and (b) of section 601 of the National Defense Education Act of 1958 are each amended by striking out "1968" and inserting in lieu thereof "1969".

(b) Section 603 of such Act is amended by striking out "and" before "$18,000,000" and by inserting after "1968," the following: "and such sums as may be necessary for the next succeeding fiscal year".

TITLE IX—AMENDMENTS TO TITLE VIII (GENERAL PROVISIONS) OF HIGHER EDUCATION ACT OF 1958 AND TO TITLE X (MISCELLANEOUS PROVISIONS) OF NATIONAL DEFENSE EDUCATION ACT

ESTABLISHMENT OF ADVISORY COUNCIL ON GRADUATE EDUCATION; ABOLITION OF HIGHER EDUCATION FACILITIES ACT ADVISORY COMMITTEE

SEC. 901. (a) The Higher Education Act of 1965 is amended by adding after section 804 the following new section:

"ADVISORY COUNCIL ON GRADUATE EDUCATION

"SEC. 805. (a) There is hereby established in the Office of Education an Advisory Council on Graduate Education (hereafter in this section referred to as the 'Council'), consisting of the Commissioner, who shall be Chairman, of one representative each from the Office of Science and Technology in the Executive Office of the President, the National Sience Foundation, and the National Foundation on the Arts and the Humanities, and of members appointed by the Commissioner without regard to civil service or classification laws. Such appointed members shall be selected from among leading authorities in the field of education.

"(b) The Council shall advise the Commissioner on matters of general policy arising in the administration by the Commissioner of programs relating to graduate education.

"(c) Members of the Council who are not in the regular full-time employ of the United States shall, while attending meetings or conferences of the Council or otherwise engaged in the business of the Council, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem (or, if higher, the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code), including travel time, and while so serving on the business of the Council away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

"(d) The Commissioner is authorized to furnish to the Council such technical assistance, and to make available to it such secretarial, clerical, and other assistance and such pertinent data available to him, as the Council may require to carry out its functions."

(b) (1) Section 203 of the Higher Education Facilities Act of 1963 is repealed.

(2) Paragaph (1) of section 202(c) of such Act is amended to read as follows:

"(1) The Commissioner shall not approve any application for a grant under this title until he has obtained the advice and recommendations of a panel of specialists who are not employees of the Federal Government and who are competent to evaluate such applications."

(c) This section shall become effective on July 1, 1968.

CONFORMING DEFINITION OF INSTITUTION OF HIGHER EDUCATION IN HIGHER EDUCATION ACT TO OTHER DEFINITIONS USED IN THE ACT AND NATIONAL DEFENSE EDUCATION ACT

SEC. 902. (a) Paragraph (a) of section 801 of the Higher Education Act of 1965 is amended by inserting after "if not so accredited," the following: "(A) is an institution with respect to which the Commissioner has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet accreditation standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (B)".

(b) The second sentence of such paragraph (a) is amended by striking out "Such term also includes any business school or technical institution" and inserting in lieu thereof "Such term also includes any school which provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and".

PROVISION IN NATIONAL DEFENSE EDUCATION ACT FOR THE TRUST TERRITORY OF THE PACIFIC ISLANDS, FOR SCHOOLS OF DEPARTMENT OF INTERIOR FOR INDIAN CHILDREN, AND FOR OVERSEAS DEPENDENTS SCHOOLS OF DEPARTMENT OF DEFENSE

SEC. 903. (a) Section 1008 of the National Defense Education Act of 1958 is amended to read as follows:

"SEC. 1008. The amounts reserved by the Commissioner under sections 302 and 502 shall be allotted among—

"(A) Puerto Rico, the Canal Zone, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands according to their respective needs for the type of assistance furnished under the part or title in which the section appears, and

"(B) (i) the Secretary of the Interior according to the need for such assistance in order to effectuate the purposes of such part or title in schools operated for Indian children by the Department of the Interior, and (ii) the Secretary of Defense according to the need for such assistance in order to effectuate the purposes of such part or title in the overseas dependents schools of the Department of Defense. The terms upon which payments for such purpose shall be made to the Secretary of the Interior and the Secretary of Defense shall be determined pursuant to such criteria as the Commissioner determines will best carry out the purposes of this title."

(b) Section 302(a)(1), 302(b), and 502(a) are amended by striking out "2 per centum" and inserting in lieu thereof "3 per centum".

(c) The amendments made by this section shall be effective with respect to fiscal years ending after June 30, 1967.

TITLE X—AMENDMENTS TO HIGHER EDUCATION FACILITIES ACT OF 1963

ADJUSTMENT OF INTEREST RATE ON LOANS

SEC. 1001. (a) Subsection (b) of section 303 of such Act is amended to read as follows:

"(b) A loan pursuant to this title shall be secured in such manner, and shall be repaid within such period not exceeding 50 years, as may be determined by the Commissioner; and shall bear interest at a per annum rate that is not less than (1) a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with redemption periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, less (2) not to exceed a rate of 1 per centum per annum as determined by the Commissioner."

(b) This section shall apply to all loans approved, or for which a commitment is made, on or after the date of enactment of this Act.

EXTENDING AUTHORIZATION FOR HIGHER EDUCATION FACILITIES CONSTRUCTION ASSISTANCE IN MAJOR DISASTER AREAS

SEC. 1002. Subsection (a) of section 408 of the Higher Education Facilities Act of 1963, as added by section 7 of the Disaster Relief Act of 1966, is amended by striking out "July 1, 1967," and inserting in lieu thereof "July 1, 1972,".

Mrs. GREEN. We have asked the Commissioner and Dr. Peter Muirhead to return tomorrow for further questioning. There will not be any meeting of the subcommittee this afternoon or tomorrow afternoon. The hearings will continue for 4 days, and on Friday the subcommittee is going to New York for the purpose of getting some firsthand information about matters that are covered in the Higher Education Act and also visiting some of the schools that are in seminar with one of the colleges there.

So this morning without any further delay, Mr. Secretary, may I express on behalf of the subcommittee our appreciation for your coming to the committee this morning and giving us the benefit of your counsel and comments on the legislation before us. Also, the same to all of the gentlemen who are with you. We will call on you first, Mr. Secretary, and then the Commissioner.

STATEMENT OF HON. JOHN W. GARDNER, SECRETARY, U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ACCOMPANIED BY RALPH K. HUITT, ASSISTANT SECRETARY FOR LEGISLATION; HAROLD HOWE II, COMMISSIONER OF EDUCATION; PETER P. MUIRHEAD, ASSOCIATE COMMISSIONER FOR HIGHER EDUCATION; AND SAMUEL HALPERIN, DEPUTY ASSISTANT SECRETARY FOR LEGISLATION

Secretary GARDNER. Madam Chairman and members of the subcommittee, the record of the Congress in dealing with higher education is a distinguished one, beginning with the first Morrill Act of 1862. In recent years this subcommittee has added luster to that legislative tradition. In that the 1967 Higher Education Amendments propose to renew and refine several successful elements of existing legislation, they carry on the tradition. In that they seek to provide a broader and more flexible base for the training of educational personnel, they may represent the beginning of a new era of Federal assistance for our colleges and universities.

The legislation under consideration (H.R. 6232 and H.R. 6265) would extend three important laws: the National Defense Education Act of 1958, the Higher Education Act of 1965, and the National Vocational Student Loan Insurance Act of 1965. It would also create a new and comprehensive authority for the training of all types of educational personnel—the Education Professions Act.

THE NEED TO CONSOLIDATE

The Federal Government has historically viewed higher education as an instrument of national policy. Most of the resulting legislation has been designed to meet national needs at one point in time and, thus, is highly specific in nature. This legislation has served its purposes well and has allowed a large number of our colleges and universities to do things that they wanted to do at the same time that they were carrying out critical national objectives. But this approach to Federal support is no longer sufficient. The conditions of our time demand that we move toward a new conception of our purposes.

Higher education is no longer important only for specific categories of people or only for specific national purposes. More than in any other place or at any other time in history our citizens and our society depend upon the general vitality of our institutions of higher learning.

We are not recommending general aid to higher education. We believe that Congress and the executive branch have a valid role in identifying areas of emphasis that accord, in the broadest sense, with the interests of the society as a whole.

But many of our present higher education programs contain legislated categories which are too narrowly defined to allow colleges and universities to derive maximum benefit from them. Moreover, the specific nature of some Federal aid categories often operates subtly to redirect and reorient the programs of a college or university in directions which are inconsistent with the institution's purposes.

A possible solution to these problems is to coordinate and consolidate the Federal resources available to colleges and universities and make the availability of those resources more timely and dependable. We need to seek solutions which, while consistent with national interests, simultaneously restructure existing programs to allow local institutions more decisionmaking autonomy. We believe that the legislation under consideration here today is a first step toward that restructuring.

The essence of the proposed amendments can be summarized in three words: "co-ordination," "consolidation," and "flexibility." The proposed law would coordinate similar Federal assistance programs; consolidate programs having related intentions; and add flexibility to existing program authority. I do not say that our bill goes as far as some might wish; but it is a worthwhile addition. It is a worthwhile direction in which to move.

Let me give you a few examples of what I mean: We propose to eliminate the subject matter limitations on school and college equipment programs. This will give institutions greater freedom in meeting their equipment needs.

We are proposing a more flexible and coordinated approach to the training of educational personnel under the Education Professions Act.

We are proposing amendments to the insured loan programs for college and vocational students in order to provide greater coordination and more effective administration.

We are proposing a more rational system of advisory committees to assist the Office of Education in carrying out its mission. We believe that reducing the number of overlapping advisory groups and broadening the authority of the remaining ones will considerably strengthen the voice of institutions of higher education in the development of Federal higher education policy.

We are not requesting that certain educational statutes be extended when newer and broader authorities will do the job as well. For example, the educational media research authority under NDEA need not be extended. We believe that these activities are more logically funded under the broad authority of the Co-operative Research Act.

There is an additional facet of the pending legislation which deserves highlighting: the early extension of expiring legislation. The subcommittee is familiar with the difficulties our colleges and universities have in coordinating institutional planning schedules with the authorization and appropriations timetables of the Federal Government. All too often, programs are not enacted or funds are not made available until well after necessary plans for the coming school year have been completed. By extending legislation in the fiscal year prior to its expiration, administrators in colleges and universities and in the Office of Education would have more time for effective planning.

It is our intention to propose early extension for all legislative programs in the Department where such a policy would be in the interest of better State and local planning. It is our hope not only to make Federal resources available, but also to make them more dependable and timely.

I would now like to discuss the Education Professions Act—the amendments contained in title V of the Higher Education Act. The Federal Government has an admirable record of being responsive to the manpower needs of education. But the recent increases in school enrollments and the expansion of Federal educational programs have demonstrated that existing Federal training authorities are inadequate. Present training programs are not capable of encouraging either the numbers, kinds, or quality of people needed to staff this Nation's educational programs.

Increased understanding of the educational process has led to new categories of educational personnel. For example, the role of the classroom teacher is undergoing revision and an emphasis is now being placed upon new categories of support staff; teacher aides, teaching assistants, and so on.

In addition, new curriculums are being developed which give increased emphasis to the social and behavioral sciences. This has resulted in the need for increased numbers of teachers trained in these disciplines. Also, we have come to understand better the vital educational role played by school administrators and school board members and now realize that we must pay more attention to their training and orientation.

However, not only have educational personnel needs changed, but also there is every indication that they will change even more in the future. What passes for adequate training today may well prove obsolete within 5 years or a decade.

The Education Professions Act calls for a more systematic approach to meeting the staffing needs of our schools and colleges. To accomplish this will require a degree of flexibility not now available. It will require that categorical legislation specifying types of courses, levels of instruction or target groups give way to broader and more flexible authority that can be immediately responsible to emerging needs.

The act would direct the Commissioner to conduct both long- and short-range forecasts of manpower needs for all categories of educational personnel. He would subsequently have the authority to plan and establish appropriate training programs. The Commissioner's training plans would be subject to annual review by Congress and the guidance of a National Advisory Council on Education Professions Development.

Also, the Commissioner would be expected to consult regularly with the Department of Labor, the National Science Foundation, and the National Foundation on the Arts and Humanities.

With this broader legislation—

We could move quickly to meet heavy new demands such as the current need for preschool, adult education, and junior college personnel;

We could assure better prepared teachers with more relevant training to attack the problems of vocational education;

We could develop a more ample supply of faculty in fields outside of presently authorized categories; for example, business education and sociology;

We could build an expertise into the backgrounds of school board members and school and college administrators in order to enable them to discharge their complex responsibilities more competently;

We could strengthen the auxiliary staffs of schools: librarians, nurses, school psychologists, et cetera;

We could experiment with new ways of structuring teaching tasks, relieving teachers of extraneous duties which diminish their professional roles;

We would be able to retrain teachers in surplus subject matter fields to teach in shortage areas.

I believe this legislation is essential if we are to reinforce the base of talented educational personnel. Technological developments may come to play a significant role in the education process, but they will not replace human intellectual and social resources.

Finally, I would like to reemphasize the significance of the Teachers Corps as a part of the Nation's arsenal in the war against illiteracy and educational deprivation. Let me comment on one or two characteristics that are essential to its effectiveness as an instrument for attracting talented volunteers into teaching.

One of those characteristics is national recruitment. There cannot be any serious question that it has been possible through nationwide recruitment to attract young men and women who would never have been reached through local recruitment efforts.

However, since there has been some tendency to suppose that national recruitment means wholly centralized recruitment, let me describe the process by which the selection of Teachers Corps members will actually be carried out. There is a small staff in the Office of Education which services the Teachers Corps and acts as a clearing house for initial processing of applications, but the primary selection job is not done in Washington.

During the coming year, the Teachers Corps will use the present teacher interns to recruit and interview the next group of volunteers. In the final analysis, selection of the most promising of the applicants is made by the institutions of higher education providing the training and the educational agencies in the States and localities where the corpsmen will serve.

Another unique characteristic of the Teachers Corps is the espirt which it appears to engender. The "team" spirit which pervades the Teachers Corps is a strong source of encouragement and support to these young college graduates as they go about the difficult tasks for which they volunteered.

Moreover, this spirit appears to be contagious and to infect the other teachers with whom corpsmen come in contact. This spirit is a priceless commodity. It cannot be purchased; it should not be allowed to wither.

In summary, the Higher Education Amendments of 1967 are significant additions to and refinements of existing legislation. The programs contained in this legislation do not call for dramatic new levels of funding, but they do promise more effective use of existing authorizations. They do not in every instance possess the glamour of innovation, but they do promise the benefits of consolidation. They are most worthy of your consideration, and I urge their approval by this subcommittee and the Congress.

I apreciate the opportunity to appear here this morning, and I will be very happy to try to answer your questions.

Mrs. GREEN. Thank you very much, Mr. Secretary. In order to save your time, if the Commissioner agrees, I think we will wait and hear from you after the questions have been asked of the Secretary so as to perhaps let him go to other demands on his time.

Congressman Gibbons, any questions?

Mr. GIBBONS. Yes. Mr. Secretary, I have been worried about some aspects of the work-study program that originally came about on the poverty program and was transferred over to you a couple of years ago. It seems to me we failed to give adequate consideration to the change when we made it a couple of years ago.

When the program was first instituted, it was designed almost exclusively for those who were in a poverty category to enable them to stay in school. I now notice Congress made certain changes in transferring the program exclusively over to your control. I notice institutions of higher education are using this as just almost a fellowship program for all types of students who happen just to walk in and say, "I am in need."

Now, I am not sure that you are familiar with what I am talking about. Perhaps some of the people who are here with you would like to comment on it, but what has been the change in emphasis or what has been the result in this change in emphasis in the program? Have we really changed it to a fellowship program with little Federal direction?

Secretary GARDNER. May I make a general comment and then ask Harold Howe to comment on the development that you describe. I think there has been some movement in that direction, and Mr. Howe can comment on it extensively. I would like to say that I believe the work-study principle is valid for all students at all income levels and ought eventually to be extended considerably beyond the poverty levels, but it seems to me that it has a valid educational consequence quite aside from any consequences with respect to the student's economic circumstances.

Harold, would you like to comment?

Mr. HOWE. Mr. Gibbons, there still remains in the administration of the college work-study program a needs tests. It is not quite as sharp as when the program was originally conceived as strictly a poverty program. It is administered in the same way that NDEA loans are administered and, as you are aware, I am sure, the colleges typically use their eligibility for NDEA loans for students who are in need.

The very high proportion of students eligible for NDEA loans falls below the $6,000 family income level. So that it is going primarily to students, in fact almost entirely to students who have a need to pay for their higher education, and the way the colleges administer it, it becomes a part of a full package. A student who receives an NDEA loan will, in all likelihood, fill out a portion of his financial needs to pay for college expenses with a piece of work-study funding. A student who comes from an extremely poor family will add to that an opportunity grant under the opportunity grant legislation, with which you are familiar also, I am sure.

Mr. GIBBONS. It seems to me, and I am not sure this is bad, in some of the programs I have run into, these people are actually sort of being used as student assistants or repaying some of the professors' salaries out of the work-study program. Is that an accurate statement?

Mr. HOWE. I don't think we are paying for professors' salaries out of the work-tudy program. We are allowing colleges and universities to employ undergraduates, for example.

Mr. GIBBONS. And graduates?

Mr. HOWE. Yes, and graduates, to do things that are important to the institution and for which the institution would have to pay in order to get services performed.

Mr. GIBBONS. Carrying on instruction in classrooms; isn't that right?

Mr. MUIRHEAD. Yes, it is quite possible, Mr. Gibbons, that graduate students might be working as lab assistants, giving some assistance to staff members and in carrying out instructions, but again I think it was clearly the intent of the program that it would provide work-study opportunities that were valuable both to the students and to the institution. There is a whole wide range of work-study opportunities in the program, both on campus and off campus.

Mr. GIBBONS. I don't want to take any more of the Secretary's time on this question, so I will yield the rest of my time, Madam Chairman, but when we get into that, as I say, I am not necessarily opposed to what we are doing but trying to understand how far we are going in this direction under the work-study program.

Mrs. GREEN. Thank you. I would like to say we will operate under a 10-minute time limit, not the usual 5 minutes, to see how we come out. Congressman Quie.

Mr. QUIE. Mr. Secretary, do we need to subsidize the guaranteed-loan program to such a high income as $15,000? Wouldn't it be possible to run that program without even subsidizing the interest?

Secretary GARDNER. Well, this tends to vary with the year and economic conditions at the time. During this past year it has not been very easy for students. Thus, I think it was useful to subsidize them. I would like to hear Harold Howe's comment on that.

Mr. QUIE. I thought the intention of the guarantee program was to phase out the NDEA loans. I think we have passed that crossroad. You realize the interest of Congress to retain that loan program. I was wondering, then, why higher income people needed the guarantee.

Mr. HOWE. Mr. Quie, I think we have all come to recognize there needs to be in places a comprehensive package of student aids ranging from scholarship grants to various types of loans to work-study enterprises. I think the guaranteed-loan program performs the particular function of addressing itself to the problem of the middle-income family confronting high college expenses. This is a real problem.

As tuitions have moved up, particularly in private institutions, the person in the $8,000 or $10,000 or $12,000 income bracket confronting education costs of, say, $2,500 when you put tuition beside residential cost in a college, has an unmanageable situation to handle.

So it seems to me there is some rationale for a relatively high limit for the benefit of middle-income people. It seems to me we could argue about exactly where that line ought to be drawn, but I think it needs to be a reasonably high line to handle a very real problem.

Mr. QUIE. I guess, well, we won't argue this any more. I can understand the reason for helping with a loan and guaranteeing the loan so he can secure it, but it still bothers me why we have to have the subsidization of the interest, because it is pretty big subsidization now.

Mr. HOWE. It is 6 percent.

Mr. QUIE. Right; the way the level of interest rates are at the present time.

You mentioned on page 7, "The act would direct the Commissioner to conduct both long- and short-range forecasts of manpower needs * * *." Why does the Commissioner need direction from Congress to do that?

Secretary GARDNER. I don't think he does.

Mr. QUIE. Why has it not been done already?

Secretary GARDNER. In the last 10 years we have seen a series of manpower needs but we have tended to do it in piecemeal fashion. The whole movement of the Education Professions Act is to examine all educational manpower in its totality. The purpose of putting it in the act was simply to make it a matter of record and make it a requirement that we place these appraisals before you. It seems to us that as we move toward broader categories we should be more punctilious in our reporting to you as to what we think the requirements are.

Mr. QUIE. Well, it seemed to me the Office of Education should have had, or they have always had the responsibility of securing this kind of information for the educational community. I am glad you are going to do it. It seemed peculiar you had to place it in the act in order to get it done. I mean Commissioner Howe, I think, would desire to do it without the Congress directing him to. It seems to me kind of peculiar you have to tell the Congress to direct him to do something he had authority to do all along himself. Couldn't you have sent out a memo?

Secretary GARDNER. Well, we will do it anyway, but placing it in the act makes it a more formal matter of doing it at your request and makes it our responsibility to report to you.

Now, our whole sophistication about manpower needs and the analysis of manpower needs has been growing every year. This is just a part of what we are going through in health and in every other professional field. In every professional field, you can look back a few years and find a considerable neglect of this kind of analysis.

Mrs. GREEN. Will the gentleman yield?

Mr. QUIE. Yes.

Mrs. GREEN. As I recall in the bill you also provided coordination with the three agencies—the Department of Labor, National Science Foundation, and National Foundation of Arts and Humanities. In order to have a more orderly procedure, wouldn't it be desirable to have legislation for this purpose, as the Congressman says, to communicate between the two of you, but the congressional act might also facilitate coordination among the four agencies?

Secretary GARDNER. Yes.

Mrs. GREEN. This seems to me desirable if we are going to have it coordinated.

Mr. QUIE. I imagine since they are all appointed by the same administration, they should be working close together. Let me ask another question which I have here. You say in the coming year the Teachers Corps will use the present teacher interns to recruit and interview the next group of volunteers. What are they going to do—go out on their recruitment trips, and will they come to Washington and interview all of those?

Secretary GARDNER. I should have said that they will assist in recruiting and interviewing, and that we will use them to the extent feasible.

Mr. QUIE. How will they go out and recruit? Will you have a recruitment office or something?

Secretary GARDNER. Well, I don't know the details of how they will be used. Obviously they would only be used within the area in which they are located.

Mr. HOWE. Perhaps I could help on this, Mr. Quie. We plan to provide a brief training opportunity for selected members of the Teachers Corps to get them ready to conduct recruiting. Then when we have some indications from the Congress that this is a program that will continue, they will visit college and university campuses and make themselves available.

Mr. QUIE. Who is going to visit all of the school systems around the country? Is Dick Graham going to?

Mr. HOWE. They will be brought together in regional groupings for training purposes to get them ready to do this recruiting work. They will be trained for recruiting work and making brief visits to college and university campuses where they will set up a desk and have the forms for application; that way, they will be able to explain the kinds of experiences and opportunities that are involved in the Teachers Corps. We think that some of the best people to acquaint the students at colleges and universities about the Teachers Corps are those actually in it; they will be the consultants and guidance people who tell the students about the opportunities.

Mr. QUIE. Will they be given a leave of absence from their school and training programs in order to do this?

Mr. HOWE. For a brief period.

Mr. QUIE. How long a period will they spend in training and in recruiting?

Mr. HOWE. I will have to ask Mr. Graham.

Mr. GRAHAM. The plan is this: The school systems and the universities have now designated the people they want to represent them to go out to local campuses to recruit. The intent is that a person who has had some experience in recruiting on college campuses will meet with these people over a weekend on a Saturday or Sunday as soon as we have the go-ahead. They will go out and people have volunteered on most of these to do this work. Then these people who have been designated and trained not just by the Teachers Corps but by their local school systems to look for the kind of people they want in that school system and by the local universities for the kinds of person they want for admittance to graduate programs and they will then go to colleges and universities in that immediate area.

Mr. HOWE. How long will they spend in the recruitment?

Mr. GRAHAM. They do it in many cases on weekends and some in afternoon work and some in evening work in major cities, primarily being that, and if there is a schoolday that they may be absent, then they will take that, too.

This will be at the option of the local school system and universities. If they feel important enough to release these people for a day to recruit the kind of persons they want then they will give them that time. It is entirely at their option.

Mr. HOWE. Will you pay their travel and per diem to do it?

Mr. GRAHAM. What we would like to do, where they must go 20 or 30 miles away, is to pay them without actual compensation basis, that is to say, to pay their travel expense and any other cost. So far we have not been able to give them assurances. We said you are going to do it at your own expense until we can tell you otherwise.

Mrs. GREEN. Congressman Hathaway.

Mr. HATHAWAY. Thank you, Madam Chairman.

Mr. Secretary, I was late and missed your statement. I wonder what recommendations you are making with respect to the guaranteed loan program?

Secretary GARDNER. Most of our recommendations are technical, Mr. Hathaway. I would be glad to have Peter Muirhead describe them in detail if you would like.

Mr. HATHAWAY. No, I am not concerned with the technical aspects of the program at this time but with its adequacy at least in my own

State. In Maine, we passed an emergency appropriation of $50,000 and are now considering an appropriation of $500,000 for the coming fall, to meet the increased demand in student loans.

Have you considered an additional authorization to meet the increased demand?

Secretary GARDNER. No, sir; we have not, not this year.

Mr. HATHAWAY. Is it your belief that although the program is inadequately funded, the States should provide for the difference between the Federal funding and the student demands?

Secretary GARDNER. Well, this is the kind of decision we had to make in all of our budget categories and it was a series of judgments as to how much money we could allocate each of the things we are trying to do. We did not seek additional authorization.

Mr. HATHAWAY. Do you have figures, national figures, on how much the demand exceeded the supply of guaranteed loan money?

Mr. MUIRHEAD. We do. The guaranteed loan program as you, of course, know, Congressman Hathaway, has gotten off to a rather halting start for a great many reasons.

Nevertheless, it has, and will have, by the end of the year, provided loans in the neighborhood of $400 million to about 460,000 students, and for a program which started when the interest rates were as difficult as it was, it is a rather good achievement.

We do not have figures to indicate how many students have been turned down. We do have projected figures for the program level next year. It is our hope it will reach the level next year, reaching 750,000 students as compared with 460,000 this year.

To return to your question as to the advance funds for the States, as you know, we did provide during the first 2 years of the program, and it has been enacted for 2 years but in operation 1 year, a total of $17.5 million which was intended to get the States started. There are a number of States, the State of Maine being one, in which they used up the guaranteed funds and some way must be found to either broaden that guarantee fund or to put into operation the provision in the act which the Congress passed which says that in the event that a State program cannot provide it, there will be a Federal guarantee program.

We are considering that now, as to whether or not we will have to do that.

It has been our thought that we would only put the Federal program into operation as a very last resort.

Mr. HATHAWAY. Thank you, sir.

Now, a question about the work-study program, I noticed you recommend that instead of the Federal share being decreased to 75 percent that it be decreased to 80 percent. At the present time, it is 90 percent.

In the field hearings we were informed by many of the colleges that if it went below 90 percent they would have to curtail work-study programs considerably. Did you consider maintaining the 90 percent?

Mr. MUIRHEAD. A good deal of thought went into maintaining it at 90 percent when scheduled under the law to change it to 75 as of August, I think.

We finally have a compromise position, as you see before you, rather than having a 75 percent, 75–25 percent matching, it is 80–20, and we are hoping it is helpful.

Mr. HATHAWAY. I would think that 85 percent would be considerably more helpful; 80 percent is pretty close to 75 percent which the colleges consider extremely detrimental to them.

One more question: I have a suggestion as to teacher recruitment, and I would like the Secretary to comment on it at this time, and to submit a report after he studied it.

The suggestion is that we have a pilot program to recruit various people who have the requisite to teach but are engaged in some other business, such as lawyers, doctors, or businessmen who could probably give a day or half a day a week to teach in the secondary grades. Perhaps this suggestion has already been made, but I would appreciate your comments on an idea.

Secretary GARDNER. This is the kind of thing that has been discussed for a number of years and is being tried in a number of parts of the country by specific school districts. We will be able to support this kind of program under the new Education Professions Act, and it is a perfectly valid and useful additional ingredient in our whole effort to get more teachers.

Mr. HATHAWAY. There is no real need of our legislating a pilot program for this? You can already do it?

Secretary GARDNER. Yes, sir. Under the new Education Professions Act.

Mr. HATHAWAY. Thank you very much.

Mrs. GREEN. Congressman Scherle.

Mr. SCHERLE. With your permission, I would like to yield my time to Mr. Quie.

Mr. QUIE. Mr. Secretary, I would like to find out about the National Advisory Council on Education Professions Development. I don't see anything on how large it will be. How large do you expect the Advisory Council to be?

Secretary GARDNER. I don't know whether we even have thought it through. Will you choose a figure?

Mr. HOWE. I would assume about the same size as most of the advisory groups we have, which tends to range from 10 to 18. This kind of a group certainly is not a large representative group of 50 people. It is a working group to give policy advice in major policy areas.

Mr. QUIE. How often will they be meeting?

Mr. HOWE. I would assume this would be the kind of group that would meet three to four times a year, as many of our major advisory groups do. I guess in the first year when implementing the new legislation more frequent meetings would be necessary or perhaps the meetings would go 2 or 3 days.

Mr. QUIE. Usually when they get going, they only meet four times a year, amounting to a total of only 2 or 3 days a year? Will these four meetings be 1-day sessions?

Mr. HOWE. Most of them will be full daily meetings and some take a 2-day period.

The advisory group on research, research advisory council met last weekend for 2 days. The laboratory advisory group recently met for 2 days. A good many will meet a single day. Good staff work makes it possible to do the job in a day's time.

Mr. QUIE. Which means that the staff has done the work and the council approves what the staff has done?

Mr. HOWE. No, sir. But what the staff does is to redefine the issues so they can be handled efficiently. This is the normal way that any board of trustees operates.

Secretary GARDNER. Mr. Quie, I think this council would have a heavier assignment than most of our advisory councils. The fact that it is replacing about five existing councils and the newness of this kind of total appraisal of educational manpower, I think, will require longer rather than shorter meetings.

Mr. QUIE. If it was a working council which developed the thoughts and the programs themselves I think it would have greater merit. I feel about many councils they are pretty much rubberstamp on the thinking beforehand.

Secretary GARDNER. My experience has been they cover the whole spectrum.

Mr. QUIE. That might be my criticism of the councils.

Secretary GARDNER. Some are rubberstamps and some really are initiators of policy; it depends on the council, its chairman, and staff, how the agency uses them, and so forth.

Mr. QUIE. I want to say, though, and this is no criticism of the council, of you or Commissioner Howe, that I have observed councils in the Department of Agriculture for sometime. I will yield to the chairman, if they want.

Mrs. GREEN. As I understand it, the Advisory Council on Teacher Quality Preparation has not been appointed. Is it your intention to phase that out with the establishment of the new advisory council?

Secretary GARDNER. That is one that would be phased out.

Mrs. GREEN. Are there others that are going to be phased out?

Secretary GARDNER. Yes. We have four others, I believe.

Mrs. GREEN. We can get that.

There are three new advisory committees for which this bill alone provides with a commissioner to act as chairman, I believe, on two. Would you have any recommendation to the committee on taking legislative action to decrease the number of advisory committees across the spectrum in other bills and would the Commissioner like to be relieved of the burden. How many advisory committees do you serve as chairman of?

Mr. HOWE. I think I am chairman of 12 or 13. We have about 20 or 25 in the Office of Education. The legislation, by consolidating a number of these, will be very helpful. I should say actually some of our thinking on this matter grew out of informal conversations.

Actually, your staff is a part of the committee's study of the Office of Education. Those informal conversations had us looking at the whole picture. I think it affected our thinking in consolidating the group suggested in this legislation.

Perhaps we could go further with this. Some of these committees or councils are not congressionally sponsored, some are administratively sponsored. There we have freedom to act and our own initiative.

Secretary GARDNER. I would say that advisory councils can be immensely helpful if properly used, and properly chosen. I would say, Mr. Quie, that our councils do reflect a certain amount of uneveness in their functioning. As I see it, some are very well used and very effective and others are much less well used.

I think perhaps on the whole we overdo the number of advisory councils.

Mr. QUIE. The chairman used the words "phased out." Would "eliminate" be better?

Mr. HOWE. Yes, "eliminate."

Mr. QUIE. Let me also ask you about the councils, you say these are to include persons broadly representative of the fields of education arts, sciences, humanities, and general public. The worrying concern would be, who are you going to pick from education, the other ones not having quite the controversy involved. What kind of mix do you expect to have for people representing education?

Here, I am thinking of the institutions of higher learning where you have universities, teacher colleges, junior colleges, large schools, small schools, and so on.

Secretary GARDNER. As you know from the bill, the majority of them have to be teachers. I would assume that we would attempt to get the kind of mix that we normally do when we are trying to get representative councils.

Would you like to comment on that, Mr. Howe?

Mr. HOWE. I think we would certainly want to include some of the most appropriate people engaged in planning for the education of teachers; I am certain there would be someone on the council who had had the responsibility of a deanship in a school of education or broad responsibility for planning the education of teachers in a State.

This background is important for such councils. We, of course, have consideration of geography and other matters that get into creating a balanced group.

Mr. QUIE. What about the school themselves? Would you have a mix of the larger school systems and the smaller ones?

Mr. HOWE. Well, there are limitations in numbers but the act itself provides that there must be teachers involved. We would want to get representative people. We might seek teachers who had had a broad experience through teacher organizations and groups which have been concerned professionally about teacher education.

But we would have classroom teachers on the council.

Mr. QUIE. What about administrators?

Mr. HOWE. I would think, depending on how the balance of the thing worked out, it might be that a dean of a school of education would also represent this category, but we want people who had a major responsibility for in-service activities in a school system and this in school administrators.

Mr. QUIE. How about State departments of education?

Mr. HOWE. Well, the danger here is you are going to create so many categories, that the size of the counsel is going to grow, so it just seems to me we have to realize that one individual may bring in his own background several of the kinds of categories you are talking about.

Mr. QUIE. Do you think it would be possible that you would leave out State departments of education?

Mr. HOWE. No; I don't think so. I would think we would want to have that experience. Whether he is serving would not be a matter of issue but a person who had the experience it seems to me would be important.

Mr. QUIE. Now, another subject, student assistance. Why wouldn't it be wise to provide the same kind of student assistance for anyone who goes on to school beyond high school, whether it be to a college, university, or a school of vocational education?

Secretary GARDNER. Well, it seems to me this would be perfectly legitimate if you can define the kinds of institutions. You are speaking of what, technical institutes?

Mr. QUIE. Technical institutes or strictly what you would say are 1-year terminal programs of vocational education.

Secretary GARDNER. These are included in present programs, yes.

Mr. HOWE. There is, Mr. Quie, the vocational student loan program, of which you are aware. The students in community colleges are eligible for opportunity grants. Is this correct, Mr. Muirhead?

Mr. MUIRHEAD. That is right.

Mr. HOWE. The work-study arrangements may operate in community colleges. I think the useful category to think about is the post-secondary category, and sometimes we use the phrase "higher education," you think of 4-year colleges and universities, and we are really addressing ourselves in these student-aid programs to postsecondary study.

Mr. QUIE. Whether it is in an institution of higher learning or not, because there is a great expansion of vocational education types of institutions?

Mr. HOWE. This is where the vocational student loan program has opened up a new field and we have had an interesting experience working our way through all of the proprietary institutions administratively which offer vocation training and deciding how they should be properly included and what arrangements for accreditation there might be for such institutions.

Mr. QUIE. Can you make the direct loan to that institution?

Mr. HOWE. These loans are not to proprietary institutions at all, but students in the institution and the entire relationship is to the student in the institution. We would not make a loan to such an insitution.

Mrs. GREEN. The time of Mr. Scherle has expired. Let me take my 10 minutes. The Senate by a rather substantial vote has approved a tax credit plan. What would be the recommendation, and I am sure you thought about it, if this should become law, on the other student assistance programs?

Secretary GARDNER. I don't think we have thought through a position on that, Mrs. Green. I think we have been hoping it would not become the law. As you know, we are opposed to tax credit plans. In my view, if a tax credit plan passes there would remain a considerable need for the other student programs. I would like to get the Commissioner's view.

Mrs. GREEN. Let me say, before when you presented the guaranteed student loan program to the committee, I think you never gave us an estimate of the cost. Do you have an estimate of the cost of the guaranteed loan program?

Secretary GARDNER. We can provide it.

Mr. HOWE. We can provide it. It will have to depend in turn on our estimate of the number of students who will take advantage of it. We have some estimates and will base our costs on those.

Mrs. GREEN. Can you give us a guess this morning? Do you have any recollection of what the cost might be?

Mr. MUIRHEAD. Well, the cost, Madam Chairman, for the guaranteed loan program, the cost is the payment of the interest subsidy and we have in our materials the amount that is estimated for the interest subsidy next year. We can make projections for subsequent years as the program grows.

Mrs. GREEN. What is the cost for next year, the estimate?

Mr. MUIRHEAD. I don't have that figure at hand. I can readily get it for you.

Mrs. GREEN. I think some of the other members of this committee are taking a second look at this tax credit proposal in relation to the success or lack of success of the guaranteed loan program. There was an article in yesterday's paper in terms of the contributions for education which are tax deductible, although not a tax credit. It amounts to 17 percent of the total or $2.3 billion for last year.

That is where businesses, corporations, and individuals who want to contribute to a scholarship fund can deduct, of course, up to the ceiling. What is the justification then for the fact that I, as a parent, cannot deduct anything for the education of my own children, although I can contribute to any number of scholarship funds for other children and deduct the full amount of the contribution? What is the justification for this, in terms of cost, if we allow corporations and businesses, and individuals to contribute to education up to $2.3 billion, but then the Treasury opposes this amount in terms of a tax credit for grown children?

Mr. MUIRHEAD. Well, the educational and charitable deductions have a long, long history in fact and law, and they are based upon the principle of philanthropy, unless the act is a philanthropic act in which interest is presumably not involved, he does not fall under that category.

I think most tax specialists just would not compare them. They are just two different kinds of questions.

But I am not a tax expert. I can tell you why we don't favor the tax credit. We don't favor it for the reason it does not reach the youngsters who are most in need and to those it does reach it will have soon been countered, we believe, by rising tuitions; that is, it will be a form of institutional subsidy in effect for private institutions and this has run through all of the conversations about the tax credit, that private institutions will raise their tuition when the tax credit is available so people can pay more.

So, in effect, it will not be aid to the students, nor will it be aid to the parents, it will be subsidies to institutions.

Mr. HOWE. Could I add, Mr. Secretary, that it will create a pressure on public institutions which have been endeavoring to hold down their tuition rates and some of them which have been endeavoring to maintain free and open public education to abandon that policy because it creates an additional source of possible support for them.

It seems to me that the guaranteed loan program with the change in interest rates, gives us an opportunity of really opening up widely benefit to middle-income people, that we have a much better solution to that particular problem than in the tax credit because of the institutional implications.

Mrs. GREEN. Under the work-study, the NDEA loans and the economic opportunity grants, the administration certainly had designed a program that would enable a needy student to go to college. It would be my judgment there would be no student who could really say because of need he was forced to abandon any higher education.

The guaranteed loan program was designed primarily for those students who come from middle-income families. The guaranteed loan program, I think, for a variety of reasons has not met with the success that either the administration or Congress hoped it would have. If that were successful I certainly would favor that or I would favor a liberalization of the NDEA program.

In the absence of these two, what kind of a program would you recommend for the students who come from these middle-income families who, I think, are having the greatest trouble in sending their youngsters on to college because they cannot apply under NDEA and they cannot apply or don't ordinarily have the opportunity grant or the work study.

Secretary GARDNER. Well, there are a variety of possible solutions. I think we are all still banking more than you are on the guaranteed loan. It is perfectly clear that there are different patterns of institutional arrangements that put less of a financial burden on students. For example; the urban institution and junior colleges, colleges where the student can live at home.

As I said, I rather favor the program which worries Mr. Gibbons, a more liberal college work-study program which could reach a broader group of students. I do hope we can be a bit more patient about the guaranteed loan program.

Mr. QUIE. I would like to make one comment. I recall 2 years ago an estimate was made that tuition costs would increase 50 percent over the next decade. This is without the tax credit bill going through.

It seems to me that you are giving, or will be giving blame to the tax credit proposal for what is going to happen anyway, tuition costs are going to go up.

Secretary GARDNER. I think that most of the people who have examined this plan believe that if the tax credit goes through, there will be a further rise, perhaps not to the total extent of the tax credit, I think the general estimate is around 75 percent, that about 75 percent of the funds would be recouped by the educational institutions in the form of tuition.

Mr. QUIE. Last year, or 2 years ago the same argument was used about the educational opportunity grants; that is, if the Federal Government provided scholarships or such for undergraduate work, this would push the rate up, and that tuition was held down because of the low-income people attending, not the higher income people.

Mrs. GREEN. Congressman Reid.

Mr. REID. Thank you. I wanted to ask one question on the point you were raising, and I very warmly welcome you—I am sorry I was not here when you started to testify. In pursuance of the questions of the chairman, as I recall, the Office of Education initially expressed the hope that some 750,000 to 1 million students would, in due course, annually, participate in the guaranteed loan program.

I believe the testimony before our committee, at least on the west coast, tended to indicate that the projections were perhaps a third to a half less than that. I think that is true as well in the State of New York. I have just one question in two parts:

One, what are the figures that you presently have percentagewise or otherwise, on whether the guaranteed loan program is in fact working to the extent it was projected; and, second, is it not possible to visualize a mix between a guaranteed loan program and some tax relief, particularly for the middle-income family that is trying to finance two or three members of that family going to college at the same time?

I had in mind those in the $10,000 and 20,000 income level. It would seem to me they would be caught in this squeeze, because I don't believe the guaranteed loan program is entirely meaningful, and wouldn't it be worth taking a look at that area that does not seem to be fully met.

Secretary GARDNER. Mr. Muirhead has the figures and will give them to you. Let me first answer your last question. I would heartily agree we need to give more attention to this income, and we will do so.

Mr. REID. Thank you, Mr. Secretary.

Mr. MUIRHEAD. Yes, on the guaranteed loan program, I think we should, of course, point out that the guaranteed loan program has got off to a halting start, but, nevertheless, this year, the first year under the operation, we have had rather good cooperation from the banks, there are in operation now 50 State agencies to operate the program, and despite the difficulties, and there could not have been a more inopportune time to start such a program; but despite those difficulties, by the end of this college year there will have been made loans to 460,000 students amounting to $400 million.

Now, to put that into the proper perspective, I think you have to compare it with NDEA loan program, which all of us support and support strongly. The guaranteed loan program, in its first halting year, is now at a higher level than the NDEA loan program which has been in operation for 9 years. The projection for next year for the guaranteed loan program is, it will reach 750,000 students.

Mr. REID. Might I ask one technical question? Will this be the case if we revert to high interest rates throughout the economy? In other words, is this program dependent on low interest rates essentially?

Mr. MUIRHEAD. Well, Congressman Reid, the achievement of the program, the achievement this first year was during a period of high interest rates. There is every indication that the interest rates will not be as high next year.

We are making the assumption they will not be as high next year. The program is expected to rise to 750,000 students with somewhere in the neighborhood of $650 million next year. So it is a significant program. The law which the Congress passed does provide for the support of the program ultimately at the level of $1.4 billion in terms of a Federal guarantee.

So it really is a significant program. I am inclined to believe it is going to move rather rapidly next year.

Mr. REID. Thank you, Madam Chairman.

Mrs. GREEN. Let me make one other statement. I wish the Department would look at it in terms of the tax credit and what recommendations you should make on the other programs.

Secondly, I hope the Treasury Department will look at the $2.2 billion in 1966 that went to the tax investment credit and their recommendations if there should be a tax credit for higher education. It would be only $600 million for the first year and $1.2 billion the second year.

In terms of national priorities, it seems to me that the results for higher education would bear the same responsibility of the tax investment credit.

Congressman Burton?

Mr. BURTON. Are there any portions of any of these acts where the junior accredited colleges in our State are not falsely precluded from participation?

Secretary GARDNER. No, sir.

Mr. BURTON. Are there any portions of these acts where either the trust territorities, Puerto Rico, or the Virgin Islands, are not treated as if they were a part of the continental United States?

Mr. HOWE. I think not.

Secretary GARDNER. Mr. Halperin says there is not, they are in all of them.

Mr. BURTON. What would your reaction be to permitting the colleges to contribute in kind to make up their portion of the matching?

Mr. HOWE. Under work-study?

Mr. BURTON. Yes.

Mr. HOWE. I believe they do now and I think one of the technical amendments we have in here is to suggest that work-study funds may be used for flexibility in building a package of student aid with the opportunity grants, so I think we are reaching for flexibility in this area.

Mr. BURTON. Finally, there are a number of instances where you have, at a later point, in the period for which you are seeking authorization, dropped down to a lower Federal percentage than was contemplated being proposed for the coming year. Would you concur with the general notion that if we decide 75 or 80 or 90 percent should be the supported percentage level of the Federal Government, we should not indulge in predicting 1971 fiscal year's percentage, when in all likelihood we will be back in, scrapping the lower percentage and putting it back to the level we had been operating in the previous fiscal years?

Secretary GARDNER. I would like the Commissioner to try that one.

Mr. HOWE. I think your comment is a pretty good comment on human nature. There is also the pressure to, once you set up a matching level at a certain point, there is always a pressure to maintain it at that point.

Therefore, a change becomes difficult. At the same time, it seems to me there is some point in trying to make those changes and to think of a period of launching as a difficult time for institutions and that the period of planning to assume the obligation after it has gone over a year or so might make it possible for them to make a slightly larger contribution.

We have not suggested major shifts in institutional contributions, only minor shifts.

Mrs. GREEN. In line with Congressman Burton's suggestion, has a study ever been made of the fairness of the allocation to Puerto Rico and Virgin Islands? Sometimes it is under the formula and sometimes there is a 3 percent limit. If not yet available, could it be done? It seems to me this is a legitimate concern.

Mr. HOWE. We would be happy to examine it.

Mrs. GREEN. Congressman Reid.

Mr. REID. Thank you, Madam Chairman.

Mr. Secretary, I have one question on the new proposals in connection with NDEA: what are the precise funds that are going into the revolving loan fund of NDEA? Is there any reduction in funds from the present authorization of $225 million, as I understand it, for fiscal 1968?

Secretary GARDNER. A very substantial increase, I believe.

What is the actual figure, Mr. Muirhead?

Mr. MUIRHEAD. Under NDEA loan program, the authorization is $225 million but the appropriation for that has been requested at $190 million. If I might pursue the balance of the Congressman's question, and that is, "Will the lending level for the NDEA loan program be able to go above $190 million as a result of the direct loan amendment that is being suggested." The answer is "Yes," that it will be possible to generate additional funds for the NDEA loan program through the participation sales route.

It is presently thought that that may go to the level of $240 million. That figure is arrived at because fortunately, at this particular moment, we have the applications from the institutions for next year and their applications have been reviewed and $240 million would cover the total of the request from the institutions.

Mr. REID. Thank you.

Mr. Secretary, you stated very clearly I think in your testimony the need for additional higher educational personnel. What do you estimate to be the need, the priorities that we should accord to this whole area?

Secretary GARDNER. The whole area of personnel?

Mr. REID. Well, as I understand your testimony, there increasingly appear to be shortages, in some cases serious ones. The whole spectrum of professional levels is involved and what would be the shortage in universities and in junior colleges? How much additional trained personnel do we need—professors, instructional staff and the like?

Secretary GARDNER. I don't have the figures on that. I don't think any of us here have the figures. This is a high priority with us. I don't think that we are nearly in the trouble in the educational field at any point that we are in the medical field, but in all of the fields in my Department, manpower is a very high priority.

Mr. REID. Do you feel we are coming anywhere near to training enough personnel to meet the needs? I think we are making headway on the classrooms and bricks and mortar, but have we really focused on the shortage of personnel, not alone in the medical field but broadly speaking in universities as well?

We are talking about doubling higher educational facilities by 1970 and tripling perhaps by 1985, and are we going to have the good teachers and trained teachers to meet this increase?

Secretary GARDNER. I think it is a constant struggle. I think the whole record of the past 20 years has been one of a moving target and an effort to catch up with our own aspirations in the educational field.

I think we have done remarkably well in higher education in the last few years. I think we can't afford to let up a minute considering the growth ahead.

I think we have to press as hard as we can. This is greatly complicated by the fact that all of these fields compete with one another for the same person.

Mr. REID. Would you care to comment, finally, Mr. Secretary, on the fact there has been some comment about the categoric educational aid situation compared to the block grant concept. I notice in your testimony this morning you talk about consolidation in some areas. What is your view—on the elementary or higher levels—as to how precisely should the Congress and the executive define grants and what latitude in your judgment is best left to the educational institutions?

Secretary GARDNER. Well, I believe that we cannot define it precisely. I believe we have to reach for a more rational pattern than we have now. We began reaching last year as it became apparent to us that the narrow categorical grants had run wild in some field.

Last year we proposed and the Congress passed the Comprehensive Health Planning Act which combined 15 narrow categorical aid programs. The Education Professions Act is another step in that direction, which combines seven different categorical programs.

In other words, we are moving toward broader categories, toward more flexible authorization, and we do not yet know the point at which we will reach an optimum arrangement. It seems perfectly clear that we will always have categorical aid in one form or another. We put in the Comprehensive Health Planning Act last year which consolidated 15 categories and with very strong pressure this year for a categorical aid program and population planning.

There will always be people who are pressing, often legitimate purposes, for a categorical program to highlight those purposes.

But, in general, movement toward breadth and flexibility seems to be extremely good public policy.

Mr. REID. Thank you, Mr. Secretary.

Mrs. GREEN. Congressman Thompson, we will be delighted to have you come up and join the rest of us.

Mr. THOMPSON. Thank you, I am comfortable here.

I am sorry I didn't hear you read your statement, Mr. Secretary. I have had opportunity to look over the act and to read it and also Commissioner Howe's statement. It could lead to almost innumerable questions. I notice in one section, section 435, that there are several instances in which Commissions are to open up programs for proprietary institutions. I am thinking particularly of the work-study section, which I favor because so many of the other programs, such as GI bill and War Orphan's Act and others provide financial payments and assistance to students in accredited proprietary schools.

In line with the more recent developments and other enlargements proposed in your amendments, do you see any objections to the Congress expanding the NDEA student loan program to include needy students in proprietary institutions?

Secretary GARDNER. I would like to have the Commissioner express his views on that.

Mr. HOWE. Well, just as an initial observation, Mr. Thompson, I would certainly not want to do this without the opportunity to plan for it on the budget side, because then you would have an effect which would pull from existent institutions and students who had come to depend on it. But I would also raise the question of whether our vocational loan does not, to a degree, meet this need? Isn't it really a program in being which gets at it and if it were just brought into operation?

Mr. THOMPSON. Well, in a sense, it meets some of the needs, but these people in training at these institutions are unable to have available to them precisely what students in other type institutions have. These institutions perform most useful functions. They educate thousands of students in constructive and badly needed skills. I have some proprietary institutions, not only in my district but in New Jersey, and in looking into them I am convinced that the students would be helped if we could get the NDEA loans provided moneys were available and students currently relying on those loans would not be deprived of them.

Mr. HOWE. I could see the argument.

Mr. Muirhead would like to comment.

Mr. MUIRHEAD. I would like to pursue it a bit, Congressman Thompson, and I think we are getting wiser in dealing with proprietary institutions and there is a large policy decision involved here and that is whether or not the Federal resources should be used to strengthen a profitmaking institution.

You make the distinction and a very valid distinction the program should be directed toward helping the students rather than the institution. You note in the legislation which is before you we are making some rather halting steps in that direction. In the work-study program, for example, we are making it possible for students attending proprietary institutions to participate in that program if they are working at jobs off campus.

Mr. THOMPSON. Yes. In addition, the Secretary's statement indicates a movement toward developing more faculty in fields outside of the presently authorized categories, in business education, and so on, and I recognize the problem of profit making. The students are not making profit, however, and they should be helped. Many of them go on to become teachers.

Mr. MUIRHEAD. Yes. With regard to the loan opportunities available to students attending such schools. The vocational loan program, of course, has that particular objective and there is also in the vocational loan program a provision which would say that if some students are not able to get loans at the bank under the quarantee loan program there would be a direct loan program available to them.

So by and large, loan opportunities are made available to students attending these institutions, though perhaps under NDEA.

Mr. THOMPSON. I understand that, which is why I think the time has come to bring them under the NDEA. The youngster in proprietary institutions in many instances applied and failed to get admission in a charitable institution or nonprofit institution and, therefore, goes in that direction. To a large extent they are fulfilling a very vital need.

I see no reason why the student himself should not benefit. If you have a further exposition or definition of your position, I would ask unanimous consent that you be allowed to provide us with it.

Mr. HOWE. We would like to look at this, Mr. Thompson, in relation to several features of NDEA, the loan forgiveness feature, and what gets involved here? We would be happy to try to think through the whole matter in more detail.

Mr. THOMPSON. I am particularly pleased with the suggestion relating to title II with reference to the Library facilities. There is an exciting prospect for some years in the future with respect to international cataloging which the Library of Congress is interested in and which I understand is to be done by a private enterprise, but for the fact, well, it is to be the largest cataloging undertaking in history probably and will be very useful but some years in coming.

I serve on the Joint Committee on the Library.

With respect to title III of the Higher Education Act in developing institutions, do you feel that your request could not be enlarged to gain greater support for them, for the developing institutions? It seems to me, it is a very modest effort, a sound but modest effort on their behalf.

Secretary GARDNER. It is modest. This, as I said in response to an earlier question, is a kind of decision we had to make in the context of a great many other decisions, as to how we were to allocate our resources. It would be very hard to go back and trace the kinds of tradeoffs that led us to this exact figure, but we felt this was an appropriate sum in view of the constraints under which we operated.

Mr. THOMPSON. I have no further questions except I have a comment. In looking over your statements, which I think are splendidly prepared and your proposed revisions of the act, which I think also you are on the right track, but it is just too bad we don't have infinitely more money to put into the whole program.

I yield back the balance of my time.

Mrs. GREEN. Congressman Esch.

Mr. ESCH. Thank you.

I regret I did not hear the testimony but have been perusing it. I would like to discuss vocational education in relationship to the need for teachers in this area. I think part (d) of title V suggests the emphasis might be in a new section in terms of improving teachers in vocational education.

There has recently been great discussion about a teacher corps and the need to fill a given area with a unique program. I wondered what thoughts you had in terms of the needs for providing for vocational education personnel such as teachers and to what degree is that a significant problem generally?

Secretary GARDNER. This vocational educational personnel would be included under the Education Professions Act. In my own view, it would have a very high priority. I believe that there are few things in education today that need more urgent attention and a new burst of effort, than this vocational education. It is going to have to be accompanied by a lot of effective recruitment and training of new personnel.

Would you like to comment, Mr. Howe?

Mr. HOWE. Just to put some numbers to what the Secretary said, there are about 2 million youngsters leaving high school every year. Of those about 1 million graduate and another 1 million leave somewhere before graduation. Of that number of 2 million, about 500,000—and these are rough figures—have some program of vocational training which suits them for entry into jobs and indeed they get those jobs.

So you have 1½ million who are going not to higher education and who need further services from vocational education. Reflected in this is the need for additional programs, the need for bringing programs into the comprehensive high schools, and the need for teacher training directed to those programs, which is your point, so that it seems to me there is great effort necessary here.

Mr. ESCH. With this in mind, what kind of funding do we have or what kind of funding do you propose for this particular program?

Secretary GARDNER. The Education Professions Act would begin in 1969. There is no budget for the current year.

Mr. ESCH. Then you have no proposal for this whatsoever?

Secretary GARDNER. Not this year.

Mr. ESCH. Just so we know, what kind of proposals do we have for the Teachers Corps this year?

Secretary GARDNER. 36 million.

Mr. ESCH. So you are suggesting that this does not have the same priority as the Teachers Corps, that you would prefer to wait on the proposal of properly training vocational education people and work just in the Teachers Corps area for the next 2 years?

Secretary GARDNER. Well, we are trying, in the Education Professions Act. Also, we hope to do a fair amount of this with some of our other new bills, that is to have a year of putting together the kinds of plans that we hope to put into effect.

Mr. ESCH. But it does suggest, does it not, that there is a higher priority in such concepts as Teachers Corps rather than vocational training, that you have not tried to move ahead in terms of providing appropriate personnel for vocational training as in the Teachers Corps?

Mr. HOWE. Could I respond and say we have in this year's budget and in this year's legislative authorizations a totally new program in vocational education having an amount of $30 million for a new program to help vocational education to seek better ways to serve. This will involve not only the in-service training of teachers but explorations of new ways to use teachers.

We have also in being a program of vocational research and training. There is a set-aside from the vocational education appropriation. I believe it is 10 percent, if I recall correctly, somewhat reduced by the last Congress, and that gives us a regular program for training in this area, so we are attentive to exactly the need you are focusing on.

However, the period of planning which is necessary to bring into effective operation a totally new concept and the responsibility of the Federal Government for training all of the personnel in education is enough so I think we would have made a mistake to fund a particular piece of it this year.

I think we are going to launch in fiscal 1969 with an enlarged effort.

Mr. ESCH. Might I ask you to what degree are we attempting to consolidate these diverse programs in the field of vocational education and training?

Secretary GARDNER. Would you want to comment on that?

Mr. HOWE. Well, I think in the context of the Educational Professions Development Act here, what we have is a vastly more flexible authority to address ourselves to that or any other field. We can do things about the training of personnel, administrators for example, in vocational education, that we could not do before.

We have new categories of grantees which I think will be particularly useful to vocational education. The aspect of this which allows us to use training funds in connection with profitmaking industry will be, I think, very useful, to vocational education, so that we have tried to think about the needs of vocational education in setting forth these proposals.

Mr. ESCH. Just one other question in that general line, if I might quote your testimony, Mr. Secretary, when talking about the Teachers Corps, you say, "The spirit appears to be contagious and to infect the other teachers in the Corps who come in contact. This spirit is a priceless commodity and cannot be purchased and should not be allowed to wither."

I wonder what attempt has been made to capture this same type of spirit in vocational educational training? If you think the concept is valid in the Teachers Corps area, why has it not been applied in such areas as vocational education and training personnel?

Secretary GARDNER. Well, this spirit is valuable wherever you can get it or produce it. But it is not, it is something of a mystery as to how you produce it. If we could produce it everywhere, we would do it tomorrow. It seems to develop around these Corps, these volunteer Corps, and why they generate such enthusiasm, I don't know, but they do. You can see it when you talk to them. I don't fully understand the conditions surrounding it.

What I meant to say in my testimony is that where it appears, we should preserve it. If I knew how to produce it in all other areas that concern me, I would certainly do so.

Mr. QUIE. Will you yield?

Mr. ESCH. Yes.

Mr. QUIE. Are you saying it would not appear if you tried it with a vocational corps?

Secretary GARDNER. No.

Would you like us to pursue that?

Mr. QUIE. If it is valid, I would expect we ought to. I mean if I am wrong and you are right about the idea of having a Corps, and the only way you can get the esprit de corps and get it in the degree you ought to, I think we ought to move into vocational education training and guidance counselors corps, and so on.

Secretary GARDNER. I am a great believer in the Corps and would be in favor of having a variety of them. I can't think of anything better than to have an array of possibilities for young people who want to spend a couple of years of their lives in dedicated difficult service. I can't think of anything better.

Mr. QUIE. When you call them "talented volunteers," they are not any different in volunteering from the people who already volunteered for vocational institutions? Everybody who is in teaching volunteered, didn't they?

Secretary GARDNER. Well, there is a difference.

Mr. QUIE. What is the difference? They didn't have their master's degree paid for. You can say probably they were more dedicated volunteers.

Secretary GARDNER. The normal process of moving into a field is that when young people begin a course of study they are not too sure of what they want to do. They move into a program, some of them do it conscientiously and eagerly and others just feel "We have to do something" and the process of decision is a gradual one.

Characteristically, the youngsters that go into the Peace Corps or Teacher Corps make a very conscious, highly motivated decision, not just to find something to do next year, but to commit themselves to something they think is terribly important.

Mr. THOMPSON. Will you yield?

It might be a good idea to try such a Corps for vocational education and give it some time to work, as I hope we are going to do with the Teachers Corps and we can have all sorts of Corps. We can number them or name them.

Mr. QUIE. If the gentleman will yield it won't be good to limit the Corps just to those who had Federal assistance to get into the Corps?

Mr. THOMPSON. We are not drafting it now but I just like the idea.

Mr. QUIE. So we could have teachers for anybody who goes into training whether they had Federal help to do it or not, and as long as they met the standards, they should be part of the Corps.

Mr. THOMPSON. I would think so because these youngsters are going to go in all sorts of directions from the place where they are first started in school and many of them are going to end up in vocational education program.

Mr. QUIE. I think this is the answer to what we are looking for.

Secretary GARDNER. I confess when I first observed the Peace Corps the thing that struck me most about it was its potential for producing a flow of young people who are introduced early to service overseas is a situation of dedication and commitment. That seemed to me the most interesting feature of the Peace Corps. That is why I was equally pleased about the Teachers Corps, because it means that a flow of youngsters will come into the field whose first introduction to it was an act of commitment.

Mrs. GREEN. Will you yield?

Mr. ESCH. Yes.

Mrs. GREEN. Before we get too corps-happy here, is there anything that prevents the Teachers Corps from teaching vocational education?

Secretary GARDNER. Nothing at all.

Mr. HOWE. Many of them will be moving in this direction as the enterprise grows.

Mrs. GREEN. Being equally happy with the fellowship program, this is the part I must say I find difficult; $275 million authorized for 1968 and a request of only 12 percent for the fellowship program, $34.5 million.

I judge the administration has decided that the fellowship program, which according to the law is designed for exactly the same thing as the Teachers Corps—advanced training for elementary and secondary teachers—should have only a small request for funds here, cut by $240 million from the amount authorized. At the same time we expand the Teacher Corps. I hope we will get at least as happy about the fellowship program as we do about the Teacher Corps program.

Mr. HOWE. Could I interpret the cut. It is not really a cut and we moved the funding up from $30 million in fiscal 1967 to $35 million in fiscal 1968 and the other personnel elements of total authorization budget have been the elements which have made progress in a difficult budget year. We are endeavoring to reach in the direction you are suggesting.

We have not probably reached far enough to meet all of the requirements but we are getting there.

Mr. ESCH. I have one more question, Madam Chairman. I am vitally concerned as everyone at this table is, I think, in the need to properly support those interested in pursuing higher education. We heard one suggestion as to why you may not support the tax credit concept as a means of supplying valuable aid. I would like to hear other discussion as to why you would reject the tax credit concept as one that is not valid.

Secretary GARDNER. I really can only go over the same ground with a little addition, or few additions. The very large sums involved will purchase very little in the way of additional help to parents, additional help to youngsters, and it will end up as help to private institutions. If we want to go that route, it would seem to me we might decide what forms of help we want to give to private institutions and do it directly.

Mr. ESCH. Mr. Secretary, what you are suggesting is you don't care to give a great deal of assistance to private institutions, at least noncategorical aid to private institutions?

Secretary GARDNER. No; my last sentence was if we wished to do it we should address ourselves directly to the fact, to the possibility, and decide what kinds of aids we want to give, how categorical or general, and do it.

Mr. ESCH. I am asking now for your opinion on this matter, do you look at the giving of noncategorical aid to private institutions as a valuable asset to increasing efficiency among higher education in the United States?

Secretary GARDNER. Do you mean simply general aid?

Mr. ESCH. Well, we have reached the point where our discussion attacks created grants. At least your assumption is it would be a form of noncategorical aid to private institutions. This is what it filters down to, and do you look upon it as a valuable asset?

Secretary GARDNER. I think we have to look at it in the context of general aid to higher education as a whole. I think it presents quite a few problems. I would want to examine it. I would want to examine it by the front door and not the back door of a tax credit. I have been very favorable to aid to private institutions and we have done a great deal of it, as you know.

Mr. QUIE. May I ask a question?

Mrs. GREEN. Your time is gone, Mr. Quie, but, go ahead.

Mr. QUIE. First, Mr. Secretary, I want to commend you on the excellent statement you have made about shifting to noncategorical programs as fast as we can and I am glad you are committed to doing this in additional programs as time goes on, I hope that your first big attempt in the Education Professions Act will meet with favor here in the committee so we can at least get moving in that direction. I have received some letters from teachers of English quite concerned that we are going to lose title XI of NDEA, and also the equipment in title III, which I don't believe has any relevance with the Education Professions Act. What is your answer to the criticism we will be receiving from other groups as well who will miss this language in the act?

Secretary GARDNER. I think the teachers of English are mentioned in the act. As for the others, I think Commissioner Howe is prepared to pledge that this will not be used as a device for cutting back groups that have been served up to now. I refer you to page 60, line 1 of the act.

Mr. QUIE. I think it would be good to have that statement for the record.

Secretary GARDNER. He will take care of it in his testimony.

Mrs. GREEN. There are many more questions but they can be reserved for tomorrow. Again, Mr. Secretary, on behalf of the committee our thanks and I join Congressman Quie and others I am sure in expressing my pleasure at your recommendations especially the extension and revision of legislation 1 year prior to the expiration date.

May I say that the members of last year's subcommittee will meet tomorrow afternoon at 3 o'clock for consideration of a statement which is a part of the study of the Office of Education and for the first draft of legislation to accomplish that purpose as far as the Congress is concerned.

We will continue the hearings then tomorrow at 10 o'clock in this room. We are recessed.

(Whereupon, at 12 noon, the committee recessed, to reconvene at 10 a.m., Tuesday, April 18, 1967.)

HIGHER EDUCATION AMENDMENTS OF 1967

TUESDAY, APRIL 18, 1967

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Mrs. GREEN. The subcommittee will come to order for the further consideration of the Higher Education Act of 1967, and the amendments. We are grateful to the Commissioner and Dr. Muirhead for their taking the time this morning to appear before us.

Mr. Howe, will you proceed as you would like. We have your testimony; if you want to read it, that is fine, and if you want to summarize, whatever you wish.

STATEMENT OF HAROLD HOWE II, U.S. COMMISSIONER OF EDUCATION, ACCOMPANIED BY PETER P. MUIRHEAD, ASSOCIATE COMMISSIONER FOR HIGHER EDUCATION; NOLAN ESTES, ASSOCIATE COMMISSIONER FOR ELEMENTARY AND SECONDARY EDUCATION; GRANT VENN, ASSOCIATE COMMISSIONER FOR ADULT AND VOCATIONAL EDUCATION; AND ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION

Mr. HOWE. Thank you, Madam Chairman.

I have also here Mr. Estes, the head of the Bureau of Elementary and Secondary Education, responsible for some of the programs we will be discussing; and also with us is Mr. Graham, in case there are questions about the Teachers Corps, and Mr. Pagano, who is in charge of title I aspects of the higher education program.

I think if it is all right with you and members of the committee, what I would like to do is not to read my rather prolonged testimony but to ask your permission to enter it in the record. It is some 33 pages. I am not sure I can read that long.

Mrs. GREEN. Without any objection, the entire testimony will be put in the record at this point and then you summarize it.

(The prepared statement follows:)

PREPARED STATEMENT OF HAROLD HOWE II, U.S. COMMISSIONER OF EDUCATION

Madam Chairman and Members of the Subcommittee: I am happy to appear today before a Committee which has had a major impact on Federal assistance programs for higher education, and, indeed, a major impact on American higher education in general.

Today I am appearing in support of H.R. 6232, the Higher Education Amendments of 1967. Briefly, these amendments have two purposes: to extend and amend the National Defense Education Act of 1958, the Higher Education Act of 1965, and the National Vocational Student Loan Insurance Act; and to strengthen and expand the teacher training authority delegated to the Office of Education in what we have called the Education Professions Development Act—Title V of the Amendments under consideration today.

EXTENSION OF THE NATIONAL DEFENSE EDUCATION ACT OF 1958

The National Defense Education Act was pased to strengthen teaching and learning in science, mathematics, and foreign languages. When the Act was passed, President Johnson, then one of its authors in the Senate, commented that "History may well record that we saved liberty and saved freedom when we undertook a crash program in the field of education." The experience of the past 9 years goes far to bear out this glowing prophecy; the NDEA has had increasing effect on the quality and availability of American education. It has been amended from time to time—most recently by the Higher Education Amendments of 1966—to extend its coverage to virtually all areas of education. Its original purpose—to augment the supply of highly trained manpower in fields relating to national security—has been broadened until students from kindergarten through graduate school now benefit from its provisions.

Enacted originally for a 4-year period, the NDEA was extended in 1962 and again in 1964. Although the current authorization does not expire under the end of Fiscal Year 1968, we are recommending that several titles of the Act be extended at this time. As I am sure this Committee is aware from the testimony of the many institutional witnesses who have appeared before it in the past, our Nation's schools and colleges have often been handicapped in their program planning by the Federal Government's timetable for both authorization and appropriation measures. Extension of NDEA one year before it "runs out" would provide a Federal commitment to the continuation of its programs, and would allow schools and colleges more ample leadtime for educational, fiscal, and manpower planning.

Title II—the National Defense Student Loan Program—is probably the Act's best known and most successful portion. As originally enacted, the title provided for loans to be made to full-time students in institutions of higher education, with preference to be given those majoring in science, mathematics, and modern foreign languages. Forgiveness of a percentage of the loan amount and interest was afforded to students who subsequently taught in public elementary and secondary schools. All these restrictions have been substantially broadened in the past 9 years. Part-time students are now eligible to borrow; forgiveness has been extended to teachers in nonprofit private elementary and secondary schools and in institutions of higher education and to teachers of handicapped children; preference is now given to students with superior records in any field. Student borrowers totaled 1,053,211 at the end of Fiscal Year 1966, as compared with 833,476 at the close of Fiscal Year 1965 and 639,732 at the close of Fiscal Year 1964. Advances made to students since enactment of Title II totaled $823,937,851 at the end of Fiscal Year 1966, an 85 percent increase over the amount loaned through Fiscal Year 1964. The average loan amount has also increased; it was $470 in Fiscal Year 1964, $520 in Fiscal Year 1965, and reached an estimated $624 in Fiscal Year 1966.

We are asking that the National Defense Student Loan Program be extended 5 years, through Fiscal Year 1973. In keeping with the philosophy that loan forgiveness may attract students into career areas of greatest benefit to our Nation and its goals, loan cancellation benefits would be extended to teachers in programs of special education or training designed to combat disadvantage, poverty, or unemployment, even though they may not be working in the regular schools.

Finally, in order to encourage non-Federal capital for National Defense Student Loans, a revolving fund would be established from which institutions might obtain loans to capitalize fully additional student loans. A flow chart illustrating the operation of this fund is attached. Members of this Subcommittee will recognize this proposal as similar to the one advanced a year ago. The current funding pattern of National Defense Student Loans—whereby the institution receives contributions of Federal capital and must match with its own funds one-ninth of the Federal amount—would be maintained. In addition, institutions wishing to increase the amount of loan funds available to their students could borrow funds from this revolving fund. Such funds would constitute 100 percent of the loan capital; no institutional matching would be required. This latter procedure would be especially beneficial to smaller and less affluent institutions, which may find the matching requirements of the current loan program burdensome if not impossible to meet with institutional funds. In addition, more funds would be available to students to finance their undergraduate and graduate educations.

Title III of NDEA is designed to strengthen instruction in critical subjects; science, mathematics, modern foreign languages, history, civics, geography, economics, English, reading, and industrial arts. The title authorizes acquisition of equipment necessary for instruction in these areas, and minor remodeling incident to the effective use of such equipment. Grants are made to public elementary and secondary schools, and loans are made to nonprofit private elementary and secondary schools. Federal grant funds are matched by States and localities on a 50–50 basis, thereby assuring a greater expenditure for critically needed equipment. In Fiscal Year 1966, a preliminary survey of 46 States and 3 Territories showed that $156 million was spent for acquisition of equipment and $3 million for concomitant minor remodeling by States and local education agencies. A random sample of approved projects showed that 42.9 percent of the funds were to be spent on science equipment, 14.6 percent for reading materials and equipment, and 7.77 percent to strengthen instruction in modern foreign languages. In Fiscal Year 1966, approximately 58 percent of the funds were used for equipment and 42 percent for instructional materials; audiovisual equipment and materials accounted for 38 percent of the acquisition projects.

Private elementary and secondary schools are eligible for loans to strengthen their instructional capabilities. During Fiscal Year 1966, 37 loans were made to 35 schools in 20 States, schools which served nearly 18,000 students. The availability of funds for loans has taken on increased importance during the past year because of the unavailability of commercial credit.

The bill under consideration by this Subcommittee provides for the extension of Title III for 5 years, through Fiscal Year 1973. Subject matter limitations would be eliminated, providing a broader base of support for elementary and secondary school instructional programs. In addition, Section 12 of the National Foundation on the Arts and the Humanities Act would be merged with Title III. In instances where States impose matching requirements for financial participation of Title III project applicants, within-State equalization would be encouraged. Many States now allow local educational agencies to match Federal funds on a sliding scale based on ability to pay. This amendment would encourage such modifications of the matching requirements and would make a description of such equalization procedures part of the State plan submitted to the Commissioner for approval.

Another amendment would provide that State administrative expenses would be paid out of project funds, thereby enabling the amounts available for State administration to bear a more direct relationship to the amounts expended for equipment and materials.

Since private schools seeking loans under Title III are not distributed geographically across the country, the loan allotment formula would be repealed, and all applications would receive equal consideration. American-sponsored schools which provide services to American children abroad currently are ineligible to benefit from Title III's provisions. Under the amendments, they would be made eligible to apply for loans.

Title IV of NDEA, the Graduate Fellowship Program, has a dual purpose: to increase the number of well-qualified college and university teachers and to develop and expand the capacity of doctoral study facilities throughout the country. The need for additional college and university faculty is well documented. Enrollments in institutions of higher education are expected to expand from the estimated 6 million students enrolled in college this year to nearly 9 million in 1975. It is estimated that approximately 610,000 new full-time-equivalent professional staff members will be needed to meet these demands, but projections indicate that only 230,000 doctorates will be produced by 1975, and no more than half of these can be expected to go into college teaching.

Although only 1,000 fellowships were initially authorized under Title IV, the program has experienced rapid growth. Of the 23,500 fellowships which have been allocated since Fiscal Year 1959, 63.8 percent were allocated for use in the three academic years beginning with the academic year 1965–66. Beginning with the 1967–68 academic year, more than 90 percent (or 193) of all institutions authorized to award the doctorate will have active Title IV fellowship programs. The 193 participating institutions represent all 50 States, the District of Columbia, and Puerto Rico. An analysis of the academic areas approved for fellowship support shows that between the academic years of 1959–60 and 1965–66, inclusive, 51 percent of the programs approved and 59 percent of the fellowships allocated were in nonscientific areas; 27 percent of the fellowships and 23 percent of the programs were in the social sciences, while 24 percent of the fellowships and 21 percent of the programs were for study in the humanities.

H.R. 6232 would extend Title IV for 5 years, through Fiscal Year 1973. To add flexibility to the program, it is proposed that the Commissioner be given discretion to grant 4-year fellowships in special circumstances. In addition, stipends awarded the graduate fellows, instead of being fixed in amount, would be set by the Commissioner consistent with prevailing practices under comparable Federally supported programs, thus ensuring a greater degree of uniformity among roughly equivalent programs.

Title V of NDEA is divided into two parts. Part A supports programs in guidance, counseling, and testing, identification, and encouragement of able students. Its purpose is to assist in establishing and maintaining programs of guidance, counseling, and testing in elementary and secondary schools, junior colleges and technical institutes. During the past year, the 54 States and territories participating in the program gave more than 9 million aptitude and achievement tests to public school students and 370,000 tests to students in nonpublic schools. Under Office of Education contracts, testing agencies administered 210,300 tests to more than 179,500 nonpublic school students in 37 States, the District of Columbia, and Guam. Professional guidance staff members in State educational agencies rose to 340, a striking increase over the 99 such professionals when the program began in Fiscal Year 1959.

Part B of Title V authorizes institutes for persons who are working or planning to work in counseling and guidance. Since 1959, when the program started, more than 21,000 counselors have participated in guidance and counseling institutes. Another 1,200 will be enrolled in 42 institutes conducted by 40 colleges and universities during this summer and the 1967–68 school year. Most of the institutes will be short-term sessions to be held during the summer, but 13 will be conducted full-time during the academic year.

The bill under consideration would extend Title V–A for 5 years, through Fiscal Year 1973. Title V–B, which expires at the end of Fiscal Year 1968, is not requested to be extended, however, as it would be incorporated into Title V of the Higher Education Amendments of 1967—the Education Professions Development Act.

Title VI authorizes the establishment of language and area centers—centers for the teaching of any modern foreign language—and fellowships for advanced study in modern foreign languages. Since the program's inception in Fiscal Year 1959, Title VI has supported 476 centers located at 300 institutions. These centers have concentrated on a variety of modern foreign languages, especially those of Asian and East European nations. In Fiscal Year 1966, 98 Language and Area Centers were established at 61 institutions; they focused on 79 different modern foreign languages rarely taught in the United States.

Modern foreign language specialists are critically needed, and although 7,000 have received fellowships under Title VI, the need is still great. Next summer and during the 1967–68 school year, 1,600 additional graduate students will receive intensive training in 92 foreign languages and related areas, such as geography, history, and anthropology. An additional 550 stipends will be awarded to qualified undergraduate students, who will be enrolled in 22 NDEA-supported Language and Area Studies programs during the summer of 1967.

H.R. 6232 recommends extension of Title VI for 1 year, through Fiscal Year 1969. This extension would make its authorization consonant with that of the International Education Act of 1966.

The research program authorized by Title VII provides the means for adapting such communication media as television, motion pictures, radio, and programmed self-instruction to the improvement of education in elementary and secondary schools and in institutions of higher education. Since Fiscal Year 1959, more than $33 million has been obligated for research and dissemination activities.

Part A of the title provides support for research and experimentation and evaluation of projects involving television, motion pictures, radio, printed and published materials, and related communication media. Since 1959, approximately 375 projects have received support, 215 of which have been completed. Part B of the title provides support for project activities involving dissemination of information about new educational media and their utilization. Since 1959, 253 projects have been initiated under Part B; 195 have been completed.

We are not requesting extension of the authorization for Title VII. Its activities may be funded under the authorization for the Cooperative Research Program.

Titles VIII and IX are not involved in the proposed Higher Education Amendments of 1967. Title VIII authorized area vocational education programs, ana was enacted as Title III of the George-Barden Act of 1946. Its technical education provisions were made permanent by the Vocational Education Act of 1963. Title IX establishes a Science Information Service to coordinate and improve methods of disseminating information in the sciences. This activity is carried out by the National Science Foundation.

Title X provides grants to State education agencies to improve the adequacy and reliability of educational statistics and the methods for collecting, processing, and disseminating such data. The extension of this section of the title is not being sought, as its function has been superseded by Title V of the Elementary and Secondary Education Act of 1965. Technical amendments to the title provide for participation of the Trust Territory of the Pacific Islands, for schools of the Department of the Interior for Indian children, and for overseas dependents schools of the Department of Defense in the programs authorized under NDEA.

Title XI—Training Institutes—was added in 1964. As enacted, it authorized institutes in modern foreign languages and English taught as a second languages, but the program was expanded to include a selected range of fields—English, reading, history, geography, disadvantaged youth, and educational media specialists. Amendments contained in the Higher Education Act of 1965 added economics, civics, and industrial arts to the list of permissible institute subjects. By amendment to the International Education Act of 1966, institutes were added in the field of international affairs.

Title XI expires at the end of Fiscal Year 1968. Its extension is not being requested, as it will be incorporated in Title V of the Higher Education Amendments of 1967—Education Professions Development—which I will discuss at length later in this testimony.

EXTENSION OF THE HIGHER EDUCATION ACT OF 1965

This year we are similarly seeking the expansion and extension of the various programs of the Higher Education Act of 1965. Over the past year and a half, students and colleges, citizens and their communities have felt the impact of increased Federal assistance to higher education. Projects have ranged from Community Service to the minor remodeling of college facilities. The authorized programs of the Higher Education Act, coupled with the construction projects under the Higher Education Facilities Act, have become part of an essential package of assistance to institutions of higher learning. In this age which calls for a total commitment and involvement of all the Nation's resources in bringing about the full development of the country's potential, the Higher Education Act stands as one of the vital bases for such a commitment.

Some of the actual projects carried out last year illustrate the manner in which the Higher Education Act is rapidly increasing the number of persons affected by higher education. Title I of the Act provided funds to help solve community problems and to meet the continuing education needs of those whose formal education has been terminated or interrupted. In 1966, 85 percent of the projects funded dealt with urban and suburban problems. Participants in these projects included subprofessional workers being trained in recreation therapy for the elderly, civic officials interested in studying the various means for upgrading substandard housing, and the staff of a university transportation and research institute on flexible, light-weight transit system in urban areas. Projects emphasized problems of municipal recreation, building code interpretation, usage of nonprofessional volunteer personnel, and rehabilitation of prison emigrants. In California, San Diego Junior College received a $37,000 grant for a project dealing with problems of senior citizens; in Florida, the University of South Florida received received a $3,000 grant for a pilot program in consumer education; in Missouri, Washington University received a grant for $22,377 to retain an urban housing specialist as a consultant for the St. Louis area. Across the Nation, a total of $3 million is being used for programs concerned with problems of Government; over $1 million for programs concerned with problems of poverty; and over $1 million for programs concerned with problems of health. Of the 539 programs being conducted through such funding, over 450 deal specifically with the problems of the population centers of the country. Because of such emphasis, Title I is the program on which rests the challenge of utilizing all available means to overcome the physical and educational needs of a growing and increasingly urban population. In Fiscal Year 1967, $10 million was appropriated to continue the work initiated under the program.

In the Higher Education Amendments of 1967, the Administration is proposing that Title I be extended 5 years through Fiscal Year 1973. The present rate of 75 percent Federal and 25 percent non-Federal shares would be continued through Fiscal Year 1969. The Administration proposals provide that present matching requirements be maintained, because this will allow the Community Service and Continuing Education program to attain the size and scope necessary to fulfill the intent of Congress. During the first 2 years of the program, $25 million (or ⅓ of the $75 million authorized) was appropriated, curtailing the initiation of new projects and limiting the size of the projects established. Since the cost of establishing new projects and expanding existing ones is more expensive than maintaining an already established project, a larger Federal share of the cost is necessary.

Administration proposals further provide that 10 percent of the sums appropriated for Title I be set aside for experimental or pilot projects. The set aside has been requested because, last year, administrators of the program thought that, given the resources available, the Title I projects incorporated into a State plan should be aimed toward existing problems peculiar to the particular State. However, State and Federal officials received many innovative proposals which they judged worthy of funding but found impossible to justify as part of a State plan, due to the national or regional scope or the proposal. The set aside would allow State officials to forward for consideration those proposals which would be of benefit in developing community service and continuing education programs of value to the entire Nation. Such a provision would also allow administrators more flexibility in determining which projects should be funded.

For Fiscal Year 1968, $16.5 million is being requested to be appropriated for this program.

Title II of the Higher Education Act is a program designed to strengthen the heart of our Nation's colleges and universities—the library. In Fiscal Year 1966, Part A of Title II provided nearly $9 million to 1,830 institutions in every State. This money provides for basic grants of up to $5,000 to aid colleges and universities and their branch campuses in buying books, periodicals, documents, tapes, recordings, audio-visuals, and other library materials. Through the assistance provided under this title, it is estimated that the increase in library resources will reach 1.5 million volumes. Part B of the title supported 139 fellowships in library and information science in 24 colleges and universities during fiscal year 1966. Of the fellowships awarded, at a cost of $900,000, 52 were doctoral, 25 postmaster, and 62 master's. Part C of the title transferred $300,000 to the Librarian of Congress, for the acquisition of all library materials currently published throughout the world which are valuable to scholarship, and for the cataloging of such materials. This provision has brought about major international breakthroughs for research libraries in the United States. Previously, the libraries could not acquire catalog cards for the major portion of the foreign books they purchased. This led to competition for existing scarce catalogers. Through Title II, the Library of Congress has now been able to accept the cataloging responsibility on behalf of the research community of the Nation. A system known as the Shared Cataloging Program has been established to adapt descriptive entries in foreign national bibliographies for Library of Congress cards. In time, the program may even lead to international standardization. But, at present the Library of Congress is utilizing the results of cataloging practices in other countries through seven offices on three continents. Because of these efforts, all the cards adapted by the Library of Congress will become available to research libraries and the catalogs will become, increasingly, an international guide to materials of value to scholarship published around the globe.

For Fiscal Year 1967, a total of $31.75 million was appropriated to carry on the work of these major programs started under Title II.

The Administration proposed amendments to Title II would extend Parts A and B for 5 years through Fiscal Year 1973. Part C would be extended through fiscal year 1969. At this time the program would be reviewed and the results of an on-going study to be completed in 1969 of the relationship of the Library of Congress to the Congress and the Executive Branch would be considered. Some perfecting amendments to Title II–C have also been suggested to make the program even more responsive to the total library needs of higher education in this country.

A single copy of many publications, especially those from areas where small editions are published and books cannot be readily obtained from dealers, is not enough for the Library of Congress' use in meeting the national needs of higher education. The copy obtained for centralized cataloging purposes is usually required in Washington for Congressional and other Government purposes. A second copy for loan purposes is therefore highly desirable. Such a copy could be deposited by the Library of Congress in a centrally located depository, such as the Center for Research Libraries in Chicago, under a cooperative agreement that the Center would loan it to research libraries for faculty and student use. The cost of such second copies would be moderate.

It is therefore proposed that Sec. 231(1) be amended to read:

"acquiring, so far as possible, copies of all library materials currently published throughout the world which are of value to scholarship."

The addition of the word "copies" would permit the Library of Congress to acquire a second copy for the purpose explained. If experience demonstrates a need, and appropriations for the purpose can be justified, the wording would also permit the Library to acquire additional copies for deposit in a few other regional centers, but this is not contemplated in the near future. Nor is it contemplated that LC would acquire second copies of books that other libraries can easily obtain through regular trade channels.

It is proposed to amend Sec. 231 (2) to read: "providing catalog information promptly and distributing this and other bibliographic information about library materials by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these material not needed for its own collections."

This would make it quite clear that bibliographic information—bibliographies, indexes, guides, union lists, and the like—describing not only current but other important materials could be prepared and distributed by the Library of Congress under this title of the Higher Education Act. This information is vitally needed by our colleges and universities, for such bibliographic tools are essential to the efficient and effective operation of any large research institution.

A new subsection is proposed, as follows: "(3) enabling the Librarian of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the United States, its territories, and its possessions, and not readily obtainable outside of the country of origin, for institutions of higher education or combinations thereof for library purposes, or for other public or private nonprofit research libraries."

Because in some areas of the world it is virtually impossible to obtain books unless there is a person on the spot to collect them, it is necessary for the Library of Congress to establish procurement centers, as previously noted, in order to insure that one copy of every significant publication from that area is obtained and is cataloged promptly. Other research libraries are trying to obtain books from these areas but they cannot each afford to send an agent to acquire them. Usually, however, it would be possible for the LC center to obtain additional copies for other institutions. The research institutions would, of course, be expected to pay for the publications themselves. The proposed amendment, which is advocated by the research libraries, would authorize the Librarian of Congress to utilize Title II–C personnel at these centers to obtain extra copies as ordered by individual libraries for their collections. It is expected that this would add little to the total cost of the program but would be a great service to college and university libraries.

One of the most unique programs to be incorporated into legislation affecting higher education in the United States is the Title III program to strengthen developing institutions. In Fiscal Year 1966, Title III support was in the form of $4.3 million for cooperative arrangements and $.7 million for national teaching fellowships. The cooperative arangements are significant in that they allow stronger colleges and universities and industry to "adopt" or "sponsor" the development of those institutions in the United States which are struggling for survival and are isolated from the main currents of academic life. Last year, 84 cooperative arrangements were funded involving 115 developing institutions, 66 cooperating or strong institutions, and nine business entities. Included in the cooperative arrangements were student and faculty exchanges, faculty improvement program to release members for further higher education, curriculum improvement programs in remedial reading, English, and mathematics, student services for cultural exchanges and visiting scholars programs. The funding of these arrangements allowed projects to be established in Oregon for intensive faculty work sessions to improve instruction in psychology, art, Spanish, sociology, history, and English; in Indiana, a program to strengthen business administration and economics; and in Florida, an inter-institutional five-college program for Asian studies.

The other important facet of Title III is the National Teaching Fellowships Program. In 1966, 263 fellowships were awarded. This figure however, did not even begin to meet the application demands of the colleges because judging from the requests almost all the developing institutions have an overwhelming need for additional faculty. Nearly 1,000 fellowships were requested either in conjunction with a cooperative arrangements or separately. For Fiscal Year 1967, $30 million has been appropriated for these two aspects of the Title III program. Requests for these funds, due to the need for support and the success of the program, are expected to exceed appropriations.

Title IV of the Higher Education Act authorizes the first comprehensive package of student financial assistance opportunities. Educational opportunity grants, combined with low-interest insured loans and college work-study programs, have had a major impact in helping more young people cope with the financial burden of attending college. During Fiscal Year 1966, $58 million was appropriated for educational opportunity grants for qualified youths of exceptional financial need. From this amount, over 100,000 students in 1,420 institutions were able to receive grants averaging approximately $432. In Fiscal Year 1967, the $112 million appropriation is expected to assist over a quarter of a million students.

The complementary programs of Title IV–college work-study and the insured loans—may be used to round out the support needed by a low-income student or to supplement the sometimes burdensome financing of a student from a middle-income family. The insured loans program—Part B—is well on its way to being a success after a slow start due to a tight money market. During Fscal Year 1966, interim agreements were signed with 12 State guarantee agencies; 8 State agencies commenced operations under permanent agreements; the United Student Aid Fund had begun to participate in the program under permanent agreement in 18 States, and the District of Columbia had been authorized to establish a guarantee agency. This program was so popular that from November 1965 through the end of October 1966, the volume of loans exceeded $223 million, and the estimated number of borrowers exceeded 174,000.

The college work-study program—Part C which was transferred from the Office of Economic Opportunity to the Office of Education—allowed over 190,000 students to work part-time and to receive earnings at over 1,500 institutions.

In addition to this tri-pronged student financial assistance package at the college level, Title IV contains the authority for a program to advance President Johnson's promise of equal educational opportunities for all at the secondary school level. The Educational Talent Search is a program to:

—identify qualified youths of exceptional financial need in secondary school and to encourage them to enter postsecondary educational training; and,

—to encourage secondary school or college dropouts of demonstrated aptitude to reenter educational programs, including postsecondary school programs.

During Fiscal Year 1966, 133 proposals were received and 42 contracts were ultimately funded to carry out the purposes of this program. The contracts, funded at an average amount of $47,000, were awarded to members of the educational community in 31 States, where youngsters with a great deal of potential but little family or financial backing are being encouraged to stick it out and seek the benefits of a higher education. Often, such youths are promised an educational opportunity grant as part of the incentive to continue their education.

For Fiscal Year 1967, a total of $291.6 million was appropriated for these student assistance programs.

We are proposing that Title IV also be extended 5 years through 1973. We are also proposing an amendment that would allow work-study assistance to be counted as institutional contributions in satisfying matching requirements for educational opportunity grants. Such an amendment will permit colleges to be more flexible in constructing student assistance packages. It will also allow the student to earn part of his way rather than having to take out loans for the rest of his college expenses. Repayment of insured loans would be authorized to be deferred under the State or nonprofit private student loan insurance programs while a student is attending an institution of higher education or is in the military, Peace Corps, or VISTA service as is currently the practice under the National Defense Student Loan Program. The Federal Government would pay all interest during this period of deferment. The maximum annual auothorized loan, both under the federally insured program and the State or privately insured programs would be set at $1,500. A student would be permitted to enroll in summer classes if employed full time under the work-study program. Maintenance of effort provisions in the work-study program would be liberalized, and proprietary institutions would be eligible to participate. In addition, the Federal matching share in the work-study program, whch s scheduled to drop from 90 to 75 percent, would be held at 80 percent. To stimulate and encourage college-level programs of cooperative education—alternate periods of work and study—administrative expenses incurred in the operation of such programs would be eligible for payment from work-study funds. For Fiscal year 1968, $339.5 million is being requested to be appropriated.

The teacher training programs authorized by Title V of the Higher Education Act would be combined with other Federal programs for teacher preparation and expanded in the Education Professions Development Act. The prospective teacher and the experienced teacher felowship programs awarded 2,534 fellowships to institutions throughout the United States in Fiscal Year 1966. Institutional assistance grants, designed to strengthen curriculum in teacher education, were awarded to 123 institutions in 46 States and Puerto Rico. The National Teacher Corps, the unique program for teacher-trainees in slum schools across the country, has already been reviewed by the Full Committee, but I would be happy to answer any questions that this Committee might want to raise.

In 1967, the sum total of the appropriations for this title was $27.5 million with $25 million going to the teacher training programs.

Finally, Title VI of the Higher Education Act is directed toward improvement of undergraduate instruction. Last year, $15 million was appropriated of which $1.5 million was available for the acquisition of television equipment and for minor remodeling of college facilities, and $13.4 million for laboratory and other special equipment, including audiovisual materials and equipment for audiovisual centers, printed and published materials, and any minor remodeling necessary for the installation of equipment. For Fiscal Year 1966, a total of 1,125 applications for assistance in the purchase of instructional equipment was received by State commissions, and grant agreements were executed for 896 projects. In Fiscal Year 1967, $17 million was appropriated for acquisition of equipment and for media institutes.

Most titles of the Higher Education Act expire at the end of Fiscal Year 1968. However, in the past our Nation's schools and colleges have often been handicapped in their program planning by the Federal Government's timetable for both authorization and appropriations measures. Early extension of the Act would allow the schools and colleges of the United States more ample lead-time for educational, fiscal, and manpower planning.

EDUCATION PROFESSIONS DEVELOPMENT

Federal programs have made a tremendous impact in meeting educational manpower needs in terms of both attracting new persons into the teaching profession and updating the skills of those already in the profession.

—Over 60,000 persons have attended 1,500 institutes authorized by Title XI of the NDEA. Of these 13,000 have received special training in English, 10,000 in history, and 9,000 in Modern Foreign Language studies.

—In the critical area of guidance, over 600 institutes authorized under Title V–B have helped train nearly 21,000 school counselors.

—Although the fellowship program under Title VI(c) of the Higher Education Act has been in operation for only a few years, over 4,000 teachers have or are receiving graduate training because of its provisions.

—Since 1965, the Office of Education has supported the training of over 18,000 teachers in the field of vocational education.

The critical need for teachers continues and, according to a nationwide study, is more acute this school year than it was a year ago. Total enrollments in public elementary and secondary schools reached a new peak of 43 million last fall. To meet the demand for teachers, to reduce class size, to replace teachers leaving their positions, and to eliminate the number of teachers not having adequate training, thousands of additional teachers are needed. Today, more than 5 percent of our schools' teaching force—approximately 90,500 full-time teachers—do not meet their State's certification standards. Properly qualified teachers must be employed if our country's children are to achieve their full educational development.

This need was accentuated with the funding of massive Federal aid programs. Much testimony has already been given that the largest problem encountered by the States and local school districts in administering Title I of the ESEA was the finding of enough qualified people to make the programs work. As our quest of quality in these programs increases and the de-emphasis on hardware continues, this problem will become greater.

Current programs are handicapped in meeting the changing manpower requirements of our schools and colleges. Legislative authority is fragmented over many laws, each enacted to meet a specific need and each administered in accordance with separate legislative intent. Applications must be fashioned to meet the differences in law instead of educational needs. Current inflexibility is apparent.

1. Title XI of NDEA even after liberalization amendments cannot provide training at less than the graduate level, which precludes institutes for subprofessionals.
2. Institutional development grants are given only in conjunction with Title V(c) HEA fellowships. Yet, an institution of higher education may need such a grant to prepare for good fellowship programs, or it may find its educational needs would be better met if such a development grant were made in conjunction with an institute program.
3. The teacher fellowship under Title V(c) program does not support the training of junior and community college teachers. Yet, these institutions are growing rapidly and are experiencing the same staffing problems as schools at the elementary and secondary education level. Although NDEA fellowships can be used to train junior and community college teachers, there is no flexibility to support programs for them at less than the Ph. D. level.
4. Institute authority includes many subjects. Other important ones, however, are not supported, including health education, anthropology, sociology, psychology, business education, and physical education.
5. Present programs do not really permit a continuum of teacher education from the undergraduate level through the special programs of continuing education for master teachers. A university's master plan for such a continuum can now be supported only on a piecemeal basis, as each application is submitted and reviewed as a separate entity.
6. Education programs for specific educational groups or problems may not readily fit into any specific subject area—for example, the problems of teaching at the preschool level.

Obviously, such a patchwork of programs is ill equipped to solve some of the severe educational manpower needs and hardly lends itself toward sound educational planning at any level.

EXPLANATION OF THE AMENDMENT

The Education Professions Development Act would begin to bring order out of our current patchwork of laws and would continue our efforts to strengthen and broaden teacher education programs at all levels. Specifically, the proposal provides for (1) a review of educational needs, (2) the recruitment of qualified persons in the field of education, (3) expansion of the current Title V(c) fellowship program to include preschool and adult and vocational education personnel, (4) separate program development grants, (5) new preservice and inservice training, (6) broad programs for the education of persons in higher education. A National Advisory Committee on Education Professions Development will be established to assist in the development of policy matters arising from this law and to review all Federal programs supporting the training of educational personnel.

Basic to any coordinated attempt to solve our education manpower needs is detailed knowledge of specific areas of need both in terms of geographic location and types of persons or training on a nationwide basis. The Commissioner will, therefore, be required to appraise these needs and the adequacy of national efforts. In addition, he must publish an annual report on the state of the profession which will include the Office of Education's plans for allocation of assistance under this program.

Part of the problem of having an adequate well-trained educational staff is the attracting of qualified persons into the profession. Under the amendments, grants may be made to State departments of education, local school districts, colleges or other public or nonprofit agencies to identify capable youth interested in the profession, to encourage them to pursue an education career, to publicize availability of opportunities in education, encourage qualified persons to enter the profession and to encourage others to undertake teachers' assignments on a part-time or temporary basis.

Part C of Title V will be expanded to include fellowship support in the critical fields of preschool and adult and vocational education.

A new Part D to Title V has been added. Under this part, institutions of higher education can receive program development grants to strengthen their graduate and undergraduate programs. Such grants could be used to improve current curricula and to encourage imaginative programs in teacher education. These grants need not be tied to any fellowship or institute program.

The Office of Education may also under this part make grants to:

1. colleges and universities,
2. State departments of education,
3. local school districts, or
4. other public or nonprofit agencies

to train or retrain teachers. All subject areas would be eligible for assistance, and there would be no limitation with respect to the length of a grant. Grants could support conferences, workshops, synposia, seminars, short-term or regular session institutes.

The new Part E would authorize similar institutes, seminars, workshops, etc. for the training of higher educational personnel.

This proposal also establishes a National Advisory Council on Education Professions Development. This council consists of representatives of the National Science Foundation and the National Foundation on the Arts and the Humanities, persons broadly representative of the fields of education, the arts, the sciences, the humanities, and representatives of the general public. It will advise the Department of Health, Education, and Welfare and the Office of Education with respect to policy measures arising out of the administration of this title and will from time to time review this title and all other Federal programs for the teaching of educational personnel.

HIGHER EDUCATION FACILITIES ACT

The Higher Education Facilities Act would be amended by extending the provision for assistance in case of a major disaster and by fixing interest rates for loans at the current average market yield of comparable United States obligation less a reduction of not more than one percentage point to be set by the Commissioner of Education.

The philosophy of our credit policy is two-fold:

1. Government-financed credit programs should, in principle, supplement or stimulate private lending, rather than substitute for it. They should not be established or continued unless they are clearly needed. Unless the urgency of other goals makes private participations infeasible, the methods used should facilitate private financing, and thus encourage long-run achievement of program objectives with a minimum of Government aid.

2. When both public and private funds are involved, it is especially important that the terms and conditions prevailing in competitive private markets should, as far as consistent with program objectives, determine the basis on which the Government funds are advanced. If borrowers can obtain adequate funds at reasonable interest rates from private lenders (with or without guarantees), they should not be given special incentives in the form of substantially lower costs to borrow from the Government agencies.

The interest rate currently in the law does not reflect this policy. We are, therefore, recommending that the interest rate applicable to loans made under title

III of the Higher Education Facilities Act, which are now set at three percent (3%), be adjusted to a level approximately equivalent to interest levels prevailing in the capital market for obligations of public educational institutions. We believe the enactment of this amendment would offer the following benefits:

a. It would ease the heavy demand on Federal loan moneys and, therefore, would assist the Office of Education in achieving a greater distribution of title III funds to private and less creditworthy public borrowers, least able to otherwise secure capital loan funds at a reasonable rate of interest.

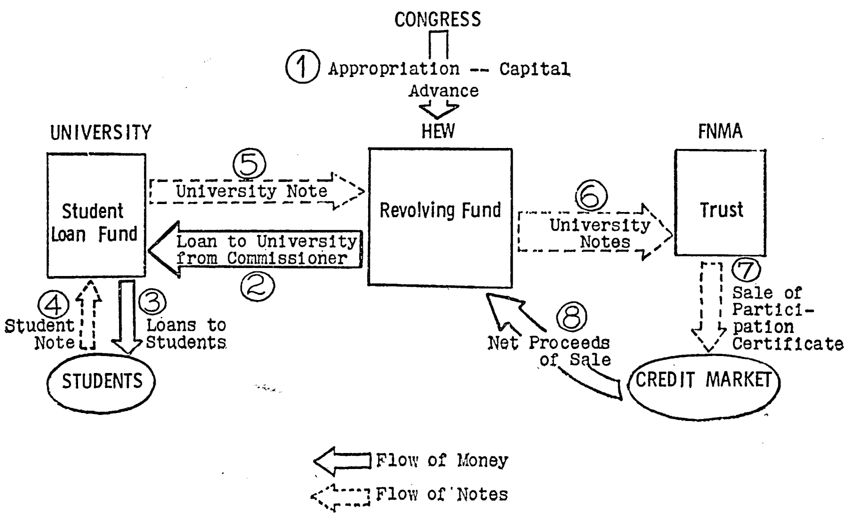
b. It would encourage direct non-Federal participation in the development of academic facilities and the creation of outlets for private capital, and thereby would strengthen the compatibility of effort between Federal and non-Federal sources of assistance to the higher education community.

c. It would provide a degree of flexibility in determining a rate of interest applicable to title III loans, which could be maintained at a level consistent with interest rates prevailing in the capital market.

Thank you for your attention. With the aid of my staff members accompanying me today, I will be most happy to try to answer any questions you may care to raise.

HEW STUDENT LOAN FUND (Proposed)

MAKING LOANS



Mr. Howe. I would say that we have endeavored in this rather long statement to do as complete a job as we could on many of the details of this series of legislative suggestions and to give you also a rather complete information on how the programs have been working during the past year. So that I am glad that we will have the entire testimony in the record.

Let me just summarize certain aspects of it, not trying to be complete at all but calling attention to a number of items, and then I will be happy to answer your questions.

I would like to address myself first of all to the Higher Education Act of 1965, which, as the Secretary said yesterday, we are bringing up for reenactment along with the National Defense Education Act. We are asking for the reenactment of both of these pieces of legislation a year ahead of time in order to serve better the educational institutions involved with them. This would be of help, particularly, for the planning of those institutions.

In connection with the Higher Education Act, I will run quickly through the titles and make one or two observations about the various sections of the act. Title I provides funds for involving universities in community problems and continuing education programs; we are asking for 5-year extension, and we are bringing a new feature, that is, the request for a 10-percent set-aside for pilot projects in connection with this legislation.

We are also asking that the 75–25 matching arrangements be continued. I believe the original legislation provided for a 50–50 matching, and we are asking continuation of the 75–25 arrangements.

In title II, which is concerned with college and university libraries, we are here asking for a 5-year extension and extending part C, which has to do with the support of the programs of the Library of Congress, for only 1 year, pending a major study which is taking place regarding the support of the Library of Congress and its relationship to the various agencies of the Government.

There is only one major change in title II. That is a request for planning and development grants to library schools. We have authority for certain kinds of research activities but not for planning and development grants to library schools and are asking for that authority under title II.

Mrs. GREEN. Would you mind, since there are just two of us, if we interrupt for particular questions?

Mr. HOWE. Fine.

Mrs. GREEN. I notice in some of these, there is a contraction of funds but an expansion of programs. In the one related to the Library of Congress, I think in your testimony you suggested that there is going to be a thorough review and study on the relationship of the Library of Congress to the legislative and executive branches. Yet, if I understand it correctly, you are asking for an expansion in terms of the acquisition of books in other libraries, making them available; is that correct?

Mr. HOWE. Our funding request goes from $3 million in the current year to $4 million in fiscal 1968 under this program; I am not sure I caught the rest of it.

Mrs. GREEN. I am referring to the part in regard to the Library of Congress, providing that it should have the money for acquisition of books to place in various centers or to place in one center, I believe it is Chicago.

Mr. HOWE. Yes, we are asking they have the use of these funds for getting duplicate copies to place in various centers around the country to make them more available.

Mrs. GREEN. My question is: Since you refer to the review that is going to occur in 1969 and since there is a shortage of funds this year, isn't that one of the programs that might be deferred until 1969 when the study of the Library of Congress comes up?

Mr. HOWE. Well, this is certainly a possibility. I believe that the Library of Congress itself hopes to have this authorization for the coming year and fully supports it so that we are to some degree in handling this legislation, a vehicle for the needs of the Library of Congress and would give way, I think, to their feelings in this matter.

Perhaps we ought to explore this question you raised, with Mr. Mumford.

Mrs. GREEN. I think he is going to testify.

The other part, as you know, was added to the Higher Education Act out of necessity. The Library of Congress is not really under the jurisdiction of this committee and for us to impose further things might possibly raise questions on the floor.

Mr. HOWE. I never felt it was under my jurisdiction.

Going ahead to title III, there are no major legislative changes at all for this program. It will continue at the same level of $30 million a year. We are asking for a 5-year extension.

Title IV contains a large package of student financial assistance under various programs—opportunity grants, guaranteed loans, work-study arrangements, and funding for talent-search activities to help identify youngsters who ought to go to college who might not find the chance or get adequate information. We are asking for a 5-year extension of these broad authorities.

There are quite a number of detailed changes in connection with them. I won't try to run through all of these changes. I would say we are hoping to get authority to expand in some degree our giving of grants to institutions of higher education for purposes of planning cooperative education endeavors.

These are patterns of education in which young people spend part of the time at school and part of the time on the job. Northeastern University and Boston are well known for their pattern of cooperative education and Antioch College in the Midwest is well known also. There are many colleges in the United States operating patterns of cooperative education and this will make it possible to encourage that particular pattern of education by picking up some of the administrative expenses of institutions which wish to offer that type of organization.

Mr. QUIE. Why do you want to encourage it? Have you developed your rationale?

Mr. HOWE. It seems to us this is a pattern of education which has had considerable success and which lends itself particularly to the needs of young people who may be working their way through school. This is an organizational arrangement which helps them to do that. It is really just another way of organizing work-study, if you will, by organizing the school's program to fit alternate periods of study and work.

I think that the number of institutions which are involved in it have been successful. We are not trying to suggest that anybody must pick it up at all but offer to pick up just the administrative expenses if somebody wants to. This is a small encouragement. That is what it amounts to.

Mr. QUIE. Is there a problem now of schools who are interested in moving in that direction, securing the administrative help to bring it about?

Mr. HOWE. I have met with the officers of the association of the cooperative education institutions, and they have requested some small support for encouraging that pattern. It seems to us an interesting segment of the higher education enterprise which is having success.

Mr. QUIE. These are the people who are already running cooperative programs?

Mr. HOWE. This is right.

Mr. QUIE. What about these others; I mean your money would not be used to help them? They have it already.

Mr. HOWE. It might help them to expand their activities. Primarily it would go to help people who wish to move into this pattern. I believe with the members of this organization that it is a very useful kind of organization for higher education.

Mr. QUIE. Thank you.

Mr. HOWE. Other changes under title IV to which I might call attention is the extension of the work-study programs to proprietary schools. We had some discussion of this, I think, in our testimony yesterday with the Secretary. I am suggesting that students in proprietary schools be eligible for the work-study program although they may not work for those schools in service of those schools to benefit the proprietary school directly.

I won't mention other technical amendments here but there are a number of them in the complete testimony.

Mr. QUIE. May I ask a question? Are you proposing any changes in the educational opportunity grants?

Mr. HOWE. I don't believe so; no.

Mr. QUIE. The last time when we had this come up.

Mr. HOWE. Well, there is a minor change that relates to educational opportunity grants. That is, we are suggesting that colleges may use their work-study funds for the matching of an opportunity grant in building a package of student aid for an individual student. This has not been possible up to now. We think that colleges ought to have that flexibility.

Mr. QUIE. There was substantial testimony in favor of that when this subcommittee studied the Office of Education and held hearings across the country.

My concern, as you know, for some time has been over the forgiveness feature of the NDEA loans and the possibility of that being expanded to other occupations and to the guarantee loan program. Some people suggested this a couple of years ago. How would you look on the change of dropping the forgiveness feature and utilizing it instead for a grant, either an expansion of the work-study program or expansion of the educational opportunity grants?

Mr. HOWE. Well, I am personally lukewarm on the forgiveness feature, although I have to say also that we haven't got a really clear assessment of the impact of the forgiveness feature, a really clear answer to the question of whether the forgiveness feature does result in what the Congress intended, which, as I understand, is the idea of encouraging more people to go into teaching.

Mr. QUIE. Hasn't it been in operation long enough?

Mr. HOWE. Perhaps Mr. Muirhead can comment on this.

Mr. MUIRHEAD. Well, we do not have an assessment as to whether or not the forgiveness feature has attracted young people to go into teaching. We have a good deal of evidence to indicate a number of young people are taking advantage of the teacher forgiveness feature and consequently a number of student loan borrowers are becoming teachers.

Whether or not there was more if there was no forgiveness, we can't answer.

Mr. QUIE. The testimony we receive indicates that the percentage of college graduates going into the teaching profession has not increased. And the testimony of people from the higher education community indicates quite a substantial shift to the point of view I have had for a long time—that is, we should drop the teacher forgiveness program. If it was successful it would have accomplished its purpose by now, and if it has not accomplished its purpose, then we should try something else.

Mr. MUIRHEAD. There is no proof one way or the other.

Mr. QUIE. We have had it from 1958 and we ought to make up our minds if it is good or not.

Mrs. GREEN. If you recall your comments on the conference reports last year, you sent a memorandum to this subcommittee. The memorandum was briefly that there is no evidence to indicate the forgiveness feature does attract the teachers, in other words accomplishes the congressional intent.

But in your recommendations this year, you, in effect, expand the forgiveness feature on page 3 of your testimony.

Mr. HOWE. Yes, we do; not by moving it into other programs but within NDEA loans, suggesting that if it is going to be in existence, then it ought to apply to all people who use NDEA loans to go into teaching and making the forgiveness feature available to them when they go into such programs as Headstart or other programs not directly in this scope. That seems a reasonable position to take. It is a matter of fairness if we are going to have the forgiveness feature for teachers it ought to apply to teachers broadly and NDEA programs and other kinds of programs in the regular schools.

I would surely support that aspect of the forgiveness feature. It seems to me we don't have evidence that the forgiveness feature is improving the supply of teachers, but we don't have evidence that it is not. It is a hard matter to get a clear picture.

Mrs. GREEN. I have a question here; on page 3 you state the philosophy of the original congressional and original administrative intent in recommending this. Then you expand on it; however, you do not propose that the forgiveness be extended to the guaranteed loan. If the philosophy is correct, that forgiveness may attract students into teaching, and if that is the basis of the forgiveness feature, why should it not be extended to the guaranteed loan?

Mr. HOWE. If it were absolutely clear it is having this effect, we would assess accurately some expected effect from the guaranteed loan program. I think we ought to look at the possibility of introducing forgiveness into the loan program.

Mrs. GREEN. Wouldn't it be more logical to drop it from everything or put in everything in terms of fairness to the students? This is the breaking point—if you come from a family under $6,000, you get your loan forgiven and with an income over that, you go to guaranteed loan and no forgiveness.

Mr. HOWE. I think there is rationale in having the forgiveness feature related to the people from the lowest income group.

Mrs. GREEN. Shouldn't we change the basic philosophy of forgiveness? Is it for the people who come from lowest income groups going into teaching?

Mr. HOWE. That seems a supporting argument for it. The guaranteed-loan program is going to focus mainly on people above the $6,000 level which you suggest and it seems to me that argument would not operate as much for them.

Mr. QUIE. Why is it necessary to encourage people from the low-income families to go into teaching and not encourage people from higher income or middle income? Do the low-income people make better teachers?

Mr. HOWE. I don't think that is necessarily true. I think actually this argument about the income level being related to the forgiveness feature is a minor matter compared to what was really the intent of Congress in putting this feature in, as I understand it, actually encouraging the supply of teachers.

I will tell you, as I did a moment ago, we are puzzled somewhat about the effects of this program on the manpower thing. It is a difficult thing to find out about. There are so many different elements that enter into the individual's decision, to go into teaching or not to go into teaching, that to isolate the effect of a feature of this kind is really a complex exercise if it is possible at all.

I think we ought to try to get more definite information for you than we have on it. As of now, we are operating on what is not a bad assumption, the assumption originally put in: it must have some effect on people entering into the teaching profession.

Rationally, you would think this would happen.

Mrs. GREEN. What would your reaction be if this committee dropped the forgiveness feature from NDEA loans?

Mr. HOWE. Well, I would like to review entirely what we can find out about it before I give you a definitive answer on that. We will be happy to review our experience, look at the problems that we see in a low-paid profession, perhaps developing a higher percentage than it should of defaulting of loans. I think there is a practical problem relating to the loan default picture if you were to make this change now that teachers have come to expect this to be part of the picture and you might encounter a problem of default.

Mr. QUIE. You know we are encountering a problem of default now where many students feel if they wait long enough, they will have the loan forgiven. They feel that the Congress will change the law, and the constant change of the law seems to be bringing this about. Maybe there will be less problem if their loans were not forgiven.

Mr. HOWE. I should say I think the problem of a person again in a very low-paid profession in repaying the loan is a special problem. It seems to me that in all likelihood, particularly against the background that they have been forgiven up to now, such a change might run into difficulties.

There is, as you say, clearly a percentage problem of loan default. Mr. Muirhead can probably tells us something about the history of it if you wish to go into it. We are working constantly however on it and the way you get at it is developing a relationship with individual institutions, higher educational institutions, and helping them to do a better job with their procedures for followup of students.

Mrs. GREEN. Would you yield there?

Mr. QUIE. Yes.

Mrs. GREEN. I have one question on this. Has any thought been given to allowing the institutions to write off the uncollected loans so they don't have to report them year after year?

Mr. MUIRHEAD. Yes, considerable thought has been given to that and to have them extend as far as they care to whatever legal channels they wish to take in the collection of the loan and then determine when the loan is uncollectable.

Our thinking on that has been to establish some criteria as to when a loan really is delinquent and the college then would write it off of their books and turn it over to some other agency to collect, either a State agency or perhaps the Federal Government.

I think it would clearly have to be a procedure, however, that it would be clearly known when the college took this decision there would continue to be efforts to collect the loan. I think it would be unfortunate to have the impression given if you just wait long enough you won't have to pay it.

Mrs. GREEN. You have the authority to do this now, as far as the institutions are concerned? It does not require legislative action?

Mr. MUIRHEAD. That is right; it does not require legislative action.

Mr. HOWE. Perhaps going ahead with some of the other titles of the Higher Education Act, we are suggesting that title V of that act move into the new Educational Professions Development Act and the new legislation you have is set up that way.

Title VI for minor remodeling and for equipment for undergraduate instruction, a 5-year extension, and here we are requesting that the limitation on subjects be dropped in line with the Secretary's statement of yesterday in which we are seeking more flexibility for institutions and seeking really broad categorical authorities rather than narrow authorities.

I think these are the main points in connection with the Higher Education Act. I would like to go to the National Defense Education Act, which, again, we are bringing up a year early. We have just been discussing title II of that act, the title for student loans, and as you observed, one of the changes that we are suggesting there is the cancellation of obligations for teachers not in the regular schools.

In addition, we are asking to put in place this revolving fund arrangement which will in effect expand the funding available in the individual institutions for NDEA purposes; the total amount involved in fiscal 1968 will be approximately an additional $50 million of loans available to students over and above the $190 million amount which we will be asking for as a direct appropriation.

These, I think, are the things—well, let me make another observation on the revolving fund: It should be beneficial to the individual college because it allows the individual college to cease making its 10-percent contribution under the direct capital grant arrangement we have had in being and which will continue in being; the college pays 10 percent, or pays 10 percent of the total amount involved in the loan program.

Under the revolving fund arrangement, the college no longer has the obligation.

Mrs. GREEN. If I may interrupt, isn't there a provision that if the colleges have difficulty getting that 10 percent, they can borrow from the Government?

Mr. MUIRHEAD. Yes; there is such a provision in the law now.

Mrs. GREEN. So this would not help them; if they can borrow it anyhow, they would still get 100 percent Federal funds.

Mr. MUIRHEAD. Yes; but they would not have to borrow their own 10 percent. They could borrow the total amount of money. You are quite right, the original provision now would permit them to borrow the money.

Mrs. GREEN. Have you ever figured up the comparable cost if you take, we will say, 500,000 or 1 million students, borrowing at the maximum amountfor a 4-year period, what it would cost the Federal Government under the NDEA proposal as it is now operating and under the Fannie Mae proposal which you suggest?

Mr. HOWE. In order to do it, Mrs. Green, we would have to make some assumption about the distribution within NDEA of those students among the capital grant program and the new loan program and if we make the assumption that it was, let us say, half-and-half, we will have this situation.

Mrs. GREEN. I am thinking of one under the NDEA as it exists and the other then completely under the new loan program.

Mr. HOWE. We could do that.

Mrs. GREEN. So you wouldn't be dividing it. The only assumption you have to make really is the interest cost.

Mr. HOWE. Yes; if you did it with the NDEA as it exists. We can do that and it would probably be most useful to use a number of students which is typical of the number we would have in, say, this year or the next.

Mr. QUIE. Could I ask a question? On the revolving fund the school will not have to put up its 10 percent?

Mr. HOWE. That is correct.

Mr. QUIE. What about loans that are not repaid; who bears the responsibility for them?

Mr. MUIRHEAD. The loans are guaranteed and the Government would pay 90 percent of the loans.

Mr. QUIE. They still have to share in 10 percent of the losses?

Mr. MUIRHEAD. Yes; they have to share in 10 percent of the loss, that is correct.

Mr. HOWE. Going ahead to title III of NDEA, which is the equipment and minor remodeling funding for elementary and secondary institutions, analogous to the program just mentioned under the Higher Education Act, here we are asking for a 5-year extension and a number of minor changes. One of them is again analogous to what we have done with the Higher Education Act, the removal of the categories and the suggestion that the program operate without strictly listed categories—and that therefore the schools be eligible to decide where these funds can best be used by them.

This subject matter limitation has existed, I believe, throughout the period of the act and we are suggesting it be dropped.

We are putting language in which encourages the development of State plans which will allow some equalization within the State. By that, we mean that a State might arrange 50–50 matching at different levels for different communities in the State so that a community which was less able to match on a 50–50 basis would be given a preferential rate and a community more able to match within the State would be given slightly less than 50–50 rate of matching, thereby allowing the State to bring an equalization feature into the administration of that.

Now, this has been possible, as I understand, under previous legislation but we are simply calling attention in this legislation to that possibility, hoping to encourage use of the equalization possibility by State.

Mrs. GREEN. Does this become mandatory?

Mr. HOWE. No, it is not in any sense. They must indicate it in their State plan if they wish to do this kind of thing, but it is up to the State.

Mrs. GREEN. But the acceptance of the State plan is not dependent upon including this feature in it?

Mr. HOWE. No.

Mrs. GREEN. Do you propose how they bring about equalization in the State?

Mr. HOWE. This is a State matter. There are a number of other amendments to this title. We would like to repeal the State allotments for the funds for which private schools are eligible. These are loan funds and since private schools are not really distributed by States in any equal way, we think that it is better to make this a single, overall arrangement for borrowing by private schools and not have a definite allotment to each State.

Mr. QUIE. What percentage of the funds allotted to private schools in the past have been actually utilized?

Mr. HOWE. It has been a relatively low-use program. I can't give you the percentage. But it has not been used a great deal. You will find in my testimony some figures on this I think.

Mr. ESTES. Of the $7 million available, we have used $1 million; roughly 15 to 18 percent of the amount is used by private schools.

Mr. HOWE. Yes; we are suggesting the eligibility under this program be extended to American schools abroad and that they have the right to borrow funds the way private schools within the country do.

Mr. QUIE. In title II of the Elementary and Secondary School Act, you have a program where textbooks and library books are made available to both public and private schools. Instead of providing loans in title II—that is, the loan of money directly to the private schools—you permit the loan of the textbooks and library material to the private school, and there is some indication on the textbook material or library material that it really belongs to the public school. Why couldn't that similar arrangement be made in any mobile equipment available under title III? Why couldn't we really put those two programs together, consolidate title III NDEA and title II of ESEA similar to the way you have consolidated the teaching profession programs under title V of this bill?

Mr. HOWE. Well, there are some differences. Of course, this bill is a 50–50 matching bill, whereas the programs you have just mentioned are full Federal funding. I think the minor remodeling aspects of this bill would be difficult to handle on a direct-grant basis rather than on a loan basis. If you got into a direct-grant basis for remodeling, permanently building things into private schools, we would have this situation.

Mr. QUIE. No; I don't mean that. I mean limited to the mobile type of equipment.

Mr. HOWE. I think that actually the movable equipment kind of teaching and learning apparatus and so on might be a possibility here. It does seem to me that the loan arrangement, as an added option for the private school that really wants to control materials and count on them and not have them owned by a public authority as would be necessary under the other legislation, is a useful option to have in being. It has not been used a great deal. It has been used some. It may be used more.

So I think I would prefer simply to keep the flexibility that we have here by having different options available to those schools through a couple of different programs.

Mr. QUIE. Well, they don't have different options now.

Mr. HOWE. They have a loan program in which they can, by taking on a loan, eventually come to own materials that are theirs. That is one kind of option.

Under the Elementary and Secondary Act, private schools may not come to own materials that are theirs. They get the temporary use of materials of certain kinds.

Mr. QUIE. But they are different materials, and that is what I am driving at. They don't have the option with the same materials.

Mr. HOWE. Well, there are certain items of equipment I imagine they would get under both programs; wouldn't that be true?

Mr. ESTES. Not equivalent but library books and teaching materials.

Mr. HOWE. Some of the books.

Mr. ESTES. That is right.

Mr. QUIE. You mean library books are now available as grants under title III of ESEA to public schools?

Mr. ESTES. Title II.

Mr. QUIE. I mean title II.

Mr. ESTES. That is right; library books.

Mr. QUIE. So title II of ESEA really was not necessary, then, for public schools? You could have done the same thing for them with a grant in title III of NDEA?

Mr. HOWE. On the contrary, with a 50–50 matching program and without—well, the whole spirit of NDEA when it was started, was a focus on some limited subject areas, a focus more on the gifted student and programs for him than on any other group of students and NDEA has continued, by and large, to have that focus and to influence the opportunities of that group of students. That is the whole spirt of the law.

Mr. QUIE. But we have shifted away from it now. When you look at all of the equipment the schools have acquired under title III of NDEA, it can't be limited to the gifted children because they must have only gifted children in school. They have projectors coming out of their ears.

Mr. HOWE. They are not limited to gifteds, but the whole thrust of NDEA has been to pay more attention to, let us say, the top half than the bottom half of the classes in the schools. I think what we have gained by ESEA is a major thrust which addresses itself to the students who were neglected by NDEA, the whole curriculum side of NDEA as it operated in its early years being pointed toward the opportunity of college-bound more than to the non-college-bound and potential dropouts. I think we have complementary pieces of legislation, speaking in the broad sense.

Mrs. GREEN. Wouldn't it be better from an administrative standpoint if title III of NDEA was transferred to elementary and secondary since it is designed for the same purposes?

Mr. HOWE. From the administrative standpoint, it makes no difference. We administer this as part of our elementary and secondary activities, so, from our point of view, continuing this legislation serves the purpose.

Mrs. GREEN. Are the ground rules different?

Mr. HOWE. There are different ground rules necessarily in a State-planned matching program versus a State-planned nonmatching program.

Mrs. GREEN. I mean for equipment and books. Why wouldn't it be well to coordinate it since it applies entirely to elementary and secondary students.

Mr. HOWE. Well, they are operated by the same people in the Office of Education, same branch under Mr. Estes. I think we have good coordination among them.

Mrs. GREEN. But a school in making application has to have different ground rules applied, doesn't it?

Mr. HOWE. They are both State-planned operations and the States do submit separate plans, that is true.

Mrs. GREEN. Well, if X school wanted equipment and books and only had one bill to go through and one set of ground rules, wouldn't it be easier?

Mr. HOWE. Perhaps it might. I think that really we are in a historical situation in a way in having a 50–50 grant program on the one hand and a full-funding program on the other. There is language in title II of ESCA which asks that the State plan direct itself to providing educational opportunity to youngsters who have the greatest need and you don't have quite this thrust in title III.

It seems to me we have a couple of youthful programs in being that are being operated by us on a very complementary and closely coordinated basis.

Mr. QUIE. May I ask another question about title III, if I may. I just received a telegram this morning from Mr. Breidenstine, deputy superintendent of Pennsylvania Department of Public Instruction.

(The telegram referred to follows:)

[Telegram]

HARRISBURG, PA., *April 17, 1967.*

Hon. ALBERT H. QUIE,
House Office Building, Washington, D.C.:

Your immediate attention is drawn to proposed legislation now before Congress involving a 41 percent reduction of title III–A, NDEA funds for fiscal year 1968. An additional reduction is proposed for administrative and supervisory money at the State level and the elimination of title III–B supervisory and related programs for NDEA. These important programs are under consideration for transfer to title V of ESEA. If this legislation is enacted, the State departments of education may need to reduce drastically their advisory personnel which could result in internal confusion and possible elimination of expanding worthy, and successful programs. It is apparent that these legislative proposals were not discussed with State department of education administrative personnel. Accordingly, we urge that this problem be brought to the attention of the Members of Congress and urge them to support the existing program and is full appropriation for the 1968 fiscal year and consider these suggested amendments in 1969 with a phasing-out period.

A. G. BREIDENSTINE,
Deputy Superintendent, Pennsylvania Department of Public Instruction.

Mr. QUIE. Are you familiar with this objection?

Mr. HOWE. Yes.

Mr. QUIE. What would the answer be?

Mr. HOWE. Let me say a word and let Mr. Estes comment further on it. First of all, we have reduced—and I was not aware it was 41 percent but that is approximately correct, I am sure—the request in 1968 budget for equipment funds under title III. It goes along with the general policy in 1968 budget of investing more heavily in personal services, additional teachers, and additional, or direct opportunities for schools outside of the equipment and building routes. They are being cut in both of those items in the 1968 budget.

We would continue to support the budget arrangement we have set up as really of more direct and immediate assistance to the schools and the expansion of our budget; the total budget in 1968 reflects this philosophy.

In regard to the transfer of the supervisory positions to title V, it seemed to us that was very directly an effort to do exactly what title V is about—to build the strength of State departments of education in a particular regard; and although in doing so we do drop the matching feature and the required matching feature, it seems to us that these departments which have been in the habit of matching these funds will continue to match them as they have them under title V if they are interested in having the service.

So it seems to us a useful consolidation. Perhaps Mr. Estes would like to comment on it further.

Mr. ESTES. I have two points. As you know, about 21 percent of our title I funds this last year went for equipment and facilities. This year it appears as though about 16 percent will go into equipment and facilities. Therefore, the total impact of this is not as great as it would appear in the telegram.

Local school districts will have available to them through the various programs we administer funds for equipment and facilities.

Secondly, we have talked with the State department of education people and we have talked to them in Harrisburg and in title V of the Elementary and Secondary Act we are spending throughout the States about 20 percent of our money to assist them in strengthening their leadership ability in these various areas. This same kind of service is available under title III of NDEA.

We think it makes more sense to give the States a control of these funds and let them assess their needs and assign priorities accordingly so they can coordinate the use of these funds rather than segment and fragment in one.

For instance, if I might give an example, we have a staff at the State department of education level that is responsible for curriculum and instruction and report to one assistant superintendent. They are paid out of State funds, out of title V funds. We have another staff for curriculum and instruction for supervision, for strengthening instruction in that State, that is paid out of NDEA III funds and reports to another assistant superintendent. This simply gives the State department of education more flexibility to assess and assign priorities. It does not necessarily mean they will receive less money next year from Federal sources.

Mr. QUIE. Could I also ask you, then, a question I asked Secretary Gardner and you said you would answer, Mr. Howe? In regard to the concern that teachers of English have on a transfer of title XI NDEA to title V of the Higher Education Act, will it in some way endanger the training of teachers of English.

I understood from Secretary Gardner that you would make assurances for the record that there would not be any reduction in the effort of training these teachers of English.

Mr. HOWE. We don't foresee the reduction in any of the categories that have typically been listed in this legislation. What we see in the years ahead with this legislation is an expansion of the funds we will be putting into it. Certainly a continuance that the levels to which we are now accustomed will be held for training programs for categories that are listed in the legislation. Yet with the addition of funds we will have the opportunity to focus new investments in those areas of greatest shortage resulting from the studies that the legislation requires us to make.

What I have just said is a brief summary of a longer statement that we might enter for the record. I don't know if Mr. Alford has made it available.

Mr. ALFORD. I can.

Mr. HOWE. We have a statement on this point if the chairman would like it.

Mr. QUIE. I would like it as part of the record.

Mrs. GREEN. It will be made a part of the record, without objection.

(The statement referred to follows:)

CONSOLIDATION UNDER THE EDUCATION PROFESSIONS DEVELOPMENT ACT AND CURRENT LEVELS OF SUPPORT

Some persons and groups have expressed fears that the consolidation of programs under the Education Professions Development Act will result in reduced Federal support of a number of critical areas specifically mentioned in our current patchwork of laws. May I say this is not the purpose of the proposed legislation. On the contrary, we expect increased support in future years in a program larger than the composite of current programs. Furthermore basic subject areas such as English, history, etc., will undoubtedly receive greater assistance than they now enjoy. Take for example institutes for study of early childhood education or elementary education. These institutes not currently eligible for assistance could be funded and basic subject areas will be included because teachers at this level teach all or nearly all subjects.

As indicated in my testimony, basic to any attempt to solve our education manpower needs is detailed knowledge of specific areas of need. The law will require an appraisal of these needs and an annual report on the state of the profession. If warranted by these studies and reports, shifts in emphasis will occur, but this would not be in the immediate future. As the needs for various types of educational personnel vary, the flexibility of this new training authority would allow us to meet these needs on an orderly planned basis.

Mr. BRADEMAS. Will you yield? I apologize first of all for having been late, but I just got off of an airplane from Indiana. My colleague from Minnesota, Mr. Quie, and I worked together very hard in 1963 to try to diminish some of the very rigid categories in the Vocational Education Act, which, in effect, made it difficult to respond to the needs of the changing, more urbanized economy.

Is it fair to suggest that what you are observing right now is analogous to that problem? You are not asking us to decrease or do away with the support you give to English or mathematics or other categories, just as in 1963 we were not trying to do in farm occupations or farm-related occupations, but rather to open the door to important new subjects? That is a rhetorical question, but I asked it in order to try to understand what you are proposing.

Mr. HOWE. I think this is a fair statement of our purposes. I think the same line of thought runs through a number of suggestions we are making here. In the equipment and remodeling titles of both NDEA and Higher Education Act we are suggesting that categories be removed.

Mr. BRADEMAS. If my colleague will yield for a further question which is not related to the particular matter under discussion but to a general concept that runs through both NDEA categories and vocational education. It also touches upon your proposed Educational Professions Development Act.

As I understand it, you want to do away with patchwork, to use your word, of existing authority in the field of teacher training, just as you want to do away with the patchwork in the NDEA categories. But I am not quite so persuaded in the field of teacher training as I am by your argument on vocational education. I am open minded, but I will make a rhetorical attack and ask you to respond. Would it be unfair to argue that what you are really doing is sending up a kind of smokescreen here for the fact that you have not put up much money for existing teacher education programs? I think you now have $15 million for the experienced and prospective teacher fellowship programs. I am not sure of what you are recommending for the coming year, but if we are concerned about teacher education programs and bringing more people into teaching, shouldn't more funds be the first order of priority? Then we can talk about resolving the patchwork problem.

Mr. HOWE. Let me say a couple of things about amounts of money. First of all, for all training authority in the Office of Education, and there is quite a mix or patchwork of authorities, we had in fiscal 1967, in appropriations, a total of $323 million.

Mr. BRADEMAS. I am addressing myself to authority that is aimed at providing training for people planning to pursue careers in elementary and secondary education.

Mr. HOWE. Well, I can't pick that out from these figures as they are.

Mrs. GREEN. If the gentleman will yield. On those authorized funds, $275 million for 1968, if my figures are correct you are asking for only 12 percent, or $35 million, and the additional $240 million available in authorized funds you are not requesting.

Mr. HOWE. Yes, we have slowly built this program up: We started at a lower level than the authorization by a good deal, as you suggest, and we are asking for $5 million more in fiscal 1968 than we had in fiscal 1967. I fully expect that we will ask for a substantial increase of training funds in fiscal 1969.

Unless we do so, we won't have the opportunity we ought to have under the new act that we are suggesting here, the Educational Professions Development Act. In order to make that act really effective in bringing in such categories as teacher aids, administrators, training of junior college teachers and other categories which we don't have authority at present to train, it seems to me we almost necessarily have to bring added funding to the support of this kind of activity in fiscal 1969.

But I believe that enough of these categories, new categories are offered in the new legislation so that we need the time between now or when this act is enacted and fiscal 1969 to do good planning both for our administration of it and for the involvement of institutions of higher education in the program.

It seems to me, Mr. Brademas, that we are not setting up a smokescreen here in this act, but really seeking a broadening of authority which makes it possible to train groups of people that the Federal Government is not now expressing an interest who will serve education.

Mr. BRADEMAS. I hear what you are saying but I would be much more persuaded by your argument if I saw the dollars.

Mr. HOWE. Yes.

Mr. BRADEMAS. I am looking at page 7 of Dr. Gardner's statement yesterday in which he talks about your proposed Educational Professions Development Act. "We could move quickly to meet heavy new demands for personnel and develop more faculty," and so on. You could come up with all three of your suggestions, but instead of saying, "with this broader legislation," you could substitute the words, "with a great deal more money."

Now, you know as well as I do that you have been bombarded by colleges and universities with requests for teacher education programs. I would be interested in knowing what or how many institutions have applied for teacher fellowship programs and how many you have funded. That would, I think, be relevant.

Mrs. GREEN. Will you yield?

Mr. BRADEMAS. Of course.

Mrs. GREEN. It does seem to me, Commissioner, it ought to be stated that the Office of Education requests about $83 million for this program. We have that little agency downtown called the Bureau of the Budget that has intervened between the Commissioner's request and the time he appeared before this committee.

Mr. BRADEMAS. I think the Commissioner is on the Lord's side, but I just wanted to make my point.

Mr. QUIE. Could I ask one more question on this and then I will have to leave. Yesterday it kind of bothered me, Commissioner Howe, your answer to my question as to who would serve on the National Advisory Council on Educational Professions Development when State departments of education were mentioned. I felt for some time that State departments of education ought to be involved more in interest and concern about training of teachers, not just elementary and secondary schools, and in the institutions of higher learning. But in answers to two questions, one, when I said, "How about the State departments of education?" you said there is a danger I would be creating so many categories you would have to increase the size of the Council, and when I asked if it is possible you would need all State departments of education, you said you wouldn't think so; you would need further experience. But serving as Commissioner of State departments of education at the time it didn't seem to be a matter of issue but that you would have this experience. Does this mean you are contemplating the possibility you wouldn't want a person who actually was serving at the present time on the State department of education?

Mr. HOWE. Not at all. Of course we have on the Advisory Council at the present time a number of chief State school officers. I recall a chief State school officer on the Title III Committee and one or more on the Title V Committee. Sprinkled throughout the Advisory Council structure you will find chief State school officers or their assistants. We want to include people working in the State departments of education on these kinds of committees.

Really my interest is to maintain a flexibility here and not build a record which then means we have a whole lot of categories that have been named as a promise to get on a committee and we find ourselves so structured that we would have a real problem in developing the committee. But I have a great interest in having State people on advisory committees, and we continually get them.

Mr. QUIE. I will leave but will try to be back.

Mr. HOWE. Now, Madam Chairman, we were discussing title III. Then we jumped into a discussion of some other matters. I ought to go back to reviewing the titles of NDEA and go to title IV of the fellowship graduate program; here again we are asking for a 5-year extension.

We do so against a background of a growing proportion of the higher education institutions which offer the Ph. D. degree participating in this graduate fellowship program, and as of 1967 and 1968 we foresee 90 percent of the institutions offering the Ph. D.'s will be involved in the graduate fellowship program.

We are suggesting one or two things, again reaching toward flexibility in this legislation. One is the discretion of the Commissioner in extending grants to 4-year periods of study. I believe the present limitation is a 3-year period of study. Another change suggested is that instead of stipulating the exact stipend in the legislation that we make the stipends adjustable so we may keep them in line with fellowship stipends offered by other agencies of the Government.

You ought to know there has been some study of this matter of stipends offered by different agencies of the Government through the Federal Interagency Committee on Education. I think that Committee will have a useful influence in bringing these stipends into line so that we don't get into competitive kind of shopping for fellowships, but really have a more coordinated arrangement for setting stipends. I think these are the major suggestions we have for title IV of NDEA.

Now, going to title V, which provides for guidance counseling and testing services and provides institutes for counseling and testing, we are suggesting that part (b) of title V which provides for counseling in institutes be transferred into the Education Professions Development Act; that that training aspect no longer be continued as part of title V; part (a), would remain in title V.

Mrs. GREEN. Is there a coordination between HEW and the OEO Upward Bound program?

Mr. HOWE. Talent search.

Mrs. GREEN. Yes, is there a coordination between that and title V of NDEA, or are they totally unrelated?

Mr. MUIRHEAD. Madam Chairman, there is coordination between the two, there should be, of course, title V(b) being directed toward improving secondary school guidance counseling and the other being directed to identifying young people early enough who have college promise and do it many ways in guidance counseling and I think in colleges and schools closer together.

A number of the proposals supported under the talent search proposal do involve secondary guidance counselors or State departments of education that are giving attention to the guidance counseling in the schools and in the Office of Education itself there is coordination to the extent that we work back and forth with the guidance counseling people in the office.

Mrs. GREEN. I was referring to the part on testing primarily.

Mr. HOWE. Well, yes; well, insofar as the testing program under title V(a), which, of course, does support testing programs in the schools and their use by guidance counselors, then there is coordination.

Mrs. GREEN. But you don't target in on this program to try to find the early identifications of the talent?

Mr. HOWE. We don't in every instance, that is right, but there are a number of instances in which work is going on with secondary schools that are receiving support under the testing program or title V(a) where the information for the testing program is an important part of the talent search.

Going ahead to title VI, the language program in area centers for modern foreign language, this program includes fellowship awards and we are asking for a 1-year extension here, so that this program may be dovetailed with the International Education Act. You are aware that the administrative arrangement in HEW for the International Education Act has set up a new center for educational cooperation under the assistant secretary for education. We have within the last 3 months or so actually transferred from the Office of Education the portion of the staff, or delegated, I guess you would say, the portion of the staff which is responsible for title VI, to Secretary Miller's office. They are now working directly for him in operation of his program. We are asking for the 1-year extension to dovetail it with the International Education Act.

Title VII, which is media research program of NDEA, we are not asking for extension. We have adequate authority under the Cooperative Research Act and this means to us a useful consolidation.

Title X really, the same kind of action is being suggested. It involves grants to States for statistical services and no extension is sought here.

These kinds of activities can operate under title V of ESEA through grants made available there and continuing this general broad posture we are trying to consolidate as we can.

Title XI, the training institute, again extension is not being requested because this authority goes into the new Education Professions Development Act.

I think these are the major items of NDEA that we are bringing before you although there are some detailed matters I have not mentioned.

Now, going to Education Professions Development Act itself, we had some discussion of this with the Secretary yesterday. I would call your attention to pages 24 and 25 of my testimony and perhaps it would be a good idea at this point for me to read that particular section because it calls attention to a number of reasons why we are suggesting this new legislation. I call your particular attention to the items listed in subheading on page 24 and page 25, which point out particular needs that we can't meet under existing legislation.

It reads:

"1. Title XI of NDEA even after liberalization amendments cannot provide training at less than the graduate level, which precludes institutes for subprofessionals.

2. Institutional development grants are given only in conjunction with title V(c) HEA fellowships. Yet, an institution of higher education may need such a grant to prepare for good fellowship programs, or it may find its educational needs would be better met if such a development grant were made in conjunction with an institute program.

3. The teacher fellowship under title V(c) program does not support the training of junior and community college teachers. Yet, these institutions are growing rapidly and are experiencing the same staffing problems as schools at the elementary secondary education level. Although NDEA fellowships can be used to train junior and community college teachers, there is no flexibility to support programs for them at less than the Ph. D. level.

4. Institute authority includes many subjects. Other important ones, however, are not supported, including health education, anthropology, sociology, psychology, business education, and physical education.

5. Present programs do not really permit a continuum of teacher education from the undergraduate level through the special programs of continuing education for master teachers. A university's master plan for such a continuum can now be supported only on a piecemeal basis, as each application is submitted and reviewed as a separate entity.

6. Education programs for specific educational groups or problems may not readily fit into any specific subject area—for example, the problems of teaching at the preschool level.

I would add to the listing an area that seems significant, that is, we have not had general authority to invest Federal funds in the training of the leadership aspects of education either at elementary-secondary or higher education levels. It seems to me there should be support from the Congress for leadership training for school superintendents and supervisors of all categories, and for the specialized people who are in greater and greater demand in the administrative side of both higher education and elementary-secondary education. Here is a need the new legislation will help to meet.

On the other end of the spectrum, schools are beginning to use more and more nonprofessional people, a variety of different kinds of people who may be really highly specialized but who don't fall into the professional category. We should have opportunity to address ourselves to this side of the manpower problem of education.

Finally, it seems to me that we should have the opportunity to provide programs not formal training, programs—that is the wrong phrase to use, but certainly opportunity for stimulation of the element of education which provides its leadership and trustees of colleges and universities.

Members of school boards, could under this legislation, gain the benefit of conferences or workshops which would be very helpful.

So these are our major reasons for suggesting this rather comprehensive piece of legislation. In addition to including these various categories I have been discussing within the total number of people who could receive opportunities for training, it broadens the eligibility for grants or contracts under this program. Thus, instead of dealing primarily with institutions of higher education, for training purposes we could deal with State departments of education, with local school districts for significant inservice training programs with groups of States who had associated themselves for some form of inservice training program for a particular group of teachers for the summer. The act really reflects the element of flexibility and comprehensiveness to which the Secretary addressed himself in testimony yesterday.

Now, we have one other section of legislation we are bringing before you. That has to do with the Higher Education Facilities Act. We are making a proposal that the interest rates be adjusted in this act.

I would like to ask Mr. Muirhead to speak to the details of that and let me mention first just one other item; that is, the development of two new advisory groups: one to serve the Educational Professions Development Act broadly replacing a number of groups we have and the other a new advisory group related to graduate education. The advisory group on graduate education will combine the endeavors of two existing advisory groups related to graduate education; a group concerned with facilities on the one hand and a group concerned with fellowships on the other.

I wonder if Mr. Muirhead would cover the higher education facilities interest range?

Mr. MUIRHEAD. Yes, it is under title III of the Higher Education Service Act, the construction loan title, and the proposal is to change the interest rates from its present level of 3 percent to a rate of interest comparable to the amount that it cost the Government for obligations of comparable material, also to provide the Commissioner of Education with authority to reduce that interest rate up to 1 percent and to reduce it presumably to a level approximately of the interest rate of public institutions with a high credit rating obtaining by borrowing money in the private market.

Now, the rationale for this particular change is somewhat as follows: During the past 2 years when the interest rate had been at 3 percent the program had been participated in rather vigorously by public institutions as contrasted with the situation in the first year of the operation of the program when the interest rate was higher when the public institutions did not participate very vigorously in the program.

For example, in 1965, about 5 percent of the applications for the loan program were public institution applications. When the interest rate changed to 3 percent in the subsequent year of 1966, 32 percent of the public institutions, or 30 percent of the applications were from public institutions and this year when the interest rate is 3 percent; that percentage has risen to about 49 percent.

The change in the interest rate presumably will have this effect; that it will make the funds available at the level of $200 million in this next year to private institutions more readily and to public institutions whose credit rating is not high enough to enable them to get a lower rate of interest in the private market.

Thus, the outcome of it would be that there would be more loan funds available, both through the Federal resources and though the use of the private market, to build the needed facilities in colleges and universities.

Mrs. GREEN. May I turn to the Education Professions Development Act?

How many teacher-training programs are not included?

Mr. HOWE. The program for the handicapped is not included. This is, in itself, a comprehensive program, embracing a variety of different kinds of specialists in a rather broad program. We thought it was such a comprehensive program that it was wise to leave it in place. The same thing is true of the training program for all categories of people who serve libraries and that program remains in place.

I believe with those two exceptions, most of our training programs are included. I should say the graduate fellowships have been kept in place as a particular program addressed to graduate education to serve higher education and again a very broad program.

What we have attempted to do here is to pull together those programs which had the kind of piecemeal aspect which seemed to be narrow in scope and put them into a single broad piece of legislation.

Did I miss any, Mr. Alford?

Mr. ALFORD. There are a few others. The National Teachers Corps, if you consider it as a training program is, of course, still separate. Foreign language training, title VI, is being transferred to the Department, and captive films and desegregation training grants and adult basic and vocational education training grants.

There are a number still not included.

Mrs. GREEN. Foreign language, captioned films?

Mr. ALFORD. Adult basic, a new program of training there.

One of the logical situations was in the case of the adult basic, for example; it is a new program and we have yet to see what it will do. Vocational education, Teachers Corps, captive films, and of course the ones the Commissioner mentioned.

Mr. HOWE. The Education Development Act does allow for training of vocational teachers and I believe they are specifically mentioned in the act.

Mr. ALFORD. Right, We can cover under flexible arrangements a number of these things. It is understood when you have existing authorities already in operation you won't cover it under the flexible arrangement.

Mr. BRADEMAS. If the chairman will yield, in your proposed legislation, are you contemplating trust administrators could pursue a Ph. D. as well as an M.A.?

Mr. HOWE. Mr. Brademas, we have not made any final settlement of the kinds of programs we would support for administrators. There are a number of needs. One is an initial training enterprise for administrators. I would assume if we got into that we would get into the possibility of doctorate of education type programs.

But equally important, if not as important, is the inservice aspect. Whether we go into doctoral degree training on an inservice basis, I am not clear, and my inclination is to say we would not likely. The kind of service we want for inservice administrators would more likely be a full year at a university or a full year in another kind of school system than an administrator had been in, or the combination of such a year, then perhaps shorter more intensive periods of training offered to inservice people.

Mr. BRADEMAS. On the question of the training you anticipate for lay leaders in education—trustees, school board members and so on, which I happen to think is a very sensible idea—do you have in mind summer institutes, or other programs?

Mr. HOWE. I would think the whole spectrum of activity from a very short almost a meeting or conference kind of activity to the possibility of summer institutes. Perhaps they would include people representing the leadership in organizations of lay educators like the National Association of School Board Members. It might be wise to explore the possibility of extending training opportunities for leadership in such organizations as that, or perhaps for the staff members of organizations such as that.

Mr. BRADEMAS. Thank you.

Mrs. GREEN. Was the National School Board Association consulted on this? What is their reaction toward the Office of Education proposing training institutes for them?

Mr. HOWE. I am trying to remember. We have consulted many and I am not sure we consulted them.

Mr. ALFORD. We talked with relation to this.

Mr. HOWE. Mr. Estes has been in touch.

Mr. ESTES. Mr. Webb, the executive secretary, we talked with, as well as other programs that would assist them in their leadership responsibilities. Their general reaction is favorable at the present time to a local school district under title III, to be able to provide for extended conferences to let the school boards look at their new role in education to come up with suggestion as to how they might improve their effectiveness.

Mr. HOWE. We have received requests from State organizations board members for grants for training purposes. We received a request from the California Association of School Board Members for a major branch. They requested this for research funds. We didn't make that grant pretty much on grounds the research funds were really not training funds. We ought to have the possibility of making grants for that for training purposes.

Mrs. GREEN. You left out the fellowship programs under title IV, NDEA, is that not under the Professions Act?

Mr. HOWE. That is correct.

Mrs. GREEN. What is the language of the bill, page 62, that reads:

> Projects to Establish New or Improve Existing Programs of Advanced Education for Prospective College Teachers with Emphasis Upon Developing the Capabilities of Such Persons for Teaching.

Mr. HOWE. Well, I think this broadly inclusive language is to raise the possibility that nondegree programs may provide a certain proportion of college teachers. You are aware, I am sure, that a number of higher education institutions are exploring the possibility of kind of an in-between degree, somewhere between M.A. and Ph. D. not requiring the intensive research on a focus project of Ph. D. but bringing a very broad background in a subject field to train a person for teaching.

Yale University has mounted such a program in the last year or two. It seems to me we ought to have the possibility of supporting endeavors of that kind. The fellowship program does address itself to Ph. D.'s. I think, also, within that language, you will find our interest in specialized training programs, perhaps not even for a degree but for people in special categories that might serve community colleges, technical institutes, and a variety of enterprises in postsecondary education.

Mrs. GREEN. Are there any other training programs in the Education Professions Development Act at the college level?

Mr. HOWE. Well, for administrators.

Mrs. GREEN. College administrators?

Mr. HOWE. This possibility is included within the langugage of the act. Also, there would be college or university trustees. There are a number of privately supported programs now for college administrators—fellowships offered to people who take internships in college or university administration by serving temporarily on the staffs of major universities and then being appointed to major administrative assignments after such internship service. We would be interested in that kind of thing.

Mrs. GREEN. Why would it not make more sense to transfer this part, if it is needed, subparagraph 1, over to title IV of NDEA or else transfer all of title IV of NDEA to the Education Professions Development Act?

Mr. HOWE. I think title IV of NDEA really recognizes a very major stable long-range element in the preparation of college faculty members and that is the Ph. D. degree and general esteem with which it is regarded by departments in colleges and universities. It seems to us this was a large program, a flexible program in the sense that it adjusts itself to every subject field and that it was an effectively operating program. We saw no need to move something of that size and scope; it justified itself in its own terms.

I can see that you could take the position you suggested. Mr. Alford would like to make a comment.

Mr. ALFORD. I would comment that we did consider this possibility and the matter of placing the new type of training authority for less than the Ph. D. in particular. We generally came to the conclusion it would be better to leave the present Ph. D. program alone rather than to take this newer approach under the umbrella of the Education Professions Act. It is a well operating program and it is on a pretty firm foundation.

Mrs. GREEN. Mr. Scheuer.

Mr. SCHEUER. I am very much interested and very much impressed with the innovative thinking just bubbling all over the place and the design of new training programs—presumably new career definitions. You have mostly described professional training programs this morning, of course, and there is a burst of activities in fields of nonprofessional and subprofessional or semiprofessional, or whatever phrase you wish to use, which are also dealt with in the higher education bill title V.

Is there any way, in the design of these new educational careers, in which they are being related to each other to provide a ladder, a vertical ladder, so you can go from nonprofessional status to B.A.'s to M.A.'s, to less than Ph. D.'s, to your Ph. D., and also to provide a lateral ability from one vertical here to another related vertical, so you would fill in the interstices both vertically and laterally and close up the rungs of the ladder somewhat so a person can, by application and work and on-the-job training, work up all the way to the top of the professional ladder and cross over and get on another professional ladder, if he chooses to do so?

How are these programs, in effect, being related to each other?

Mr. HOWE. I think we would regard very sympathetically new programs suggested to us by higher education that would have the kind of effect you are suggesting here. The programs which would allow for the experience in the subprofessional category give some recognition for the experience and not necessarily require the person who is attempting to move from the subprofessional to the professional category to take a good many steps backward to pick up a lot of requirements for which his experience might substitute.

What is involved in accomplishing this is not only institutional but also adjustment by professions which set their own standards and acceptance by them of more flexible arrangements for entering the profession. Typically, professions have not behaved that way. They have tended to seek more rigidities in defining their professions than to seek flexibility.

We don't want to suggest any major crash program to change the profession. We want to back interesting experiments that will lead toward the flexibility you are talking about.

Mr. SCHEUER. Would it help—and, as I see it, a lot of these new careers and new degrees, degree designs, are sort of growing topsy—if somewhere in the Office of Education, there were a separate bureau or division of career development that would relate both laterally and vertically these new careers you are describing on a professional as well as subprofessional level to the full ladder vertically and horizontally? Is there not some need of coordination, some central agency that could relate all of these new careers to the whole world of subprofessional or professional group programs—a Bureau of Career Development to give an overall design and overall purpose, interrelationship to these new careers?

Mr. HOWE. We are considering some possibility of this kind. We are looking at the problem of administrative organization in the Office of Education related to the new act we are suggesting here. As we bring in wider authority for training and as we look toward what we hope will be increased funding for training purposes in 1969 and 1970, it is clear to me we have to make some administrative adjustments.

Exactly what they ought to be we are not zeroed in on, but I know we will be making some to get at the purpose you are talking about, whether in the form of a new bureau or some other arrangement, I am not sure.

Mr. BRADEMAS. If you will yield, I would like to mention to the Commissioner the article I wrote for the last issue of "Grade Teacher Magazine" in which I proposed the establishment of a Bureau of Educational Manpower, so if we have such a bureau, let us call it the Scheuer-Brademas proposal.

Mr. HOWE. I will read that with interest and I would appreciate it f your suggestions would remain in the form of articles and not in the orm of legislation.

Mr. BRADEMAS. Well, Commissioner, I am carried away by your new 'ound concern to do away with patchwork and to stimulate oordination.

Mr. SCHEUER. May I ask one more question.

On the matter of involving the professional institutions, the nurses' association, the doctors' association, the Association of Elementary School Principals, the teachers and whatnot, what plans have you leveloped for involving them in redesign of the professional job descriptions and the creation of other than professional job descriptions? How are you going to energize them to make a positive contribution and avoid the problems that are so often roadblocks in the paths of progress?

Mr. HOWE. I think the process is certainly an informal rather than a formal one. We are regularly in communication with a number of organizations particularly in health professions, and attempting through these informal dealings to reach toward flexibility. We have been brought into contact with a variety of new organizations as a result of legislation such as the National Vocational Student Loan Insurance Act, which confronted us with a whole new spectrum of technical training activities for which we had not had responsibility before.

We are just establishing contact with organizations in that realm.

I think through the kind of informal contacts I mentioned, through the inclusion of forward-looking people from these organizations in our advisory committee structures, and such measures, we can bring about the accommodation of which you are speaking.

Mr. SCHEUER. Would it help if you had legislative authority to give grants for research or demonstration projects that would be carried on by these private institutions representing the various professions so they would be involved in a scholarly, thoughtful, process of scrutinizing, for example, the functions of a doctor, finding out that 50 or 60 percent of his time was spent in nonprofessional functions, redesigning the doctors' function, and creating a variety of other than professional career jobs which would fortify the doctors? You can carry it to the librarian, teacher, welfare official, correction official, the whole gamut of the professions. In other words, would it help if you had authorization and funds to give substantial grants to various professional groups so they would become deeply involved in ongoing scholarly demonstration programs to enhance the capability of the professional by making it unnecessary for him to fritter away time on nonprofessional functions and in designing the nonprofessional career jobs to aid and augment them?

Mr. HOWE. First of all, let me say I think we have, in the Education Professions Development Act, authority to give grants to professional associations so that if this act is passed we will have a broad authority we have not previously had.

I have some question about how far the Office of Education ought to go down this road into all professions; that is, as you get into engineering and architecture and a variety of others.

Mr. SCHEUER. I was speaking exclusively of the public service professions.

Mr. HOWE. It seems to me we ought to start with the education related professions and in such areas as counseling and psychology, social work, all aspects of teaching and administration, these kinds of professional interests would be the most appropriate places for us to seek the sort of study and change you are suggesting.

I would guess that as you get into other professional areas, and you mentioned doctors, that probably we should have a collaborative arrangement with the Public Health Service in working on problems of that kind and that where the concerns are strictly educational, we might appropriately invest funds under this act. We are already investing our research funds in the improvement of medical education and doing some interesting things.

We don't, however, use Office of Education funds for the scientific aspects, let us say, of medical education.

Mrs. GREEN. Mr. Commissioner, do you have the amount of money for the years for which you are asking extensions? Is that available yet?

Mr. ALFORD. Not at this time.

Mr. HOWE. Under all of these titles, the only amount of money we would have where there are specific authorizations, obligational authorities requested, as part of the title. But we can't make commitments at this point, let's say, the 1969 budget.

Mrs. GREEN. Will you be able to furnish for the committee the amounts which you estimate will be needed for the years for which you ask the extension?

Mr. HOWE. Yes, we can make estimates.

Mrs. GREEN. I ask that this material be placed at this point in the record.

(The material referred to follows:)

	1968	1969	1970	1971	1972
New obligational authority:					
Title I—Amendments to title I, Higher Education Act, community service and continuing education programs		$60,000,000	$75,000,000	$100,000,000	$125,000,000
Title II—Amendments to title II, Higher Education Act, library development:					
Part A. College library resources		50,000,000	75,000,000	100,000,000	100,000,000
Part B. Library training and research, and library school program development		19,000,000	21,000,000	23,000,000	25,000,000
Part C. Strengthening college and research library resources through Library of Congress	[1] $1,730,000	11,100,000	11,100,000		
Title III—Extension of title III, Higher Education Act, strengthening developing institutions		40,000,000	53,000,000	68,000,000	81,000,000
Title IV—Student assistance:					
Part A. Amendments to educational opportunity grants program:					
Educational opportunity grants		208,200,000	223,000,000	243,000,000	262,000,000
Grants and contracts for talent search		4,800,000	5,000,000	5,500,000	6,000,000
Part B. Amendments to student loan insurance program:					
Interest payments on insured loans:					
Higher Education Act		103,500,000	173,500,000	251,000,000	328,000,000
National Vocational Student Loan Insurance Act		10,500,000	19,000,000	26,000,000	32,000,000
Part C. Amendments to college work-study program		200,000,000	230,000,000	255,000,000	280,000,000
Pard D. Amendments to national defense student loan program:					
Appropriation	[2] 4,200,000	161,000,000	129,400,000	131,500,000	122,200,000
(Participation sales)	(--)	(95,000,000)	(116,800,000)	(111,000,000)	(115,000,000)
(Total program level)	(197,600,000)	(256,000,000)	(246,200,000)	(242,500,000)	(237,200,000)
Part E. Amendments to national defense fellowship program		126,000,000	138,000,000	155,000,000	164,000,000
Title V—Education professions development (amendments to title V, Higher Education Act):					
Grants and contracts for attracting qualified persons to the field of education		2,500,000	5,000,000	5,000,000	5,000,000
Preschool, elementary, secondary, adult, and vocational education personnel:					
Graduate fellowships		135,000,000	170,000,000	205,000,000	240,000,000
Program development grants		140,000,000	175,000,000	210,000,000	245,000,000
Preservice and inservice training		70,000,000	90,000,000	110,000,000	130,000,000
Training and development programs for higher education personnel		21,500,000	36,000,000	45,000,000	58,000,000
Title VI—Instructional equipment and materials:					
Part A. Equipment and materials for higher education (amendments to title VI, Higher Education Act):					
Television equipment		30,000,000	40,000,000	40,000,000	40,000,000
Other equipment		70,000,000	80,000,000	80,000,000	80,000,000
Part B. Equipment and materials for elementary and secondary education (amendments to title III of National Defense Education Act)		110,000,000	140,000,000	165,000,000	185,000,000
Title VII—Guidance, counseling, and testing (amendments to title V-A, National Defense Education Act)		54,000,000	66,000,000	77,000,000	95,000,000
Title VIII—Language development (amendments to title VI, National Defense Education Act)		30,900,000			
Total, new obligational authority [3]	5,930,000	1,658,000,000	1,955,000,000	2,295,000,000	2,603,200,000

[1] Excludes $7,770,000 under current authorization.
[2] Excludes $193,400,000 under current authorization.
[3] The projections contained in this table represent departmental estimates and do not represent the administration's position on future program or budgetary requirements. Personnel requirements will be dependent on program developments and budget factors which at this time cannot be fully predicted.

Mrs. GREEN. Dr. Muirhead, will you explain Talent Search; one, how much money you have for it, and two, the procedures and exactly what you do?

Mr. MUIRHEAD. Yes.

The Talent Search program is supported with an appropriation of $4 million which we are asking for next year, a somewhat higher level than this year, and the procedure is somewhat as follows: That projects are invited from universities, from associations, nonprofit organizations, from secondary schools, from State education departments, with the express design of seeking out and identifying young people, primarily young people in disadvantaged areas. There is considerable emphasis on seeking out young people in schools that are not ordinarily on the recruiting circuit of colleges and to support the proposals that would devise ways of identifying these young people and providing programs during the balance of the secondary school career that would help them meet the college administration standards.

Perhaps the most effective way to explain the program would be to share with you a couple of the proposals that are now being supported.

For example, at Bemidji State College in Minnesota we have what is called a northern Minnesota development project and the proposal is intended to seek talented youths in economically depressed portions of 22 Minnesota counties and four major Indian reservations and inform these people of sectional educational opportunities.

The activities supported include visiting the schools and homes of business leaders, publishing brochures on financial aid, holding college and career conferences, and cooperating with secondary schools through their secondary school guidance counsels in early recognition and continuous encouragement of needy district students.

In addition, a special study is being made of high school dropouts in those same counties.

Mrs. GREEN. Is that University of Minnesota?

Mr. HOWE. Bemidji State College in Minnesota. This is possibly typical of a type of proposal that is supported. In some instances a group of universities may gather together or a group of colleges may band together to provide this type of program, as in the case in Michigan where, through the Michigan State University, they have been in touch with the community colleges in Michigan and opening up the line of communication between the community colleges and secondary schools, particularly in the disadvantaged areas, and there is a very heavy concentration in Detroit.

The program, it seems to me, has a great deal of promise. We are not ready to evaluate it. It has just started. We worked rather closely, as you would expect to, with the Upward Bound program in the Office of Education opportunity, hopefully leading to a sort of a continuous program of assistance to those young people and first of all their identification and encouragement and then, through the Upward Bound program, providing them with some sort of remedial program if such a program is needed so they can cross the threshold of college entrance.

Mr. QUIE. I just wanted to ask a question what he meant by a continuous program. Does this mean that Moorehead State College, say, can be assured of having a program for some time, or does it mean you relate somewhat with Upward Bound so that a person who might be engaged in both of them? Or does it mean you have a program that follows them from the time you start them in secondary school all the way through their 4-year college?

Mr. MUIRHEAD. Well, under ideal circumstances we would mean the latter, in that you do identify the young people if they need some assistance and remedial instruction, then the Upward Bound program would be available. Then the students that are participating in the Upward Bound program, those students, or the names of those students are made available to colleges who in turn will give very special consideration to them in awarding and perhaps study program and the NDEA loan program.

There is a good deal of slippage along the way but we look at it as sort of a continuous program of assistance, the various pieces are in place to see to it that a youngster from a disadvantaged area who comes from a poor family and has academic ability and not had a good secondary school preparation can be helped all the way through college.

Mr. QUIE. Any next question will wait.

Mrs. GREEN. What can Upward Bound do that you cannot do and what can you do that Upward Bound cannot or does not do?

Mr. MUIRHEAD. Yes. The principal difference between the Talent Search program and the Upward Bound program, and I think those are the two we are seeking to compare, would be that the Talent Search program is really not designed to provide instructions or provide additional remedial instruction to people not having a good program.

The Upward Bound program on the other hand can take a group of youngsters and provide them with a working program during the summer or during the weekend, in the junior or senior year or in some arrangement with the college to see to it whatever deficiency they have in the secondary preparation or elementary preparation, can in some way be remedied through such a program instruction.

Mrs. GREEN. The program you outlined a moment ago in Minnesota, what does that college do for the youngsters you identified as having this special talent?

Mr. MUIRHEAD. They will bring to them, first of all, work with the schools in devising programs and better testing procedures for identifying talent which is latent, and having done that, then they will provide information to the schools and to the students concerning ways in which they can have the possibility of looking forward to assistance when they enter college.

It is, as the name implies, a program to identify talent and to encourage them and provide them with the information that will let them perhaps have continued hope for getting a college education.

Presumably, it will also sharpen up and improve the guidance counseling program in the schools, but it is not directed at providing instructional programs for special students.

Mrs. GREEN. I thought in your outline a moment ago you talked about a summer program that this college had.

Mr. MUIRHEAD. Yes. Well, this college had a summer program which would bring together guidance counselors in those areas and provide them with additional information so that they in turn can share it with the students in the schools.

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Mrs. GREEN. Let me ask you, under the law, do you have the authority to do everything that is being done under the Upward Bound program?

Mr. MUIRHEAD. We do not.

Mrs. GREEN. What do you not have the authority to do?

Mr. MUIRHEAD. We do not have the authority, for example, to run a summer institute program to help a group of young people who have not had mathematics instruction in secondary schools; whereas, the Upward Bound program can do just that.

Mrs. GREEN. Why shouldn't we follow through on the Education Professions Development Act by bringing some coordination at this level.

Mr. MUIRHEAD. It seems to me that that is a very logical step for us to take and I am of the opinion that Upward Bound has done a fine job where it is and has started the ferment that is needed in such a situation as that but we do work very closely with them. I should think ultimately, that the four, or rather the three particular programs I am suggesting, Talent Search program, the Upward Bound program, and financial aid program, should be together some place.

Mr. MUIRHEAD. Mrs. Green, you might be interested in this pamphlet on Talent Search program which lists the projects which were actually mounted in fiscal 1966. There are quite a variety of programs. I notice one in Indiana and Oregon which will be interesting to you members of the committee and others.

Mrs. GREEN. Did the Upward Bound participate in the work study?

Mr. MUIRHEAD. Yes, the Upward Bound students who then enter college are eligible, of course, for work study. In fact, the work study program is designed rather specifically to help that kind of student.

Interestingly enough, a number of the colleges that are carrying on work study programs use the work study program to support work dealing with Upward Bound students, graduate students, and sometimes undergraduate students working in Upward Bound programs and they are participants in the college study program.

Mrs. GREEN. Now, Upward Bound does what you just said you do in the Talent Search program?

Mr. MUIRHEAD. No. Upward Bound is concentrated, as you might expect, in the upper grades of the secondary schools, and the purpose being to do what they can to remove what academic deficiencies the student might have so they are concentrated for the most part in grades 11 and 12.

If the Talent Search program is really to serve its purpose, then it should zero in at the early grades of the secondary schools so there is that distinction.

Mrs. GREEN. Who identifies the youngster? Do you do it or Upward Bound do it for Upward Bound?

Mr. MUIRHEAD. Well, I am sure there is not the one-to-one correlation we would all hope for between the two programs. In many instances the youngsters that have been identified through this program do then become candidates for participation in the Upward Bound programs, instances where the Upward Bound program seeks out the youngster or seeks out the student without the benefit of this type of program.

Mr. QUIE. Will you yield?

Does Moorehead State College have an Upward Bound program?

Mr. MUIRHEAD. I don't think so. I could check that for you.

Mr. QUIE. This means they would have to send them to another institution of higher learning for their Upward Bound experience.

Mr. MUIRHEAD. Well, the Upward Bound program, as I must reemphasize, it is concentrated on precollege students.

Mr. QUIE. So is Talent Search.

Mr. MUIRHEAD. Yes. Whether there is an Upward Bound program there, I don't know.

Mr. QUIE. Aren't most of the Upward Bound programs conducted on the campus of an institution of higher learning?

Mr. MUIRHEAD. That is the typical plan of operation, although there are instances where it is conducted in secondary schools with the cooperation of the colleges and universities.

Mr. BRADEMAS. I wonder if I might ask one question not on this subject but which I understand was under discussion yesterday? The question is for the Commissioner and has to do with the proposed tax credit and the guaranteed loan program.

I understand the classical criticisms of the tax credit proposal to be that it is extremely expensive, that the help goes to the parents and not to the student or institution, and that it helps those who can best afford a college education without Federal assistance. Isn't it fair to say that the guaranteed loan program was an effort to respond to the problems of middle- and upper-income families in sending their children to college?

I notice in your statement you say with apparent satisfaction, that "This program is so popular that from November 1965 through the end of October 1966, the estimated number of borrowers exceeded 174,000."

There are over 1 million students getting NDEA title II undergraduate loans, and I am just wondering if you could give me a comment on the future prospect for the guaranteed loan program in light of the criticisms that have been addressed to the tax credit proposal?

That is to say, don't you think you had better get busy to see what you can do to encourage more effective operation of the guaranteed loan program?

Mr. HOWE. We are doing that and the Treasury Department is doing that. Mr. Barr, in the Treasury Department, has been helping us in working with the banks to encourage the operation of the guaranteed loan program. As you are well aware, it was launched during the period of tight credit, and as it loosened the number involved has grown. I believe the figures we gave you yesterday were an estimated 400,000 would be in it during the current year and we foresee something over 700,000 entering it in the subsequent year, the coming school year starting next September.

This is a very rapid growth and particularly in a period of tight credit. The total loans which will be outstanding, the figure I think we gave you yesterday was in the realm of 400 million as of next year.

Mr. MUIRHEAD. That is right.

Mr. HOWE. So here again is a major expansion. We see it as a program which has a promise of getting launched and which is now more successful and will be successful a great deal more in meeting this particular need. We see it as a program which we don't think has attendant upon it the kinds of problems you already mentioned. I will mention one more, I don't think the guaranteed loan program will have as direct and immediate effect, an immediate effect on the raising of college tuition, particularly private college tuitions, as the suggested income tax credit program will have.

I think that would have a very rapid effect particularly in private institutions and also make some problems for public institutions by placing them in the difficult position of wanting to continue their usual policy of keeping tuition low but wanting to gain the additional income which is available to private institutions by raising their tuitions.

That is, I think this will come about through the income tax credit feature. So it seems there are a number of problems connected with it that need to be carefully examined.

Mr. MUIRHEAD. I wonder if I might, Mr. Brademas, extend this just a moment, the long-range projections for the guaranteed loan program, because I think that they are quite tremendous. The program, as it now stands, that the Commissioner has reported, will be supporting over 400,000 students at the end of this college year and using a very conservative projection, we expect that the program will be supporting by 1973 more than 2 million students.

I think you have to put this into comparison with the NDEA as it now stands. Of course, that is a very conservative projection, because as the Commissioner pointed out yesterday, the number of students who might be eligible for loans under the guaranteed loan program comes to about 90 percent of the college population.

That is if we use the present income pattern that is in the guaranteed loan program.

Mr. QUIE. You can do even better with a tax credit, you could get 4 million in 1 year taking part. That would be a great record.

Mr. MUIRHEAD. When you compare that with the tax credit you must compare it with the amount of assistance that will be provided in the program which will be rather significant.

Using the figures I have just suggested of about a little over 2 million in 1973, the guaranteed loan program will be providing assistance through interest payments to 2,300,000 students, for a total of about $400 million.

That is significant assistance to middle-income families. It goes, of course, directly to the student.

Mr. BRADEMAS. I take it, Mr. Muirhead, that you are saying that the sky looks a little brighter, the prospects better for the second year of the program?

Mr. MUIRHEAD. Yes, Mr. Brademas, I think that is exactly what I am saying. If I may repeat what I said yesterday, the program could not have been started at a more inopportune time with the interest rate being what it was, but we are getting cooperation from the banks and, as the Commissioner has indicated, we are reexamining the program to find ways in which it can move along more vigorously than it has moved along.

Mr. QUIE. Does the $400 million now account for the interest that you pay while the student is in college, in the military, in the Peace Corps and if the family income is less than 15,000 the amount of interest that the bank collects over 3 percent. Is that right?

Mr. HOWE. That is exactly what this includes. It includes the full subsidy of interest while the student is in school or in some other situation where he is not in a productive situation. It includes the Government's subsidy of the interest which at the present time is 3 percent while he is repaying the loan.

Mrs. GREEN. If we made this forgiveness for the parents' tax credit, that they would be forgiven $325 of taxes if their son or daughter went into teaching, would it be more attractive to the Department?

Mr. HOWE. I would guess not but I would like to examine it.

Mrs. GREEN. Tomorrow, we are going to have the American Banking Association here to discuss the guaranteed loan, too.

Mr. QUIE. Under title I of the Higher Education Act? When do you think you will be able to start evaluating these projects that institutes of higher learning have engaged in community services?

Mr. HOWE. Mr. Quie, could I ask Mr. Pagano to respond?

Mr. PAGANO. We have begun already. We have two small evaluations taking place from the first year's experience, a large problem in the area of government with small evaluation to determine what was done, how the community and higher institutions in a three-State area define their problems and what has happened to the people involved.

We will have a report on that by early next year.

We have another one dealing in the area of poverty which was the second largest area of problems demonstrated by the States and we are looking at five States and in a larger proportion, and the same questions are raised, how the institutions use their resources, involving people, and what was offered and what happened to people during this time which will also be available next year.

Mr. QUIE. Will Congress be receiving an evaluation of programs a year and a half after they have been completed? Now, these are completed projects you are talking about?

Mr. PAGANO. No, these are projects on-going, and some are completed.

Mr. QUIE. Some are completed?

Mr. PAGANO. That is right, or parts of them are completed.

Mr. QUIE. Do you expect a year and a half for Congress to receive the reports?

Mr. PAGANO. Roughly.

About a year since they were implemented, a year and a half, that is correct.

Mr. QUIE. How do you expect most of the money will be spent in the future—research projects trying to find out how to solve the problems, demonstration projects putting into practice some of the research already completed, or actually getting into the dirty work of solving the problems?

Mr. PAGANO. Most of it will be done in research already existing being implemented and being transmitted in some fashion through education or demonstration, or services that the universities have available, and it will move then to the dirty solutions, looking at the possibilities of solutions coming out of this relationship between communities and universities.

Mr. QUIE. Some money can be used to permit universities and communities to become involved?

Mr. PAGANO. Yes.

Mr. QUIE. What about your study on lightweight transit systems in urban areas? Who is doing this? Rather than take the time now could you give me more detailed information about that one later. I would be particularly interested in the one you mentioned here.

(The information referred to follows:)

EXAMPLES OF TITLE I HEA PROJECTS

OHIO

One of the primary reasons for the growing transportation problem in urban areas is the imbalance between the two principle suppliers of passenger transportation facilities and services. The highway-automobile sector, interlocking local, state and Federal agencies is vigorous and dynamic. The public transportation sector is by contrast fragmented, uncoordinated, and in some cases nonexistent.

Kent State University, through its Center for Urban Regionalism, is conducting a Title I program designed to accomplish the following. To apply modern management tools and techniques to attain better understanding of the development and control of transit system. 'In terms of the overall transportation problem, the aim is to assist transit managers to take their proper place alongside highway engineers and urban planners in the planning process. It is also intended to demonstrate how existing transportation studies can be useful to transit management."

Dr. James G. Coke, Director of the Center and a political scientist, and Dr. Michael Blurton, a transportation economist, assumed responsibility for the development and planning of the program. As Project Director, Dr. Blurton drew upon his experiences as former director for two transportation demonstration grants in Decatur and Peoria, Illinois. His widespread contacts with people in the transportation industry enabled him to obtain their cooperation in designing the program format. A geologist completed the three-member staff from the Center for Urban Regionalism.

Six professors from Kent State University worked with the Center personnel as teachers in the program. They represented the disciplines of economics, computer programming, operations research, management, accounting, and marketing.

Outside consultants also participated in a teaching capacity. They were: Mr. Salvatori Ferrare, Director of Research for the Chicago Area; Professor John Baerwald, Professor of Traffic Engineering from the University of Illinois; Mr. James Musick, Chief Traffic Engineer in Columbus, Ohio; Mr. Eli Rock, a Labor Relations Consultant from Philadelphia, Pennsylvania; Mr. William Walker, from the Webco Mass Transit Center of the Westinghouse Air Brake Corporation; Mr. A. T. Steffin from the Service Bureau Corporation of International Business Machines; and Mr. Thomas Floyd, Director of Transportation Projects, Urban Traffic Administration, Department of Housing and Urban Development in Washington, D.C.

Two four-day sessions were held on the campus of Kent State University, one in November and one in March. The sessions were composed of lectures, discussions, and problem-solving exercises involving computer programming applied to actual transportation problems. The sessions were tailored directly to the needs of top management personnel in the transportation field.

The November session covered the following: social science aspects of transit, land use considerations, traffic engineering, and the purpose of urban transportation studies.

Course content in the March session included: economic theory of firms, cost benefit analysis, the game theory, modern methods in management accounting, operations research, labor relations, consumer behavior and marketing, planning of surveys, political relationships, and new transit technology.

Invitations to the sessions were sent to all transit companies in Ohio. Because the program was deemed to have national significance as well as application to Ohio's transportation problems, invitations were also extended to out-of-state companies and agencies, especially those interested in innovation in the transportation field.

The participants, thirty in all, included: the Assistant Vice President of the WMA Transit Company in Washington, D.C.; the Executive Assistant to the

President of the Louisville Transit Company; a representative of the Massachusetts Bay Transportation Authority; the Manager of Market Planning of Detroit's Department of Streets and Railways; the Assistant Operating Manager of the Bi-State Transit System in St. Louis, and the Manager of Operations and the Supervisor of Personnel from the Cleveland Transit System.

Others came from Cleveland, Columbus, Dayton, Springfield, and Maple Heights in Ohio as well as Dallas, Texas, Charleston, West Virginia, and Pittsburgh, Pennsylvania. Most of the participants attended both the November and March sessions.

Reaction to the program is best summarized in an unsolicited letter from Mr. John W. Dameron, Executive Director of the Port Authority of Allegheny County, Pennsylvania. Two of his employees were registered for the fall session and ten in the spring. He wrote: "This is the first time in my thirty-five years in the urban transportation field that such a program of instruction and research has been developed for transit management. It is a program sorely needed and hopefully can be continued in order that more in-depth studies of the problems discussed at the conference can be made."

In addition, the Department of Housing and Urban Development was so impressed with the design and success of this Title I program that it has asked the Center for Urban Regionalism to conduct two two-week sessions on transit management for its personnel this summer.

TEXAS

Professional, administrative, and technical personnel concerned with transportation have difficulty keeping abreast of the rapid technological advances in their field. Technical research has produced many new concepts and methods for improving present transportation systems. However, the results of this research must be disseminated in readily understandable form before practical advances can be made.

Texas A & M University has initiated a Title I program which applies the research findings of its Texas Transportation Institute to the problem of improving urban transportation. The approach is twofold.

Cooperating closely and utilizing the resources of the Texas Municipal League and the Texas section of the Institute of Traffic Engineers, the Texas Transportation Institute is offering a series of seminars for city, traffic, and urban planning engineers, professional planners, city managers, and training program personnel. Both active professionals and researchers give presentations covering such topics as continuous transportation in urban areas, multiple jurisdiction, and the impact of rapid transit.

Because transportation problems are found throughout the State, four or five seminars are being held in each of ten regions. Each region centers around a large metropolitan area: El Paso, Lubbock, Amarillo, Dallas-Fort Worth, Waco, Houston, San Antonio, Austin, Corpus Christi, and Galveston. It is estimated that 2,000 professionals and non-professionals involved in transportation will benefit through direct attendance.

The second approach is directed toward technicians responsible for installing and operating community transportation facilities. Training and re-training courses in the newest technical methods are being offered at James Connally Technical Institute.

Both approaches are problem oriented. The goal is not simple dissemination of knowledge, but making that knowledge available to those persons who can in turn apply it to the problems of urban transportation in Texas.

Mr. QUIE. Going on to title III, the developing institutions, we had the idea that title III would be used primarily to upgrade 4-year Negro institutions in the South. It has shifted away now partially because the opinion of the House was not shared by the Senate, and 2-year institutions were included. I understand that now this is going to junior colleges, and that new junior colleges are evidently developing institutions. What is really the policy of the Department in title III?

Mr. MUIRHEAD. I would be pleased to respond to that, Mr. Quie.

You are quite right in pointing out that the developing institutions program, as discussed by this committee, had a sharper focus on these junior colleges as the law now stands. It was amended and the law does contain a provision that 22 percent of the funds will be made available for junior colleges.

With that type of program, I can report to you, however, that in the first year in which the program operated we had a total of 98 institutions receiving assistance and of that 98 we had 43 of the institutions that were predominantly Negro colleges. That amounted to about 60 percent of the money. We are about to announce and will announce probably this week the program for this year which amounts to $30 million and that will provide you with information, the first announcement will cover $22 million rather than the $30 million and 244 institutions will be 4-year institutions and 81 2-year institutions making a total of 325 institutions.

Of that amount of money, and also not only the cooperative institutions, there will be over 1,200 fellowships supported under that.

Again, there is an emphasis on the predominantly Negro colleges. I have some figures here on that, I think, telling precisely the amount of money that will go to predominantly Negro colleges.

Of the programs that will be supported, 72 of the institutions will be predominantly Negro colleges and they will have grants totaling about 50 percent of the amount of money that is being distributed at this time, the $22 million.

Mr. QUIE. Could you put that information in the table in the record?

Mr. MUIRHEAD. Yes.

Mr. QUIE. Also how many of the junior colleges are newly established and how many are now started. Will some of them be 4-year institutions or are all of the 4-year institutions ones that have been established for some time and the emphasis is on upgrading them?

Mr. MUIRHEAD. Yes, yes. Well, the law makes provision the institution has to be in operation for 5 years. The developing institutions program is not directed at providing help to starting institutions. This applies to all institutions.

Mr. HOWE. They have to be accredited or give other evidence relating to accreditation.

Mrs. GREEN. On that, did we change the three college, three letters for accreditation?

Mr. MUIRHEAD. We have not changed it, Mrs. Green. We have before you a proposal that would tend to bring hopefully some order out of chaos that exists now.

Mrs. GREEN. Is this in the bill?

Mr. HOWE. Yes; we have a provision in the bill.

Mrs. GREEN. What is it?

Mr. HOWE. What we are saying is that there should be an opportunity for new institutions, which can receive from an accrediting association a promise of reasonable assurance that they will meet their standards, to participate in the higher education programs. They do not have an opportunity at the present time.

In some of the higher education programs one of the provisions, the one you mentioned, is that the institution can become eligible if they have three letters from institutions that are accredited. We would prefer, and I think you would agree, that we move to some sort of uniformity in accreditation and that we place the responsibility on the accrediting associations. The proposal you have before you, if it is enacted, would mean in effect institutions which are not accredited per se, could receive a provision of reasonable assurance from accrediting associations and would be eligible under that particular restriction.

Mr. QUIE. Do the cooperating institutions have to be accredited?

Mr. HOWE. Yes. The cooperating institution has to meet the accreditation standards in the bill. In almost every instance, as you would expect, Mr. Quie, the cooperating institution, being a major institution, has a longstanding of accreditation.

Mr. QUIE. On page 18 of the Commissioner's statement, it says, "115 developing institutions and 16 cooperative and nine business institutes." Are they developing business institutes or developing business entities?

Mr. HOWE. The developing institutions law makes it possible for us to deal not only with institutions of higher education but with other institutions or other associations. For example, the association of small colleges would submit a proposal on behalf of a group of their clients.

Mr. QUIE. The business entities are associations of colleges rather than IBM, General Electric, or anybody else who is in the business of manufacturing educational material?

Mr. HOWE. That is right.

Mr. QUIE. It seems odd you call them "business entities"?

Mr. HOWE. It seems odd to me.

Mr. QUIE. I will ask the Commissioner; who used the term?

Mr. HOWE. I will add "to me, too."

Mr. QUIE. Let me ask one other question, which refers to the bottom of the paragraph on page 18 for developing institutions. In Florida there is an interinstitutional program on Asian studies. If you said this could be used, and Paul Miller was going to use his money, which I hope he finally receives from the Appropriation Committees of the Congress, for the institutional five-college program on Asian studies, I wouldn't be surprised at all, but to find it under title III of the Higher Education Act, it seems there would be programs you need other than this.

Am I wrong or is this something needed to develop the strength of some colleges in Florida?

Mr. HOWE. That is a perfectly normal part of college education, to have an interest in one aspect or another of international studies. It is a reasonable way to strengthen an institution to add to its capability in that area, so I don't see or don't say it should be outside of the concern of title III. I think as long as the institutions are those which would be eligible under title III, whatever aspects of their program seem to them as important to build up, as long as they are significant aspects of higher education, which international education certainly is, it would be perfectly reasonable to have this.

Mr. QUIE. I would assume those five colleges are strong in every other way but in their Asian study department. Therefore, in order to develop strength, we have to improve them?

Mr. HOWE. I would suggest they probably are not, but it seemed to them this is the element they wish to strengthen.

Mr. QUIE. It does not seem to me to be a very wise priority. Suppose the whole institution is weakened one way or another. Is this the way they are going to strengthen it, by improving their aid and studies? As far as I am concerned I favor this, since we are going to be involved in Asia now and for a long time in the future. But the question is should it be done with title III.

Mr. HOWE. I think you are answering your question in saying the Government should support the Asian studies, as being an important part, but an institution with several hundred or thousand youngsters where it can't provide any opportunity in his area is missing a significant part of higher education.

Mr. QUIE. Yet, is this the purpose of title III?

Mr. HOWE. I don't think title III tried to address itself to one area of the curriculum over another. I think it addressed itself to a variety of different approaches by institutions to improve their services.

Mrs. GREEN. Would you yield?

To help understand this, you say you have established a project in Oregon that is to improve instruction in five or six different areas. Is this to improve the University of Oregon to bring people to the University of Oregon from developing institutions?

Mr. HOWE. We work both ways actually.

Mr. MUIRHEAD. Well, quite obviously, it is not aimed at strengthening the University of Oregon, but the program to assist the developing institutions may be carried on either on the campus of the cooperating institution or on their own campus, or the campus of the individual institution. I am not on top of the particular details of this program, Mrs. Green, but it is typical of types of programs involving major universities in which they may bring staff from the developing institutions to their own campus or may share with the developing institutions some of their own staff.

Mrs. GREEN. Could you provide, not for the record, but could you provide me the names of the people who are in this project in Oregon for intensive faculty work sessions and where they come from?

Mr. MUIRHEAD. By all means.

Mr. QUIE. Could you also submit for the record the names of the institutions that are developing institutions and the length of time that they have been in operation and what makes them a developing insitution rather than a developed one?

Mr. HOWE. Mr. Quie, by saying "names of institutions that are developing institutions," you mean those to which we are making grants?

Mr. QUIE. That is right.

Mr. HOWE. We would be hard put to draw a clear line, I think, looking at all 2,000 institutions.

Mr. QUIE. I won't ask you to do that, just the ones you have funded, the 115 you mentioned here.

Mr. MUIRHEAD. Yes; and we will be pleased to provide for the record also the number we are funding imminently, which will be this week.

Mr. QUIE. That is all the questions I have.

CRITERIA FOR DETERMINATION OF ELIGIBILITY AS A DEVELOPING INSTITUTION

(TITLE III HIGHER EDUCATION ACT)

In order to be considered for support under Title III of the Higher Education Act of 1965, Strengthening Developing Institutions, an institution of higher education must first meet the basic requirements as set forth in Section 302 of the Act, "Definition of 'Developing Institution.' "

It must be "a public or nonprofit educational institution in any State which—

(a) admits as regular students only persons having a certificate of graduation from a secondary school, or the recognized equivalent of such certificate;

(b) is legally authorized to provide, and provides within the State, an educational program for which it awards a bachelor's degree, or provides not less that a two-year program which is acceptable for full credit toward such a degree, or offers a two-year program in engineering, mathematics, or the physical or biological sciences which is designed to prepare the student to work as a technician and at a semiprofessional level in engineering, scientific, or other technological fields which require the understanding and application of basic engineering, scientific, or mathematical principles of knowledge;

(c) is accredited by a nationally recognized accrediting agency or association determined by the Commissioner to be reliable authority as to the quality of training offered or is, according to such an agency or association, making reasonable progress toward accreditation;

(d) has met the requirements of clauses (a) and (b) during the five academic years preceding the academic year for which it seeks assistance under this title;

(e) is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its student services;

(f) is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life;

(g) meets such other requirements as the Commissioner may prescribe by regulation; and

(h) is not an institution, or department or branch of an institution, whose program is specifically for the education of students to prepare them to become ministers of religion or to enter upon some other religious vocation or to prepare them to teach theological subjects."

A majority of these items are clear-cut and may be readily applied to applicant institutions. However, such requirements as "is making a reasonable effort to improve the quality of its teaching and administrative staffs and of its students services" and "is, for financial or other reasons, struggling for survival and is isolated from the main currents of academic life" are less tangible, requiring a degree of subjective analysis and judgment.

In its first two years of operation, the division of College Support has relied heavily upon the advice and assistance of its Advisory Council. The Council has provided guidance in the establishment of guidelines.

It has seemed wise to avoid a strict definition of developing institutions which might preclude assistance to a number of institutions defining themselves as developing. The data accumulating from this source have proved to be invaluable in establishing more objective characteristics for the judgmental aspects of the law. As our experience develops, we see emerging a profile which begins to distinguish a developing institution from all others. For example, these institutions bear the following range of characteristics within the categories utilized by accrediting associations as indices to quality.

1. Enrollment	Mean average, 1,089. Moving toward the acceptable 1,500 level.
2. Endowment income or annual State appropriations.	Mean average, $125,000. Moving toward $900,000.
3. Tuition	Mean average, $556. Moving toward $1,500.
4. Educational and general expenditures.	Mean average, $1,141,000. Moving toward $2,107,400.
5. Educational and general expenditures for student.	Mean average, $1,048. Moving toward $1,740.
6. Faculty	Mean average, 66. Moving toward 98.
7. Percent of faculty holding the doctorate.	Mean average, 26 percent. Moving toward 52 percent.
8. Student-faculty ratio	Mean average, 20. Moving toward 12.
9. Library volumes	Mean average, 51,000. Moving toward 157,000.

This profile could be interpreted, on the other hand, by stating what appears to be the emerging criteria for determining eligibility as a developing institution.

1. Extreme financial limitations such as salaries of less than $6,000, unrestricted endowment less than $3 million, percentage cost of instruction per student less than 45 percent and expenditures for library less than 5 percent.
2. High faculty-student ratio.
3. Limited library holdings (one-third of the generally accepted minimum requirements).
4. Low percentage (less than one-third) of faculty holding Ph.D degrees.
5. High percentage of students (two-thirds) on scholarships and grants in aid.
6. Poor physical facilities—lack of funds for upkeep and maintenance.
7. Poorly prepared students.
8. Cultural, social, professional, and academic isolation.
9. Little or no foundation, alumni, or corporate support.
10. Little or no sponsored research. No faculty publications.
11. Program offerings and counseling services out of step with new opportunities in careers and vocational occupations.
12. Degree of concern for the development of remedial or corrective programs.
13. Dearth of faculty with scholarly backgrounds and achievements accompanied by inability to attract highly accomplished faculty due to poor institutional incentive.
14. Inadequate development offices and limited capacity for long-range planning.

Hopefully, at the end of a three-year period, the program shall have matured sufficiently to have developed more objective guidelines for the appraisal of basic institutional strength within the universe of developing institutions.

(Commissioner Howe submitted the following material:)

Developing Institutions—Title III, The Higher Education Act of 1965 (P.L. 89–329).

Alabama:
- Alabama Agricultural and Mechanical College
- Alabama College
- Jacksonville State College
- Livingston State College
- Miles College
- Wenonah Junior College
- Sacred Heart College
- St. Bernard College
- Southern Union State Junior College
- Stillman College
- Talladega College
- Troy State College
- Tuskegee Institute

Alaska: Alaska Methodist University

Arkansas:
- Agricultural, Mechanical, and Normal College
- Arkansas College
- College of the Ozarks
- John Brown University
- Philander Smith College
- Southern State College

California:
- Azusa Pacific College
- California College of Arts and Crafts
- California Lutheran College
- Chaffey College
- Chapman College

California—Continued
- College of Notre Dame
- Golden Gate College
- Lassen College
- Marymount College
- Pacific College
- Pacific Oaks College
- San Francisco College for Women
- San Joaquin Delta College
- Southern California College
- Westmont College

Colorado:
- Fort Lewis College
- Loretto Heights College

Connecticut: New Haven College

Delaware: Wesley College

District of Columbia: Immaculate College of Washington

Florida:
- Bethune-Cookman College
- Brevard Junior College
- Central Florida Junior College
- Embry-Riddle Aeronautical Institute
- Florida A&M University
- Florida Memorial College
- Indian River Junior College
- Jacksonville University
- Junior College of Broward County
- North Florida Junior College
- St. Joseph College of Florida

Georgia:
- Abraham Baldwin Agricultural College
- Albany State College
- Andrew College
- Clark College
- Columbus College
- Fort Valley State College
- Middle Georgia College
- Morehouse College
- Morris Brown College
- Norman College
- Paine College
- Reinhardt College
- Savannah State College
- South Georgia College
- Spelman College
- Wesleyan College

Guam: College of Guam

Hawaii:
- Chaminade College of Honolulu
- Honolulu Community College
- Kapiolani Community College
- Kauai Community College
- Maui Community College

Illinois:
- Belleville Junior College
- Crane Campus, Chicago City Junior College
- Eureka College
- Illinois Valley Community College
- Loop Campus, Chicago City Junior College
- McKendree College
- Thornton Junior College
- Trinity Christian College

Indiana:
- Bethel College
- Indiana Institute of Technology
- Marion College
- St. Joseph College
- Taylor University
- Tri-State College

Iowa:
- Graceland College
- Iowa Wesleyan College
- Loras College
- Morningside College
- Briar Cliff College
- Buena Vista College
- Mount Mercy College
- Northwestern College
- Ottumwa Heights College
- Upper Iowa University
- Westmar College

Kansas:
- Baker College
- Bethany College
- Bethel College
- Dodge City College
- Donnelly College
- Griends University
- Hesston College
- Hutchinson Community Junior College

Kansas—Continued
- Kansas City Community Junior College
- Kansas Wesleyan University
- Marymount College
- McPherson College
- Mount St. Scholastica College
- Ottawa University
- St. Benedict's College
- St. Mary College
- St. Mary of the Plains College
- Tabor College

Kentucky:
- Alice Lloyd College
- Bellarmine College
- Brescia College
- Kentucky State College
- Lees Junior College
- Paducah Junior College
- Southeastern Christian College
- Transylvania College
- Union College

Louisiana:
- Dillard University
- Grambling College
- Louisiana Polytechnic Institute
- Southern University and A & M College
- St. Mary's Dominican College
- Xavier University

Maine:
- Gorham State College
- Maine Maritime Academy
- St. Francis College
- Thomas College

Maryland:
- Allegany Community College
- Anne Arundel Community College
- Bowie State College
- Catonsville Community College
- Charles County Community College
- Coppin State College
- Essex Community College
- Hagerstown Junior College
- Maryland State College
- Morgan State College
- Mount St. Agnes College
- St. Joseph College
- Villa Julie College
- Washington College

Massachusetts:
- Emmanuel College
- Greenfield Community College
- Lesley College
- Lowell Technological Institute
- Regis College
- Simmons College
- State College at Fitchburg

Michigan:
- Alma College
- Kellogg Community College
- Lansing Community
- Macomb County Community College
- Madonna College
- Mercy College of Detroit

Michigan—Continued
- Michigan Christian Junior College
- Saginaw Valley College
- Suomi College
- Owosso College

Minnesota:
- Bemidji State College
- College of St. Teresa
- Concordia College
- Minneapolis College of Art
- Rochester Junior College
- St. Mary's College

Mississippi:
- Alcorn Agricultural and Mechanical College
- Copiah-Lincoln Junior College
- Delta State College
- East Central Junior College
- Hinds Junior College
- Holmes Junior College
- Jackson State College
- Jones County Junior College
- Millsaps College
- Mississippi Delta Junior College
- Mississippi Gulf Coast Junior College
- Mississippi State College for Women
- Mississippi Valley State College
- Northwest Mississippi Junior College
- Pearl River Junior College
- Rust College
- Southwest Mississippi Junior College
- Tougaloo College
- Utica Junior College

Missouri:
- Avila College
- Christian College
- Evangel College
- Fontbonne College
- Kansas City Art Institute and School of Design
- Kemper Military School and College
- Lincoln University
- Missouri Valley College
- Mercy Junior College
- Missouri Western Junior College
- Park College
- Rockhurst College
- St. Mary's Junior College
- Tarkio College
- Westminister College

Montana:
- College of Great Falls
- Eastern Montana College

Nebraska:
- Chadron State College
- College of St. Mary
- Dana College
- Doane College
- Duchesne College of the Sacred Heart

Nebraska—Continued
- Hastings College
- Kearney State College
- Midland Lutheran College
- Nebraska Wesleyan University
- Peru State College
- Union College
- Wayne State College
- York College

New Hampshire:
- Keene State College
- Mount St. Mary College
- Nathaniel Hawthorne College
- New England College
- Notre Dame College
- Plymouth State College
- Rivier College
- St. Anselm's College

New York:
- Briarcliff College
- Keuka College
- Marist College
- Marymount Manhattan College
- Mater Dei College
- Mercy College
- Mount St. Mary College
- Nassau Community College
- Orange County Community College
- Roberts Wesleyan College
- State University of New York, College at Brockport
- Villa Maria College of Buffalo

North Carolina:
- Catawba College
- Livingstone College
- Mitchell College
- Montreat-Anderson College
- Mount Olive Junior College
- North Carolina College at Durham
- Pembroke State College
- Pfeiffer College
- Sacred Heart Junior College
- St. Andrews Presbyterian College
- St. Augustine's College
- Shaw University
- Warren Wilson College
- Winston-Salem State College

North Dakota:
- Bismarck Junior College
- Dickinson State College
- Jamestown College
- Lake Region Junior College
- Mary College
- Mayville State College
- Minot State College
- North Dakota State School of Science
- Valley City State College

Ohio:
- Bluffton College
- Defiance College
- Findlay College
- Central State College
- Mary Manse College
- Ohio College of Applied Science
- Rio Grande College

Ohio—Continued
- Sinclair College
- Urbana College
- Walsh College
- Western College for Women
- Wilberforce University
- Wilmington College

Oklahoma:
- Cameron State Agricultural College
- Central State College
- Connors State Agricultural College
- Eastern Oklahoma A & M College
- Langston University
- Murray State Agricultural College
- Northern Oklahoma College
- Northwestern State College
- Oklahoma Christian College
- Oklahoma College of Liberal Arts
- Panhandle A & M College
- St. Gregory's College
- Southwestern State College

Oregon:
- Cascade College
- Eastern Oregon College
- George Fox College
- Marylhurst College
- Mount Angel College
- Warner Pacific College

Pennsylvania:
- California State College
- Chestnut Hill College
- Cheyney State College
- Clarion State College
- College Misericordia
- Delaware Valley College of Science and Agriculture
- Elizabethtown College
- Gwynedd-Mercy College
- Immaculata College
- Juniata College
- King's College
- Lincoln University
- Mansfield State College
- Mercyhurst College
- Messiah College
- Moravian College
- Philadelphia College of Art
- Philadelphia College of Textiles and Science
- Philadelphia Musical Academy
- PMC Colleges
- Robert Morris Junior College
- Rosemont College
- Seton Hill College
- St. Vincent College
- Thiel College
- York Junior College

Puerto Rico:
- Catholic University of Puerto Rico
- College of the Sacred Heart
- Inter-American University of Puerto Rico
- Puerto Rico Junior College

Rhode Island:
- Barrington College
- Roger Williams Junior College

South Carolina:
- Allen University
- Benedict College
- Claflin College
- Coker College
- College of Charleston
- Columbia College
- Converse College
- Erskine College
- Furman University
- Lander College
- Morris College
- Newberry College
- North Greenville Junior College
- Presbyterian College
- South Carolina State College
- Voorhees College
- Wofford College

South Dakota:
- Augustana College
- General Beadle State College
- Huron College
- Yankton College

Tennessee:
- Bethel College
- Carson-Newman College
- Chattanooga City College
- Christian Brothers College
- Cumberland College
- David Lipscomb College
- Fisk University
- Freed-Hardeman College
- Hiwassee College
- King College
- Knoxville College
- Lane College
- Le Moyne College
- Martin College
- Maryville College
- Milligan College
- Morristown College
- Owen College
- Siena College
- Tennessee A & I State University
- Tennessee Technological University
- Tennessee Wesleyan College
- Trevecca Nazarene College
- Tusculum College

Texas:
- Angelo State College
- Bishop College
- Cisco Junior College
- Houston-Tillotson College
- Incarnate Word College
- Jarvis Christian College
- Kilgore College
- Laredo Junior College
- Our Lady of the Lake College
- Paul Quinn College
- Prairie View A & M College

Texas—Continued
- Ranger Junior College
- St. Edward's University
- Tarleton State College
- Texas College
- Texas Lutheran College
- Texas Southern University
- Texas Wesleyan College
- Weatherford College
- Wiley College

Utah: Dixie Junior College

Vermont: Windham College

Virginia:
- Eastern Mennonite College
- Emory and Henry College
- Ferrum Junior College
- Hampton Institute
- Lynchburg College
- Old Dominion College
- St. Paul's College
- Virginia State College, Norfolk
- Virginia State College, Petersburg
- Virginia Union University

Washington:
- Centralia College
- Columbia Basin College
- Fort Wright College of the Holy Names
- Gonzaga University
- Highline College

Washington—Continued
- Peninsula College
- St. Martin's College
- Spokane Community College
- Wenatchee Valley College
- Whitworth College
- Yakima Valley College

West Virginia:
- Alderson-Broaddus College
- Bluefield State College
- Concord College
- Davis and Elkins College
- Fairmont State College
- Morris Harvey College
- Potomac State College
- Salem College
- Shepherd College
- West Virginia Institute of Technology
- West Virginia State College
- West Virginia Wesleyan College

Wisconsin:
- Alverno College
- Dominican College
- Milton College
- Mount St. Paul College
- Mt. Senario College
- Northland College
- Viterbo College

Wyoming: Casper College

Mrs. GREEN. Thank you very much, Mr. Commissioner, Dr. Muirhead, Dr. Estes, and Dr. Alford. Tomorrow the committee will continue hearings in this room at 10 o'clock and, as I mentioned, we will have the American Banking Association, American Council on Education, and the Librarian of the Library of Congress.

Mr. Commissioner, we are grateful to you. We hope that we may call on you again toward the end of the hearings as we develop other facts and we will need your counsel on amendments we may have.

Mr. HOWE. Thank you very much. We would be happy to come back.

(Whereupon, at 12:30 p.m., the committee recessed, to reconvene at 10 a.m., Wednesday, April 19, 1967.)

HIGHER EDUCATION AMENDMENTS OF 1967

WEDNESDAY, APRIL 19, 1967

House of Representatives,
Special Subcommittee on Education of the
Committee on Education and Labor,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Thompson, Brademas, Carey, Gibbons, Hathaway, Quie, Reid, Erlenborn, Esch, and Gardner.

Mrs. Green. The subcommittee will come to order for further consideration of H.R. 6232 and H.R.6265.

The first witness is the Honorable L. Quincy Mumford, Librarian of Congress. On behalf of the committee, welcome, Mr. Mumford. May I also express my appreciation for the material we have received from the Library of Congress, the reports and materials we have asked for, and for loaning to this subcommittee Terry Pridgen who is such a wonderfully fine person, as we made the study of the Office of Education, who has helped us go through the reports.

And we express our appreciation for the department that does the computer program. I know it spent many days and many weeks going through some 6,000 questionnaires received by this subcommittee on the Office of Education

I must say without the help of the Library of Congress, I don't think we would be able to make a report on the study. We are very grateful. You may proceed with your statement, sir.

STATEMENT OF HON. L. QUINCY MUMFORD, LIBRARIAN OF CONGRESS

Mr. Mumford. Madam Chairman and members of the subcommittee, the Library is very happy to have been of assistance. I appreciate this opportunity to appear here today in behalf of H.R. 6232 and H.R. 6265, the bills to amend the Higher Education Act of 1965 and other education measures.

Although I am here to speak to the title II–C amendments to the act, I would like to express my whole-hearted endorsement for the provisions in title II, A and B. University and college libraries are facing the same problems that the schools themselves have faced in the last decade.

An ever-increasing student body, new area study programs, and a greater emphasis on research have placed enormous burdens upon the library resources of these institutions.

Until the passage of the 1965 Higher Education Act, Federal assistance was not available. The provisions of funds in title II–A is, I believe, a national necessity if we are to give our students the kind of education necessary to cope with the world problems of tomorrow.

No one questions the need for trained librarians. A cursory glance at the want ad section of any of the newspapers in cities of this Nation gives evidence of the increasing requests for professional librarians.

The library community has attempted to offer financial aid to its students, but it does not have nearly enough resources to meet the demand. The grants provided for in part B should enable many students, who for financial reasons have not been able to attend graduate school, to pursue a career in library science.

Without good library schools, it would be foolish to encourage these students to attend and the assistance provided for in H.R. 6232, for planning and development grants for library schools should assist in raising the standards of library education.

Also, I am gratified by the inclusion of the provisions for grants for research in the area of library and information science research. Many worthwhile studies have had to be shelved because of lack of funds and it is quite clear that research in depth is the only way to find answers to the many problems involved in the collection and dissemination of information.

As most of you know, title II–C of the Higher Education Act, commonly known as the shared cataloging program or the national program for acquisitions and cataloging (NPAC to suggest its impact) which is administered by the Library of Congress and which was advocated by the Association of Research Libraries and the American Library Association, among others, was designed to assist the libraries of colleges and universities in this country with one of their most serious problems—the cataloging of foreign library materials.

The program authorized by the legislation has been in operation for less than 1 year, funds having become available in May 1966. The act authorized $5 million for fiscal 1966 and $6,315,000 for fiscal year 1967.

The total amount appropriated for these years, however, has been $3,300,000. Despite this very limited funding, the achievements to date have exceeded even the most optimistic expectations.

In order to accomplish the purposes outlined in the Higher Education Act, the Library of Congress has worked out cooperative agreements with national libraries and the publishers of national bibliographies abroad to utilize the professional cataloging done in several European countries.

These shared cataloging arrangements eliminate the necessity of completely recataloging materials in this country. This enables the Library of Congress to utilize scarce catalogers here to the very best advantage and it speeds up the receipt of catalog information by American libraries.

To date contracts have been entered into with 13 national bibliographies for the Library of Congress to receive printers' copy well in advance of publication in the country of origin in order that the Library of Congress may have printed catalog cards available by the time the research libraries acquire the book itself.

Small offices to handle this work, staffed with local catalogers and usually headed by one American, have been established in London, Paris, Oslo, Wiesbaden, Vienna, and Belgrade. These offices provide bibliographic coverage of the publishing output of Sweden, Denmark, and Switzerland, as well as of the countries in which they are located.

The establishment of an office in The Hague to cover the Netherlands and Belgium is imminent. In addition, regional acquisitions offices are operating in Nairobi, Kenya; and Rio de Janeiro, Brazil; to obtain materials not readily available through normal trade channels.

If additional funds become available, we plan to extend the program to the Far East and to other countries in Eastern Europe.

The early results of the program have been acclaimed by librarians in this country and abroad. I would like to quote just a sentence or two from letters received on the subject. One university librarian has stated:

> The Title II–C Program and its concept of centralized cataloging for research libraries has been one of the most significant developments in the history of American libraries. It is the only solution to the irreconcilable realities of the flood of publications pouring from the presses throughout the world on one hand and the severely limited numbers of qualified librarians, especially with competence in foreign languages, to process them on the other hand.

Another librarian has said:

> Title II–C has the potential of contributing more to the solution of a major problem of research libraries than any federal legislation ever passed . . . But every library and especially research libraries, will receive vital assistance, as a result, in the form of catalog cards for a higher percentage of books added. This means not only that fewer professional catalogers will be needed, but also that books can be made available on the shelves more quickly and at less cost.

The amendments before you today, would, we believe, enhance the value of this program to the college and university library.

Under the present authorization the Librarian of Congress is charged with "acquiring so far as possible, all library materials currently published throughout the world which are of value to scholarship."

The addition of the words "copies of" before "all" would enable the Library of Congress, when necessary, to purchase additional copies of a single title. The present law could be interpreted to mean more than one copy, but the legislative history of the act indicates that the acquisition of a single copy was intended.

A single copy of many publications, especially those from areas where small editions are published and books cannot readily be obtained from dealers, is not always sufficient.

Because the Library of Congress serves first the Congress, then other Government agencies, and finally the research community, the copy obtained for centralized cataloging purposes is usually required in Washington for official purposes.

A second copy for loan purposes is often needed. It would even be possible to place this copy on a deposit basis in a centrally located research library for the purpose of making it available on loan to other libraries.

The cost of this second copy would be moderate because it would not be the intent to acquire materials that are generally available through regular book trade channels, but to acquire those materials that are difficult to obtain and needed by libraries periodically to fill a special research request.

The proposed language to amend section 231(2) reads: "providing cataloging information promptly and distributing this and other bibliographic information about library materials by printing catalog cards and by other means, and enabling the Library of Congress to use for exchange and other purposes such of these materials not needed for its own collections."

The revision of the language of this section would make it perfectly clear that the Library of Congress could not only provide cataloging information about currently acquired materials but that it could also prepare other aids to higher education, such as bibliographies, indexes, guides, union lists, and the like, describing not only current books but other important materials vital for research.

Such bibliographic tools are essential to the librarian and the scholar if a library's resources are to be effectively utilized.

A new subsection (3) is proposed in H.R. 6232 and in H.R. 6265. If enacted, this language would enable the Library of Congress to pay administrative costs of cooperative arrangements for acquiring library materials published outside of the United States, its territories, and its possessions and not readily obtainable outside the country of origin for institutions of higher education or combinations thereof.

In some areas of the world where there is little or no export book trade, it is impossible for American libraries to obtain the significant materials published in those areas without a staff member physically there to collect them, and this is impossibly expensive even for the larger university libraries.

As I have already noted, the Library of Congress has had to establish procurement centers in such areas in order to insure that we get needed publications. Because we already have a representative on the spot, to obtain an additional copy for another library would add little to the cost of acquiring the material, yet it would save an untold amount of acquisitions staff work in many libraries.

Furthermore, in many instances the number of copies of a single title published in the emerging countries is so small that unless the publication can be obtained shortly after it comes off the press, there simply are no copies left for distribution outside the country of origin.

Under the plan proposed in section 232(3) the library receiving the book would, of course, pay for it. Library of Congress would merely serve as a procurement agent in those developing countries where it has a person on the scene. It would be impossible to prorate the acquisitions cost. Therefore, authority to pay the administrative expenses out of the funds appropriated under title II–C is requested.

This subsection (3) differs from the proposed amendment to section 231(1) of part C of title II, in that universities and colleges with particular area programs would need to purchase a copy for their own collections, while subsection (1) as revised would permit the Library of Congress to obtain an extra copy, or copies, for national use.

Because of the extreme importance of this centralized cataloging program, the research community has strongly recommended that title II–C be extended, as are parts A and B, for a 5-year period, rather than the 2-year extension program provided for in H.R. 6232. I agree with this recommendation. Although great progress has been made, the program, because of limited funding, is just getting started.

A 5-year extension would give us sufficient time to put the national program for acquisitions and cataloging on a sound operating basis.

Thank you for your attention. If you have any questions, I would be happy to answer them.

Mrs. GREEN. Thank you very much, Mr. Mumford. I have a couple of questions.

I notice in the bill and in the testimony of the Commissioner that a study is to be completed in 1969 of the relationship of the Library of Congress to the executive and the legislative branches. Who is conducting this study and when did it get underway? How is the Congress involved in it?

Mr. MUMFORD. I think there may be some misunderstanding with respect to that. I believe the Commissioner was referring to the National Commission on Libraries, members of which were appointed by the President about 6 months ago. This Commission has the function of studying the whole library picture throughout the country—the problems and needs of libraries generally.

Its attention is not directed specifically toward the Library of Congress, or its relationship to the governmental structure.

I am sure the Commission will acquaint itself with the work of the Library of Congress and its functions.

As a matter of fact the Library of Congress has a meeting scheduled with the members of the Commission in May. A special study of the Library and its relationship to the executive branch was certainly not specified as one of the purposes of the Commission's study.

Mrs. GREEN. Is that included in the study?

Mr. MUMFORD. I can't say what the members of the Commission may give attention to, but this topic is not included in the outline of functions which the President directed the Commission to follow or address itself to.

The Library of Congress, Madam Chairman, as I am sure you and the members of this subcommittee are aware, is, however, central to the library system of this country. It is, in effect, the National Library, as well as the Library of the Congress. It serves other libraries and the scholarly community of the Nation. Although it is not specifically designated as an object of study by this Commission, I would assume, therefore, that its role will be considered.

Mrs. GREEN. I wonder if I might yield to Mr. Thompson, a member of the Committee on House Administration that I think has jurisdiction over matters concerning the Library of Congress. In connection with this bill, Congressman Thompson, is there any conflict in jurisdiction here? As you know, the cataloging was put in by this committee because of the very urgent problems and because of the requests of colleges and universities.

At that time we certainly had no intention of taking jurisdiction over the Library of Congress. Do you have questions to direct to Dr. Mumford and then any comments on this particular legislation?

Mr. THOMPSON. I have no comment except to thank Dr. Mumford for his statement. I alluded to a project the other day and was not in possession of as much information as I needed. It is clarified in Dr. Mumford's statement.

With respect to the Library jurisdiction, I see no conflict. The Committee on House Administration has a Joint Committee on the Library, of which I am a member. There has been no reference by any member of that committee to what we have done on the education side.

As a matter of fact, I feel very strongly that we have acted wisely in legislating as we have because of the relationship of the Library services and the Library of Congress to the scholarly community and education in general.

Speaking as an individual I would expect to have no difficulty arising out of our activities.

Mr. MUMFORD. May I add to that a brief statement? In 1965, when the original act was being considered in the Senate, Senator Morse requested a statement from Senator Jordan, chairman of the Senate Rules Committee and at that time vice chairman of the Joint Committee on the Library, regarding the propriety of the Library's serving as the center for centralized cataloging. Senator Jordan sent Senator Morse a letter, which I have in front of me, and he agreed with the purpose of the act and with the Library's performing these functions. It read in part:

> As Vice Chairman of the Joint Committee on the Library, this seems to me to be a proper extension of the Library's collecting, cataloging, and card-distribution programs and would be of great benefit to the research libraries. I think that the amendment properly belongs in the Higher Education Act of 1965 because of the benefits which would be derived by the college and university libraries in the country and consequently by higher education and the research community. . . . I see no objection to the amendment from the viewpoint of the Senate Committee on Rules and Administration, and for myself I want you to know that I will strongly support the amendment when the matter is brought up in the Senate.

I recently talked to the present chairman of the Joint Committee on the Library who is also chairman of the Committee on House Administration, Mr. Burleson, and he fully endorsed it also.

Mrs. GREEN. Thank you.

Congressman Brademas, do you have a question?

Mr. BRADEMAS. I have one question, Mr. Mumford. Thank you very much for your testimony.

My question is on the amount of money in title II–C for you to use to acquire foreign books. How much money did you have appropriated for this last year?

Mr. MUMFORD. $3 million during this current fiscal year and $300,000 appropriated in the previous fiscal year, 1966.

Mr. BRADEMAS. You say in your statement, "despite this very limited funding," to use your words. Can you give us any observation on how much money you feel would be wise?

Mr. MUMFORD. As you know, the major emphasis of the program is on cataloging and only upon acquisitions in order to catalog the books being received in U.S. libraries The full authorized funding. The full amount authorized for the next fiscal year is $7,770,000 and we feel all of it is needed to implement the program fully.

We have made an extremely good beginning, I think, on this program, and the research libraries all over the country are telling us they are feeling the impact of it. Already they are able to obtain consider-ably more catalog cards than before the program was initiated.

I have mentioned the countries with which we have worked out arrangements to use the cataloging from their national bibliographies as well as to attain additional publications.

We have also negotiations or arrangements pending with several other countries where we should begin to operate especially eastern European countries. They are willing to cooperate, in fact, they are anxious to. They recognize this as not only of the benefit to the research libraries of this country but of international benefit because the publication of information about important foreign books in our National Union Catalog makes it, in effect, an international bibliography.

In short, we can't do nearly as much with the present funding as we ought to be doing in order to achieve the purpose of the act.

Mr. BRADEMAS. One other brief question: Do you make any effort to obtain publications from Communist China through Hong Kong or any other source?

Mr. MUMFORD. Yes; we do. We obtain a considerable number of publications from mainland China through Hong Kong and other sources.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. No questions.

Mrs. GREEN. Congressman Gibbons.

Mr. GIBBONS. You testified a few years ago you had fallen pretty far behind on your cataloging, or there was a problem. Can you tell us now how far you are running behind?

Mr. MUMFORD. This act contemplated getting catalog cards out promptly to the research libraries and this included cards describing material we already had on hand waiting to be cataloged as well as materials to be acquired currently from abroad.

We have made a great deal of progress in clearing up that arrearage, not only through title II–C but through additional cataloging positions given the Library of Congress 2 or 3 years ago under our regular appropriations. This is reflected in the increased number of cards available to the libraries. I can't give you specific figures. Possibly Mr. Applebaum here has some figures.

Mr. GIBBONS. In terms of work time, how many months are you behind?

Mr. APPLEBAUM. The current materials being received under the shared catalog program are cataloged immediately and cards are available to the libraries by the time they obtain the books.

Mr. MUMFORD. We are not getting further behind with the current material.

Mr. GIBBONS. You are taking it off the top?

Mr. MUMFORD. Yes, but as requests come in from libraries for cards for books 2 or 3 years old that have not yet been cataloged, we get them out and catalog them.

Mr. GIBBONS. What about the material that the ordinary college would use?

Mr. MUMFORD. The cataloging of the English language materials which the smaller libraries use is current. We are able to supply cards promptly for that.

Mr. GIBBONS. This is not particularly within the purview of this committee but I am also on the Committee on House Administration.

Can you describe to us when the Congress is going to make available more space to you over there?

Mr. MUMFORD. During the last session of Congress, it authorized additional rental space—220,000 square feet. We have found some, have already occupied some of it, and we are looking for additional space at the moment.

We have an appropriation for such rental space.

As you know, our third building has been authorized and we have been busy with the architects for the last several months on the preliminary plans for this, which are now about completed.

Mr. GIBBONS. On your additional building, when do you think it will be completed?

Mr. MUMFORD. The estimate by the architects is a minimum of 5 years before occupancy. It will take about 2 years to complete the working drawings. Then they estimate it will take about 3 years for construction. I think it would be a minimum of 5 years before we can occupy it.

Mr. THOMPSON. Are they going to pattern the architecture after this beautiful building?

Mr. MUMFORD. No, sir; I don't think it will look like the Rayburn Building.

Mr. THOMPSON. Thank heavens.

Mr. BRADEMAS (presiding). Mr. Gardner.

Mr. GARDNER. No questions.

Mr. BRADEMAS. Mr. Esch?

Mr. ESCH. Concerning section 231, if I interpret the language correctly, the amendment would permit the Library of Congress to act in a way which many people throughout the country assumed the Library was acting, but in effect, was not authorized to act. Also, it appears that the amendment would provide the Library of Congress a base for leadership throughout the country for specific distribution.

Mr. MUMFORD. In one section we are providing for the possibility of acquiring additional copies that might be used for loan purposes. Perhaps, they might be deposited for that purpose in the Center for Research Libraries in Chicago or elsewhere.

In 231(2) we have refined the language to make it clear that our authority to distribute information is not limited strictly to distributing catalog cards or the information on catalog cards, but other bibliographic aids, such as guides, union lists, and so on.

We have some prepared bibliographic guides but we are not able to do this work as extensively as would be useful to the research libraries.

Mr. ESCH. It would first allow you to utilize modern techniques, if desired?

Mr. MUMFORD. Yes, sir.

Mr. ESCH. Secondly, it could be interpreted to extend out to provide a depository on a broad base, utilizing the Library of Congress as a broad base for facilities throughout the country?

Mr. MUMFORD. It could. We do not at present anticipate any large number of such locations. Eventually it might mean placing library materials on deposit in several locations around the country so the research community would have copies more readily available to them.

Mr. ESCH. I would not only anticipate it but hope it would come to pass. It is an innovative program you propose in relation to the cataloging; and the timelag between acquisition and cataloging which has been one bane of all librarians.

I wonder would you comment on what kinds of other innovative techniques you might utilize or present that might translate the cataloging program within the library systems internally in this country?

Mr. MUMFORD. As you know, we are progressing on the automation of the Library of Congress' central bibliographic record, which should benefit all libraries. As to techniques of disseminating information, we have had a pilot program going now for several months whereby we are putting cataloging copy for English language titles on magnetic tapes and sending them out to a selected number of libraries.

Sixteen libraries are participating in this pilot project. They have been experimenting with the tapes to see how they can use them and they are reporting back to us. The response has been very favorable.

We have requests from many other libraries for these tapes at the present time, and we are preparing to make it possible for others to have them.

Eventually we expect this program to cover most of our current cataloging output including foreign-language materials, and for this information to be available on tapes for use in computers in various research libraries and other places. The pilot project is not limited to research libraries; also taking part are county school systems, public libraries, laboratories, and so on. We have taken a cross section of institutions that have good computer equipment available and that know how to manipulate the tapes. It is our intention to develop this program to the point where cataloging can be available on tapes to any library that wants it in that form.

Mr. ESCH. One further question, do you see the Library of Congress as a catalytic agent serving centralization more and more in the next decade toward not only cataloging but the acquisition and the coordinating function for libraries throughout the country?

Mr. MUMFORD. I think other libraries will continue to obtain copies of publications for themselves in areas where the export book trade is organized. One or more copies at the Library of Congress cannot serve all the national needs, but the Library of Congress can help supplement and fill in gaps in collections, and supply things that other libraries do not have.

Libraries are looking to us to take the leadership in serving as a central point of activity for many national programs, including the preservation of deteriorating materials, for example. There are other areas, as I just indicated—cataloging, automation, et cetera—where the Library of Congress is taking the leadership. Such programs can be done at one place more economically and more effectively for the use of the other libraries throughout the country than they could by having them carried on in many, many places.

Mr. ESCH. Thank you very much.

Mr. GIBBONS. May I ask a question?

Mrs. GREEN. Yes.

Mr. GIBBONS. Perhaps this is an expression of ignorance but excuse me if it is. I notice more libraries are going to broader educational media rather than just books and periodicals. Does the Library of Congress attempt to catalog other media besides books and, I am talking of films?

Mr. MUMFORD. Yes, we have films, recordings, graphic materials such as prints, posters, and so on, which we catalog or index in a way so that they can be used.

Mr. GIBBONS. Is this cataloged in the same way?

Mr. MUMFORD. There are some special rules for cataloging motion pictures, for example, that are different from the cataloging rules for books, but the principles are the same.

Mr. GIBBONS. Do you make these catalog cards available to libraries?

Mr. MUMFORD. Yes, we do.

Mr. GIBBONS. Thank you very much.

Mrs. GREEN. Thank you very much, Mr. Mumford.

Mr. MUMFORD. Thank you, Madam Chairman.

Mrs. GREEN. We are privileged to have representatives of the American Council on Education and a friend of many years standing, President Mason W. Gross, of Rutgers University, is here to represent the American National Council. He is to be accompanied by a friend, also of many years, John F. Morse.

We are pleased to have you here. It is my understanding you are representing other professional organizations.

STATEMENT OF MASON W. GROSS, PRESIDENT, THE STATE UNIVERSITY, RUTGERS; AND JOHN F. MORSE, ON BEHALF OF THE AMERICAN COUNCIL ON EDUCATION

Mr. GROSS. That is right.

Mrs. GREEN. You may proceed as you wish.

Dr. GROSS. Thank you, Madam Chairman, and members of the subcommittee, I am Mason W. Gross, president of Rutgers, the State university in New Jersey. I am appearing before you as a member of the board of directors and an ex officio member of the Commission on Federal Relations, of the American Council on Education to present the council's position in regard to H.R. 6232 and H.R. 6265, the Higher Education Amendments of 1967.

I am particularly pleased to report to you that joining the council in this testimony are the American Association of Junior Colleges, the Association of American Colleges, the Association for Higher Education, the Association of State Colleges & Universities, and the National Association of State Universities & Land Grant Colleges.

The views of all of these associations on the merits and the demerits of the bill before you are identical.

If I may be permitted to do so, I should like first of all to call the committee's attention to what we believe to be the demerits of the bill. This requires that I move immediately to section 1001 of title X. At the present time, there is a ceiling of 3 percent on the interest rate for loans made under title III of the Higher Education Facilities Act of 1963.

We believe that this is a wise provision. The American Council on Education in its recent publication. "The Federal Investment in

Higher Education: The Need for a Sustained Commitment," states that one of the important roles that can be played by the Federal Government is to help reduce the necessity for institutions to charge ever higher student fees.

The proposal contained in section 1001 of title X would, in fact, probably force those fees up. So too would an identical proposal contained in the administration's bill for college housing loans.

The proposal in section 1001 is a seemingly simple one, but so written that there could be an immediate rise of more than 50 percent in the interest charged for facilities loans.

The Secretary of the Treasury would determine a rate, taking into consideration the current average market yield of Government obligations of comparable maturities. We are informed that at present this rate would be between 4½ and 4¾ percent. The Commissioner of Education would then be authorized to lower this rate by any amount up to 1 percent. So we can assume that the interest to be charged would fall somewhere between 3½ percent and 4¾ percent.

There is no way to tell how the Commissioner would decide how much, if any, of the interest rate he would subsidize, but we assume that he would provide just enough subsidy to make it attractive for public institutions, which enjoy the tax-exempt privilege, to go to the private market for their loans. This would suggest that the interest rate would be somewhere in the neighborhood of 4.2 percent. Perhaps our speculations are wrong, but if so, this is illustrative of one reason we are opposed to the proposal. Within the limits of the figures we have cited, there is no way to tell what interest would be charged.

Assuming that most loans for academic facilities are for a 30-year term, the annual debt service charged per $1,000 would be $51.02 at the current 3 percent. If the interest rate should rise to 4¾ percent, the other extreme the annual debt service per $1,000 would be $63.21.

To put it another way, the total cost of a $1 million building at 3 percent amortized over 30 years would be $1.53 million and at 4¾ percent would be $1.9 million. The difference between these two figures could, in most cases, be made up only by increasing the fees charged to students.

As we have already pointed out, the administration has made an identical proposal in connection with the college housing program, which is not before this subcommittee. The net effect of raising the interest rates for college housing loans from the current 3 percent to the maximum permitted under the proposed legislation, even if one optimistically assumes that housing can be provided at $6,000 per bed, would be to increase room rents by approximately $100 per year.

We recognize that if interest rates are increased sufficiently to stimulate some institutions to turn to the private market, the pressure for Federal funds may be relieved. But we believe a better answer is to increase the amount made available for title III from the $200 million indicated in the President's budget request to the $400 million authorized in the act. We also believe it possible for institutions to secure part of their construction funds from private sources, such as insurance companies, and pay commercial rates, provided the average interest paid can be kept reasonable by a continuation of the Federal program at 3 percent.

We respectfully urge, therefore, that section 1001 be deleted. May I now address your attention to a second concern. This has to do with part C of title IV of the bill now before you. Unless the Higher Education Act of 1965 is amended, the so-called work-study program will require, beginning in the next fiscal year, an increase in the non-Federal matching share for the support of student employment from 10 to 25 percent.

When the legislation was enacted, this seemed a reasonable provision and we supported it. We believed that institutions would be stimulated to find work opportunities for their students both on and off the campus, and that once these work opportunities had been discovered, it was logical to expect that at least 25 percent of the load would be underwritten by non-Federal sources.

Two things have become apparent since that time. First there are many institutions with inadequate resources, whose student bodies in general come from families who are most in need of assistance, which have found the work-study program a godsend. But often they are in rural areas or in rundown urban areas that do not have job opportunities readily available. I might add parenthetically that some of these institutions do not belong to any of our associations, and their voices are, therefore, not readily heard. We believe these institutions are going to have a terribly difficult time increasing the matching share from 10 to 25 percent. We are fearful that the increase will simply lead to a reduction in the number of jobs available.

Mr. QUIE. What are these institutions? Are they some institutions that chose not to or are they a type of institution that does not belong?

Mr. MORSE. We have an automatic requirement that an institution be accredited regionally, and many institutions can get the benefits of Federal legislation through indirect routes of submitting letters indicating their credits are acceptable.

They can participate in the program but do not belong to our association.

Dr. GROSS. There is a second factor which was not anticipated in 1965, namely, the extension of the Fair Labor Standards Act to cover all colleges and universities. We do not argue against the desirability of paying students a decent wage, but we do point out that those institutions which will have the most difficulty in meeting the increased non-Federal share of the work-study program will undergo the dual impact of increasing pay for student employment to meet the minimum wage. Since this minimum wage goes up by 15-cent annual increments for 4 years until it reaches $1.60, we believe the strains on institutional budgets will be such as to do severe damage to this highly successful federally subsidized student work program. We are grateful that the bill before you recognized this and proposes that the ratio be changed to provide for an 80-percent Federal, 20-percent non-Federal participation. We would urge, however, that the current 90–10 ratio be maintained.

There is in the bill before you—section 436—a proposal to allow institutions to utilize a part of their institutional allotments for administrative expenses in connection with the arranging cooperative education programs. This in line with the current provision in the act to allow the use of funds for administrative purposes in off-campus employment in nonprofit enterprise.

We are in support of the new proposal. We would urge, however, that the provision be broadened so that a portion of the institutional allocation might be utilized for administrative expenses in all phases of the work-study program.

There was a time when student aid could be administered in a medium-sized institution by one or two persons attached to the admissions or dean of students' office. But as we again have reached out for more and more needy students and have seen the welcome development of Federal, State, and private programs to provide for them financially, the problems of coordinating these programs, so that each youngster's needs may be met, have become severe, and administrative expenses have increased accordingly.

Experience has shown that it requires almost as much administrative time and expense to establish and supervise on-campus employment as is required for off-campus employment. When the work-study program, like the NDEA loan program, was relatively small, administrative expenses could be absorbed by extracting that extra ounce of blood and sweat from existing staff. But as the programs grow, quite properly, to meet the needs of increased numbers, the need for staff increases. The only way to meet this expense has been to take it out of instructional funds or, once again, underwrite it through increased charges to students. Neither seems to us a desirable condition.

These, in general, are the objections we have to the bill before you. I should like now to comment more briefly on the provisions we support.

We are, as we have been, enthusiastic about the community service and continuing education programs, supported by title I of the Higher Education Act of 1965. Furthermore, we support the proposal in section 107 of the bills before you that up to 10 percent of the appropriated funds may be used by the Commissioner to fund experimental or pilots projects. We face a host of problems in these areas to which we do not know the answers. We should be encouraging innovation, and we believe the Commissioner should have a certain amount of freedom in backing promising projects that do not necessarily come through the traditional channels.

We are also in support of title II, the college libraries program. Such reservations as we have are shared by the American Library Association and the Association of Research Libraries, which will be testifying before you tomorrow. We endorse the positions they will be taking.

We also support, enthusiastically, the extension of title III of the Higher Education Act of 1965, which provides assistance to developing institutions. This is not an easy program to evaluate, nor can one anticipate instant and dramatic results. But the institutions being aided are performing an essential service. They are educating many young people who have been handicapped by woefully bad elementary and secondary schooling.They are faced, therefore, with an unusually severe challenge. We should do everything possible to strengthen them so that they may better perform their mission.

Let me now move to section 453 of the bill before you. We have studied carefully the administration's proposal to fund a part of the NDEA loan program through the sale of participations. We believe that the idea has merit and that it may very well provide a solution to the problem of competing demands for funds.

As we understand the proposal, an institution could, if it so elected, borrow all of or any part of its needed loan funds from the Commissioner. This would be an amount equal to its full approved request for a Federal capital contribution plus an added one-ninth to make up what would otherwise be the institutional contribution. The Commissioner would in turn transfer the notes executed by institutions for these loans to FNMA where they would be pooled with other notes held by the Government and sold on the commercial market in the form of participations. We see certain advantages and at the moment no disadvantages in such an approach.

(1) Institutions would be assured their full share of the direct appropriation for Federal capital contributions if they elected to fund their program as they have in the past.

(2) Additional funds would be provided through the new approach so that any institution electing to borrow would be assured of receiving 100 cents on the dollar of its approved application.

(3) This new approach would not require the institutions to provide one-ninth in matching funds. This would relieve them of an obligation which is proving more and more onerous for all and virtually impossible for some.

(4) The Government's concern for careful stewardship of funds would be preserved, since the institutions would still be responsible for collections and would be liable for 10 percent of any losses incurred through failure of students to repay.

We believe that enough institutions would elect to fund their loan programs through this new approach so that the money available in direct appropriations would be ample to meet the full needs of those institutions who could not, or for some reason chose not, to borrow.

As I have suggested, we have studied this whole approach very carefully and we have been unable to find any flaws in it. It makes no change whatever in the relationship between student and the college. It changes none of the fundamental aspects that have made the NDEA program so successful. And it seems to offer the hope that full loan needs can be met without increasing strains on the budget. We view it as worthy experiment which should be tried out for a year or two, provided it is clearly an optional method of funding the program. If it works, and we hope that it will, it might very well prove to be the ideal way to fund the program in the decades ahead. If it does not, we shall have an opportunity to review it later.

We are also pleased that the bill provides for the use of work-study funds as one element in matching opportunity grants. We never understood why such funds were excluded from matching, since the typical arrangement for a needy student is to package grants, loans, and jobs in appropriate balance, so that the needs of every student may be met. The prohibition against using work-study funds to match opportunity grants has led to almost insoluble problems in financial aid opportunities. We would urge, however, that the elasticity provided to the financial aid officer go one step further.

We believe that if a loan can be arranged for a needy student under the guaranteed loan program, the financial aid officer should be authorized to utilize these loans as a part of the matching for the opportunity grant. At the moment such a provision might mean little, since the guaranteed loan program is experiencing difficulty. But if the many problems which the program is encountering are solved, it can be an important fourth ingredient in the Federal program of assistance and can conveniently be almost interchangeable with the NDEA loan program. We see no logic in allowing NDEA loans to be used to match opportunity grants and prohibiting the use of guaranteed loans for this purpose.

We strongly support the proposed Education Professions Development Act, title V. There is no question that all levels of education—higher education as well as elementary, secondary, vocational, and adult education—need a greatly expanded supply of teachers and other professionals. There are special needs in preparing students for undergraduate teaching. Over the next decade, tens of thousands of additional teachers and other professionals, most of them educated at a level below the doctor's degree, will be needed in the Nation's junior colleges and technical institutes and at the freshmen and sophomore years, especially, at 4-year colleges and universities.

Present Federal legislation in teacher education is piecemeal and does not give the Commissioner of Education the needed flexibility to establish programs at any level appropriate to need. At present there are Federal programs to support the preparation of teachers for elementary and secondary work and for university and upper division teaching at the doctoral level.

Unquestionably the doctorate will continue to be regarded as essential for many who will devote their lives to teaching and research in institutions of higher education. There is, however, an increasing need, especially in the 2-year colleges, but also in 4-year undergraduate colleges for teachers whose education is at the subdoctoral level. There is no program to support this kind of preparation. Title V will do much to fill this gap.

A survey of the Nation's graduate schools now being made by the American Association of Junior Colleges, in cooperation with the Association of State Colleges & Universities, shows that over 200 colleges and universities, public and private, in every part of the United States, are now offering programs to prepare students for teaching positions at the undergraduate level, or are planning to do so. Federal assistance is clearly needed to develop these programs.

A list of these institutions will be filed by these associations in a supplementary statement.

We urge one change in the proposed legislation. We believe that section 507 of H.R. 6232 and H.R. 6265 should be amended so that Federal grants for teacher training may be made beginning in the fiscal year 1968 rather than in 1969. A failure to begin in fiscal 1968 because of delays in the appropriations process, may mean that the whole program will be delayed for more than 1 additional academic year.

The large number of universities which are now offering programs, or actively planning to do so, is an indication that these institutions can make an effective use of Federal funds now, in the coming fiscal year, both for planning and development and for the education of graduate students.

From what we have said about title V, it is clear that we support the provisions in the bill that would phase out the various institutes supported under the National Defense Education Act. We have long urged that these institutions be opened to teachers in higher education. We have advocated that the latitude provided to the National Science Foundation to support teacher education programs at all levels be accorded to the Office of Education. As we see it, title V would provide this latitude and enable the Office of Education to identify areas most in need of support and to provide that support without seeking specific categorical legislation to fund it.

There are other parts of the bill on which we should be happy to comment but which we have not touched on in this formal statement. In general, for example, we approve the proposal that would abolish certain advisory committees. Because of the number of acts that have been passed in the last several years, almost every one of which has provided for some kind of advisory panel, the Commissioner would scarcely have time to do his job if he had to meet with each of them. Obviously we want the Commissioner to have the benefit of advice from the educational community and from the public. But equally obviously, it is not necessary that the Commissioner convene a special panel for each category to which Federal legislation is directed.

I should like to make one comment on an administration proposal which is not, as I understand it, before the committee at this time. It is a proposal that was originally contained in the elementary and secondary education bill, H.R. 6230. We judge that responsibility for oversight of the training aspects of the Teachers Corps has been returned to the jurisdiction of this subcommittee.

In H.R. 6230 new language has been added to that section which provides for arrangements between institutions of higher education and the Commissioner of Education. The new language would require that any such arrangements have "the approval of the appropriate State educational agency." We have not had an opportunity to study this in detail, but our initial reaction is that it is a most unfortunate provision.

No one knows at the moment how best to train teachers to work in deprived areas. We are not going to know unless there is active encouragement of innovation and experimentation and a willingness, quite frankly, to experience failure as well as to believe in success. A direct line of communication and negotiation between the university and the Office of Education is, we know from experience, an arrangement that works. To introduce the possibility of a veto by a third party, which may not be sympathetic to this experimentation, seems to us to have no merit.

If the "approval" of the appropriate States authority, to put it in its best light, is pro forma then the only problem will be one of delay. But if it is more than pro forma, we fear that our strongest institutions which perhaps have most to contribute to this new program, will simply withdraw rather than subject themselves to the judgment of those who may not be sympathetic to or conversant with what is going on in higher education. We would urge that the Commissioner continue to have authority to contract or make other arrangements directly with institutions of higher education for the training of the Teachers Corps.

Madam Chairman, I am grateful to you and other members of the subcommittee for giving us this opportunity to express the views of higher education. We shall be glad to answer your questions or to submit further statements on questions which we are not prepared to answer today.

Mrs. GREEN. Thank you very much, President Gross.

The first question is in regard to funding. Since you have not touched on it in your statement, I take it you approve the amount of funds suggested for the various titles.

When the American Council appears before this committee and testifies on the authorization, the amount to be appropriated, do you consider that a minimum amount or do you consider that a ceiling?

Mr. MORSE. Excuse me, I think Mr. Gross is passing this one to me. I want to make sure I understand the question. What authorizations in this bill are we discussing?

Mrs. GREEN. This is really a general question, there are a lot of authorizations in this bill, but I am really asking the question in regard to your general testimony in support of education bills when there is a specified amount for a particular year.

When you testify, do you consider that as the minimum amount that is needed to accomplish the purpose or do you consider it the ceiling?

Mr. MORSE. No, with the exception of 1 year; namely, last year, when, I think probably mistakenly, we were concerned with the total Federal budget rather than with the needs of higher education.

With the exception of last year, what we seek to do is request the authorizations which we believe will meet the needs of higher education. Thus last year, as I think you will recall, we urged authorizations of approximately the magnitude which this committee later adopted for fiscal 1968 and fiscal 1969.

We urged it because we believed this was the amount of the Federal share required to build the facilities necessary to take care of the future students.

As we look at those authorizations now, assuming the Federal share will be approximately one-third of the total construction, those authorizations seem to us to be pretty much on target.

The appropriations requests are a different thing but the authorizations contained in the Facilities Act, for example, seem to us to be just about what they should be if one assumes the Federal share should be about 33 percent.

Mrs. GREEN. The reason I ask this question is that just this week I had conversations with people interested in education legislation raising the question over the administration request for appropriations this year in relation to the authorization. For example, in the Higher Education Facilities Act the amount was $728 million. I believe you testified in favor of that. The request for appropriation, however, is only $390 million which is only 54 percent, really a cut of over $300 million there. The conversation then went on but when we asked for authorizations, this is the ceiling, and the appropriation could be anywhere up to that amount.

This makes a great deal of difference to this committee, whether we are requesting the amount of money in terms of the ceiling or in terms of the educational needs of the community. I want your reaction to this kind of debate.

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Mr. MORSE. We would like to believe that the appropriations and authorizations would be identical. As a matter of fact, the American Council on Education is due to testify before the House Appropriations Committee for HEW tomorrow.

We will point out just what you have pointed out. Not only does this fall far short of the authorizations, which we believe to be realistic but it is even a cut below the current fiscal year appropriation, which would seem to suggest that people believe we are over the hump in the facilities need.

As we see it, within the next 10 years there must be construction of approximately $3 billion a year on college and university campuses to take care of the numbers we see coming ahead.

Whether the State and private sources will be able to continue to match Federal appropriations at the rate of 2 to 1 as they are now doing is a matter of conjecture, and I am fearful that we may not be able to maintain this ratio.

Quite sincerely we believe that the appropriations for these educational programs should be what authorizations are, and we will support that point of view.

Mrs. GREEN. Regarding the teacher fellowships—I believe last year you testified in favor of an authorization of $275 million. This year the administration is asking for only $35 million. This would be for the fellowships for graduate education for elementary and secondary teachers, which would only be 12 percent of the authorization.

When you testified, did you consider the $275 million the ceiling there or as a minimum need in terms of teacher shortage?

Mr. MORSE. I will check my recollection, but I don't believe the American Council on Education ever testified on the amount of money needed for elementary and secondary teacher preparation.

The reason I am reasonably sure of my recollection is that none of us in higher education sees how one could possibly support teacher fellowships for elementary and secondary school teaching in the magnitude of $225 million or $275 million without completely stripping the schools of active teachers.

If a program of that magnitude were launched I don't think we could staff our schools. We have not, as far as I know, made a careful study of how large a program one could support at the present time without running the risk of stripping the schools.

We have felt, frankly, that the NEA was in a far better position to know the requirements for teachers—the supply and demand for teachers—so I think we have never taken a position on how large the program should be.

Mrs. GREEN. I thought you supported the bill?

Mr. MORSE. We supported the bill but I don't think we ever suggested what the authorization figure should be because I don't think we know.

Dr. GROSS. It seems to me the question perhaps was a little unfair. What we do is recommend a program and then you try to make authorization for carrying out of that program. We make suggestions about the program and amounts of money to carry it out.

When an appropriation comes in, we may feel the money does not fit. I don't think it is a question of a minimum or ceiling; it is the program that you lay out for that year and that is what we usually address our comments to.

Mrs. GREEN. If less were appropriated then you envision you could not carry it out; is that right?

Dr. GROSS. That is right.

Mrs. GREEN. Congressman Quie of Minnesota?

Mr. QUIE. Are you now talking about dropping your proposal for the Federal share to be up to 50 percent under the facilities grant?

Mr. MORSE. No, sir; but in the bill before us there is not a provision for extension beyond the current authorization. There are no proposals for amendment.

Mr. QUIE. The act is before us, though?

Mr. MORSE. You are quite right; and perhaps we should have included this in our testimony. In a position paper which the Council issued in January, and which I believe is available to you, you will see that we do advocate increasing the permissible Federal matching amount up to 75 percent.

We do not advocate setting a minimum amount at this time, primarily because we believe the State commissions should have the elasticity to determine what matching share below 75 percent is appropriate for that State, considering the number of buildings that must be built, the availability of matching funds, and the amount of Federal money available.

So we don't advocate establishing a minimum level of matching share at this time. We do advocate an increase of the permissible maximum up to 75 percent.

Mr. QUIE. On page 4 you say job opportunities are not readily available now in rural or rundown urban areas. You mean off-campus jobs, don't you?

Dr. GROSS. Yes, sir.

Mr. QUIE. Is most of the work study on or off campus in the programs presently operated?

Dr. GROSS. That would depend on the college. It varies from college to college.

Mr. QUIE. As I understand it, jobs on campus are rather scarce.

Mr. MORSE. That is quite right; we have investigated this. It is my guess that the on-campus jobs are about at the saturation level, so any expansion of the program has to go off campus. Further, I think as summer jobs develop many more of these will be off campus.

Mr. QUIE. Now the rural areas have few of the private nonprofit organizations operating where they can secure jobs. But are not there almost as many such jobs in the poor and rundown areas as there are in urban areas?

Dr. GROSS. I suspect there are.

Mr. QUIE. You want to use the money in section 436 for more than administrative expenses in arranging programs, that is, a portion also to be used in the expenses in all phases of the work study program.

Is it just this work-study program or the cooperative educational program, which would mean jobs in private industry where there would be no Federal money for salaries, that section 436 addresses itself to?

Mr. MORSE. What we are proposing—you may recall we discussed this with the subcommittee several years ago when the Higher Education Act of 1965, well when this program was coming into being.

We discussed this with the subcommittee at that time and there seemed to be no particular reason to help underwrite the administrative costs for on-campus work.

I would like Dr. GROSS to comment on what the problem is on the university campus as he sees it, it is becoming fairly acute.

Dr. GROSS. This is speaking for my own university, it is stated briefly here.

Mr. QUIE. You are talking of on-campus work?

Dr. GROSS. Yes; that is what we would like to be able to do.

Mr. QUIE. You stated your position quite clearly, but I understand there are efforts of institutions to move into more cooperative programs such as at Antioch College. That is the purpose of 436.

Now the costs to an institution attempting to arrange this off-campus work for which there is no Federal funding would be higher.

Mr. MORSE. This bill proposes that a certain percentage of the money made available may be used to underwrite the administrative expenses of arranging this off-campus employment in a cooperative program.

Mr. QUIE. Would you understand it to be on going? It was my understanding that it would be just to arrange such programs and then it would no longer be available. Is it your understanding it would be on going?

Mr. MORSE. I had assumed that. You may recall in our informal discussion with this committee we did check with Antioch on the administrative costs of the program and because there is a change in the organizations or businesses employing students in a cooperative program, there is practically constant arranging to be done, so Antioch expenses were very heavy to keep this program rolling.

Mr. QUIE. May I ask one more question, then I am going to yield if my colleague from Indiana would yield.

Mrs. GREEN. Yes.

Mr. QUIE. On the 1968 work-study program, would you prefer a 100-percent share?

Dr. GROSS. This is not fair. We have trouble with the National Science Foundation programs, where we pick up so much basic cost, but here I think 90–10 is fair.

Mrs. GREEN. Congressman Brademas.

Mr. BRADEMAS. May I make an observation and then ask you a question? It seems we are moving toward greater participation on the part of private lenders in financing student aid programs in this proposal under title II as well as in the guaranteed program.

Do you see a similar trend with respect to college housing and academic facilities and if so, what kind of problems would that bring about?

Dr. GROSS. You mean private sources?

Mr. BRADEMAS. Replacing of direct Federal grants with private sources.

Dr. GROSS. The total packaging for facilities is quite elaborate and in one project on our campus amounted to $3½ million. The university request to industry was for about a half a million, the State put in about a half a million and the Federal Government put in about a half a million.

There has to be some seed money. For example, for our pharmacy building, we raised a third from private industry, the State will put in a third, and we are hoping NIH will finance the rest, or somebody will finance the rest.

As you know, the Ford Foundation has rapped industry over the head for not picking up its share of educational costs. That may increase. But I can't imagine any time when Federal assistance will not be needed.

Mr. BRADEMAS. The reason I raise this question is that I am somewhat apprehensive about moves that would tend greatly to diminish Federal grant-in-aid programs, the suggestion behind these moves being that we could move toward reliance on the private sector.

For example, you fellows could go out and try to borrow the money, but if you can't, then where are you? We have, I realize, been told the guaranteed loan program will function more effectively in the year ahead than it has so far.

To follow up Mr. Quie's question about matching, what about the situation in the State of New Jersey? Are you getting noble, forward-looking leadership with a lot of taxes voted by the State legislature for education?

Dr. GROSS. I am glad you asked that this year and not last year. This year there is a considerable improvement if you look at the whole field of education, elementary right up through higher education.

I would say the budget for the university is improving. As you know, we are setting up a new authority in higher education and I imagine this will get things rolling.

We certainly need more help than we have now.

Mr. BRADEMAS. I don't know if you can accurately represent the views of all of these organizations but we have been talking in here about the tax credit proposal. Have you any comments to make on what your organizations feel about that one way or another?

Dr. GROSS. On that I cannot speak for all of them. The Council has drawn up a general statement which we will be glad to file with the committee.

The land grant colleges, I understand, are furiously opposed to it. I think we realize there is a kind of double face, at least we believe so, in that what is put forward as a tax credit plan would help both the students and the college. We don't see how the dollar can work both ways. Many colleges, particularly the smaller private ones, are desperately in need of aid of one form or another and we would be happy to see them get it.

I think that should be faced squarely as its own problem and not in this indirect way.

We are faced with students far too often at the marginal economic edge, and we can't see this tax credit plan as a broad program for aid to students.

Mr. MORSE. As you can well imagine, with as heterogeneous an organization as the American Council, we have a terribly difficult time with this issue because there are sizable numbers of small private institutions which belong to the council who believe this is their salvation, not in terms really of helping students, but of capturing revenue by increasing fees without having it fall on the parent.

I might say this is not strictly a public and private college controversy; there are a number of public institutions which support the tax credit concept. I believe Senator Prouty's advocacy of this reflects the fact the University of Vermont has to charge the highest fee of any public education institution in the country and yet in that State the resources of parents and students are not great.

Our position has been a rather weak one, I have to confess.

Mr. CAREY. Will the Congressman yield?

Mr. BRADEMAS. Yes.

Mr. MORSE. Simply stated we believe strongly in direct aid to students, the kind of aid programs this committee has sponsored in the past, and we believe that general support for all segments of higher education, public and private, through direct appropriation is better than the indirect route through tax credits.

Mr. BRADEMAS. I have one final question, this is a general question. Looking down the road into the future, what do you see as the greatest need of American higher education?

Dr. GROSS. There are many: a great increase in population will be on us; we need aid for capital facilities; fellowship and scholarship aids across the board.

I think the greatest problem is trying to work out ways with the elementary and secondary schools to make it more possible for people from the disadvantaged areas to get the proper education and be drawn into the strong colleges. I think that is our greatest problem and a great social need.

Mr. BRADEMAS. Thank you.

Mrs. GREEN. Congressman Reid.

Mr. REID. We have much appreciation for your thoughtful testimony, Mr. Gross and I appreciate the opportunity of asking one or two questions.

First, to pursue the tax credit a little further; in the event, due to the war in Vietnam and lack of fiscal action in Washington, we return to a high interest rate in the economy and to the extent the existing guaranteed loan program does not meet some aspects of the need of middle income families, particularly, between $15,000 and $20,000, where the need may be just as great but not necessarily covered by State action, do you favor consideration of some tax credit or tax reduction approach to assist the middle income family that I think frequently is caught in the squeeze?

Dr. GROSS. This is a real problem I don't want to see it dismissed in a light way. I think the picture you have drawn of what is happening to the economy is right. You have to realize the costs will go up for colleges, and those colleges depending on tuition to a very large degree will have to raise their tuition unless they get relief from some other source, so the relief to the parent or student will quickly disappear.

This will then result in giving funds to colleges that they have to have. The thing that is distressing is the way the costs are going up in all colleges. In some States we keep tuition constant but other bills are going up; housing and food is going up drastically.

Mr. REID. To some extent that is true but the guaranteed loan would then have to go up as well. Some middle income families have no relief whatsoever at the moment. The question is how do you address that group, should they be left out in the cold? My own feeling is they should not.

Dr. GROSS. If the costs are going up for them, they are going up for the people in the lower income brackets too. If we have a situation which permits charges to go up, what about the poorer students?

Mr. REID. You have to deal with all and not exclude any.

Mr. GROSS. It seems to me a program of aid to the colleges would solve the problem at different levels rather than tackle the problem of one particular level.

Mrs. GREEN. For the very needy students, do you consider the programs that we have adequate in terms of student assistance; namely, the NDEA loan which all needy students can receive, secondly, the work-study program, again which the needy students are eligible for, and third, the economic opportunity grant.

It seems to me in this combination there is quite a package for the needy students. It is above this category I am speaking of.

Mr. GROSS. These programs are tremendous; they have made it possible for many people to go on to college. You have a terrific package. I think we have one thing that should make us try to keep the costs down and that is when we talk in terms of work-study and in terms of loans.

We are talking again in terms of male students rather than females. It is harder for the females to get a better paying job and the attractiveness of a lady with a large mortgage may be a disadvantage.

Mrs. GREEN. Don't you think the reverse is also true?

Dr. GROSS. Well, maybe it is but we would like to keep these costs down.

Mrs. GREEN. I think we have figures that show that the women do not have problems on loans or work studies. In some areas there are more problems in terms of clerical aid.

Mr. REID. Just two other questions, Madam Chairman.

Mr. Gross, your testimony on page 6 referred to the fact that we have studied carefully the administration's proposal to fund part of the NDEA program. I think there is considerable questioning in Washington as to the validity of the soundness of that approach.

Are you favoring that solely as a means of meeting the funding requirements for NDEA or do you particularly like that approach?

Dr. GROSS. We think this is an approach that will make it possible for us and Government to meet the requests. As I understand it this year $190 million has been proposed in the budget and $230 million has been requested by the colleges. If you can make up this difference without imposing on the budget it seems a good way to do it.

Mr. REID. Have you had experience with the Javits amendment providing $200 in terms of grants over and above the opportunity for excellence? How does that seem to be working?

Mr. MORSE. I honestly can't answer that question, Mr. Reid, we were not quite sure how it could work because of the necessity of providing for no more than 50 percent of need through the opportunity grant, the other 50 percent to be made up of loans and now we hope, jobs.

We have had absolutely no comments from the financial aid community but I can secure some and submit them for the record.

Mr. REID. I would be extremely interested and I think the committee would be interested in any information you could submit as to how that functions.

(The document referred to follows:)

MAY 2, 1967.

Hon. EDITH GREEN,
Chairman, Special Subcommittee on Education, Committee on Education and Labor, U.S. House of Representatives, Washington, D.C.

DEAR MRS. GREEN: During the course of our testimony before your subcommittee on April 19, I was asked for comments on how well the provision to increase, under certain circumstances, the maximum stipend to be paid on an opportunity grant was working. I testified at that time that I had heard no reactions from the field.

I should have realized at the time I was questioned that the provision has not been in force long enough to get any reaction. Obviously, a student would not be eligible for the additional stipend until he had established a record for at least one college year. Since this is the first year the opportunity grant program has been in effect, there have so far been no students eligible to receive the extra stipend.

I am advised of three things:

1. In the determination of class rank, institutions are permitted to use their generally established practice for determining this but whatever system is chosen must be applied in a consistent manner to all students who may be eligible for the award.
2. Transfer students will be considered eligible for consideration in the same way as are other college students.
3. The total aid provided to students must not exceed his measured need. If student need is being met in full, the matching funds for a student who receives a $200 additional award will be reduced accordingly. If the matching includes allowance for loans or for work, the $200 award may be offset by reduction in one of these.

I think that in another year it should be possible to provide you with a reasonably good assessment of how the provision is working.

Sincerely yours,

JOHN F. MORSE,
Director of the Commission.

Mrs. GREEN. Congressman Carey.

Mr. CAREY. Let me submit a personal welcome to Dr. Gross; I have had opportunity to work with him, and serving as a sort of reform advisory committee, Dr. Gross has helped the Academy without disrupting the service to the country, so I am personally much indebted to you for that.

On the basis of your analysis of your section 1001 and the effects it would have on fluctuating rates of interest in problems of long-term financing, I am glad that in drafting the bill we put section 1001 near the very end, it will make it more easy to drop it off like boots.

Dr. GROSS. An excellent idea.

Mr. CAREY. I think this would be an impossible way to go out in the private sector and not know what your funds will be from the private sector.

Second, in the Congress and the other body, the matter of financing the higher education through student guaranteed loans, and tax deductions, it is not true that insofar as the guaranteed student loan program is concerned, we do have a tax deduction program now for the student who is successful in getting a loan when it comes to the time of repayment he does deduct the interest on that loan, that is a taxable reduction now, is it not?

Dr. GROSS. I believe so.

Mr. CAREY. Have you had any experience in hardship conditions among those students who apply for loans but whose families are in that borderline area where, supposedly, on some standard or guideline set up by loan analysis organizations, the family does not again fall within the need category and therefore, the student loan application is denied.

Is there any sizable number of students who cannot attend once that loan application is denied for failure to fall within the category of need in the loan program?

Dr. GROSS. I think many colleges will try to make this up some way with a pattern of college grants or something like that so the student who is qualified will be able to make his way.

I have to admit that the number of people we don't know about are those that don't come.

Mr. CAREY. Madam Chairman, I have a great concern in this field because of the rigid standards becoming more national in scope as to who can get a loan and who cannot. There are a vast number of low-income or middle-income families educating children, two or three at a time, and I feel sometimes that when they cannot get a loan at one of the four institutions they return to the family and say they can't get the loan, I think then they opt to the junior college or other institutes.

I think we are passing the burden to those colleges. These students can pass on their academic standards but can't fit within the confines, the confining sections of the guaranteed student loan program and I feel we are missing a great many students who should attend 4-year institutions but can't because on a basis of analysis of the family income they do not seem to qualify for the student loan program.

On the precise point of the tax credit, is it not true that we have two movements going on in American higher education? Strong voices, I think, with weighty arguments are saying that some day all higher education should be a matter of free tuition and these voices are heard in the land, less and less on the western slope of the Rockies.

Over there the institutions are moving in a different direction, tuition costs of some nature.

Now is it not true if the latter group succeeds in imposing tuition costs, even minimal in nature, there will even then be much stronger support among parents and the public to support a tax deduction, not just those having children attending private colleges, but all those faced with paying some form of tuition, they will be expected to support tax cut proposals. Isn't that true?

Dr. GROSS. There are two trends, one to put up tuition and one to maintain it at the New York City level of zero. Both are going on at the present moment. I don't know what is going to come out of this.

In New Jersey we have a high tuition rate; we are second or third of all the States. There has been no discussion recently on raising the tuition. Our tuition is $400 a year. As a matter of fact, this year there was discussion for the first time in years of lowering it or cutting it to zero.

I don't know what is going to come out of it.

At the present moment it seems the program of aid to colleges meets this thing head on whereas in this tax-credit scheme, you don't know who is being helped or whether you are helping to accelerate an increase in tuition rates by making this money available.

Mr. CAREY. Certainly if we don't move as much as we can—$3 million in construction of facilities which you said is needed—if we don't move aggressively toward that, then the problem of financing the tuition institutions will become an even more vexing one for those who don't have any means to increase their capital commitments without increasing tuition unless we can move more aggressively toward funding the authorizations we have legislated in this committee.

Dr. GROSS. I do think that is the way to do it.

Mr. CAREY. I would like to say a word on behalf of those supporting the tax credit. It is too often said this is merely an indirect means of getting money into the private sector and it is a conduit for simply raising fees.

Is it not true a great many of those who support the tuition requirements of the students honestly want to make a greater contribution to the school where their children are in attendance? Many do make donations of gifts and so on. These are tax deductible but it is an insubstantial way of financing.

Unless you get a big drive going you don't get money coming in. I think many parents would be anxious and willing to make donations for their children if this was money not taken out of their need for daily upkeep for the family.

This is something to enable families to make a greater contribution to American education. I think this is laudable.

Dr. GROSS. I don't think this is something the private colleges are selling in order to raise their tuition. It is only a question of whether this is the best method of aiding colleges.

Mr. CAREY. In the Secretary's testimony he indicated under title V that under broader education colleges could move to build expertise in the background of school boards, teachers, and so on; does this mean we would find Rutgers instituting a program to upgrade the appreciation of school board members of school problems like Wayne County members?

Dr. GROSS. If it can be done, I would be for it.

Mrs. GREEN. Congressman Esch.

Mr. ESCH. I think all of us are concerned with the tax credit concept, for it is not following the regular pattern through Congress. It has been suggested the program is an indirect way of support of higher education.

Yet if we gain another percept on it, might it be looked at as a more direct way of support with a great deal more flexibility on the part of the student to be selective and have more independence and freedom to choose those paths in the direction he wishes to go?

Dr. GROSS. I don't think it is quite as narrow as you imply. For example, more and more programs are coming in with scholarship aid to the student, to take him where he wants to go, sometimes out of the State.

There are programs designed to do just that: give the students greater flexibility. I really don't see it the other way because I don't think the amount is sufficient to make any drastic difference.

Mr. ESCH. More and more States are utilizing the student aid programs.

Dr. GROSS. That is right.

Mr. ESCH. Speaking for the group you represent, do you anticipate a need for more direct Federal-State institution and direct Federal institution aid and financial support in the next decade as a means for the way we must go?

Dr. GROSS. I think this is essential.

Mr. ESCH. Within this prediction, to what degree should we have local opportunity for value judgment and action, categorical versus noncategorical funding on the Federal level? Do you anticipate the need for us to move to noncategorical grants as quickly as possible?

Dr. GROSS. Yes; the Secretary testified we have to be realistic; we will never get rid of all categorical appropriations. New things come along like that all the time but I would be in favor of reducing the categorical restrictions, making a move in the direction of general support.

Mr. ESCH. I think the one dimension we have not discussed is the State aid and lack of predictability of aid to State institutions.

To what degree is it a problem, matching program and predictability of receiving State aid?

Dr. GROSS. If you are talking of the State plan, most States are developing master plans; most States are moving toward the direction of giving us planning funds so we can start planning the building and so on.

In New Jersey we are required each year to present a 6-year building program. I think there is a much more stable degree of State appropriations than Federal because of the shift of emphasis in the Federal Government here.

I know reasonably well what we can look forward to from the State of New Jersey.

Mr. ESCH. Would not a longer range approach on the Federal level, to make it more compatible with the State planning program, be more desirable?

Dr. GROSS. I think so. I was pleased this year that we got more funds from the State for higher eduction. This would give us much more assurance.

Mr. ESCH. You suggest the need for opportunity to utilize the participation as a means of filling the gap between what is needed and what might be available. Is this to assume that your position is for a long-range continuing need to utilize this method of financing or do you look to more conventional ones?

Dr. GROSS. We would like to see how this works, and we can always study and see what is the best way of going about it. It does seem to be a good solution and we will see in the next 2 or 3 years whether it is.

Mr. ESCH. You are not suggesting financing all programs in this way?

Dr. GROSS. Certainly not.

Mr. HATHAWAY. I would like to ask you if the greater involvement of the Federal and State Governments has decreased the contributions of private sources?

Dr. GROSS. No; I think it has increased them. Rutgers was first private, then operating in contract with the State, and finally we went whole hog, and people opposed to the movement pointed out other contributions would fall off. On the contrary, they have increased drastically.

Mr. HATHAWAY. Have the individual colleges continued to divert the same amount of energies in obtaining other aid?

Dr. GROSS. If you go out and say "I can get a thousand from the State, a thousand from the Federal Government," a contributor really sees he is getting something done for his money. In our institutions the increase in private funds has been tremendous.

Mrs. GREEN. Congressman Erlenborn.

Mr. ERLENBORN. No questions.

Mrs. GREEN. Thank you very much, Doctor. I suggest before we get through that we ask Mr. Morse to come back again. I should like, if time permits, to get into the forgiveness features of the NDEA loan.

(Supplementary statement by the American Association of Junior Colleges follows:)

SUPPLEMENTARY STATEMENT BY AMERICAN ASSOCIATION OF JUNIOR COLLEGES

The American Association of Junior Colleges and the Association of State Colleges and Universities join with the other higher educational associations in support of the "Education Professions Development" program, Title V of the Higher Education Amendments of 1967.

This new program is intended not only to coordinate and strengthen existing federal assistance programs for teacher training, but to authorize new programs. The Act places special emphasis on programs to train teachers for junior colleges, technical institutes, the freshman and sophomore years at four-year colleges, and teachers at the preschool, adult, and postsecondary vocational education levels. Present federal legislation provides little or no support for college teacher training at these levels—either fellowship programs below the doctoral level, or institute and in-service training programs.

The AAJC and the ASCU wish to join the other associations in emphasizing one point: the proposed legislation should be amended (Section 507, page 64) to permit federal support for new teacher training programs to begin July 1, 1967, rather than July 1, 1968.

The reason is very simple. There is a great need to expand college teacher training programs now to meet the nation's need for additional manpower at this level. A survey now being made by these two associations shows that *over 200 colleges and universities in 46 states already have graduate programs for college teacher training and wish to expand them, or are actively considering or planning such programs at the present time.*

A list of these institutions is attached. It was compiled by a survey of the nation's graduate schools made by the American Association of Junior Colleges in cooperation with the Association of State Colleges and Universities and the Council of Graduate Schools. The list is incomplete, based on a preliminary questionnaire. However, it shows a great deal of interest in every part of the United States in expanding college teacher training programs and improving undergraduate college teaching.

The survey found a strong interest in many kinds of programs—programs specifically tailored for teaching at junior colleges, teachnical institutes, and at the freshman-sophomore level generally; new degree programs, such as Master of Arts in College Teaching; a strong interest in programs for post-secondary vocational teacher training.

The five educational associations have urged that the program begin immediately rather than in the fiscal year 1969 because many universities are *already* in a position to make effective use of federal funds, both in the education of graduate students and in planning and development. A delay until July 1, 1968, with further delays into the fall and winter of 1968 possible because of the appropriations process, can mean that two academic years rather than one will be lost in a program of vital importance in increasing the nation's supply of skilled professional manpower. Graduate schools can confirm the fact that students lost to advanced training at a particular time may be lost forever.

The associations have also urged that Congress, in addition to amending the statute, should provide funds for the fiscal year 1968 to get the program under way.

The list of more than 200 institutions follows.

Alabama:
- Livingston State College
- Troy State College
- Tuskegee Institute
- University of Alabama
- University of South Alabama

Arizona:
- Arizona State University
- University of Arizona

Arkansas: Arkansas State College

California:
- California State College at Fullerton
- California State College at Hayward
- Chico State College
- Claremont Graduate School and University Center
- Fresno State College
- Humboldt State College
- Pepperdine College
- San Diego State College
- San Francisco State College
- San Fernando Valley State College
- San Jose State College
- University of California, Berkeley
- University of California, Davis
- University of California, Los Angeles
- University of California, Riverside
- University of California, Santa Barbara
- University of the Pacific

Colorado:
- Adams State College
- Colorado State College
- Colorado State University
- University of Colorado
- University of Denver
- Western State College

Connecticut:
- Central Connecticut State College
- Southern Connecticut State College
- Wesleyan University

District of Columbia:
- Catholic University of America
- Georgetown University
- Howard University

Florida:
- Florida Agricultural and Mechanical University
- Florida State University
- Stetson University
- University of Florida
- University of Miami

Georgia:
- Emory University
- Fort Valley State College
- Georgia Southern College
- University of Georgia

Hawaii: University of Hawaii

Illinois:
- Bradley University
- Eastern Illinois University
- Illinois Institute of Technology

Illinois—Continued
- Illinois State University
- Illinois Teachers College Chicago—North
- Illinois Teachers College Chicago—South
- Loyola University
- Northern Illinois University
- Roosevelt University
- South Illinois University
- University of Chicago

Indiana:
- Ball State University
- DePauw University
- Indiana State University
- Indiana University
- University of Notre Dame

Iowa:
- Drake University
- Iowa State University
- University of Iowa
- State College of Iowa

Kansas:
- Fort Hays Kansas State College
- Kansas State College of Pittsburg
- Kansas State Teachers College
- University of Kansas

Kentucky:
- Eastern Kentucky University
- Morehead State University
- Murray State University
- University of Louisville
- Western Kentucky University

Louisiana:
- Grambling College
- Louisiana State University
- Lowell Technical Institute
- McNeese State College
- Northeast Louisiana State College
- Northwestern State College of Louisiana

Maryland:
- Bowie State College
- Frostburg State College
- Morgan State College
- University of Maryland

Massachusetts:
- Northeastern University
- State College at Bridgewater
- State College at Fitchburg
- Williams College

Michigan:
- Central Michigan University
- Eastern Michigan University
- Michigan State University
- Michigan Technological University
- University of Detroit
- University of Michigan
- Wayne State University
- Western Michigan University

Minnesota:
- Bemidji State College
- Moorhead State College
- St. Cloud State College
- Winona State College

Mississippi:
- Mississippi College
- Mississippi State College for Women
- Mississippi State University
- University of Mississippi

Missouri:
- Central Missouri State College
- Northwest Missouri State College
- Saint Louis University
- Southeast Missouri State College
- Southwest Missouri State College
- University of Missouri at Columbia
- University of Missouri at Rolla
- Washington University

Montana:
- Montana State University
- Northern Montana College

Nebraska:
- Creighton University
- University of Nebraska
- University of Omaha

New Hampshire:
- Dartmouth College
- University of New Hampshire

New Jersey:
- Glassboro State College
- Jersey City State College
- Newark State College
- Rutgers, The State University
- Seton Hall University
- Trenton State College

New Mexico: Eastern New Mexico University

New York:
- Alfred University
- Colgate University
- Long Island University
- New York University
- State University College, Brockport
- State University College, Buffalo
- State University College, Cortland
- State University College, Geneseo
- State University College, New Paltz
- State University College, Oneonta
- State University College, Oswego
- State University College, Plattsburgh
- State University College, Potsdam
- State University of New York, Albany
- State University of New York, Buffalo
- St. John's University
- University of Rochester

North Carolina:
- Agricultural and Technical College
- Appalachian State Teachers College
- Duke University
- North Carolina State University at Raleigh
- University of North Carolina at Chapel Hill

North Dakota:
- Minot State College
- North Dakota State University
- University of North Dakota

Ohio:
- Bowling Green State University
- Ohio State University
- University of Akron
- Western Reserve University
- Xavier University

Oklahoma
- Northeastern State College
- Oklahoma State University

Oregon:
- Oregon State University
- University of Oregon

Pennsylvania:
- Bloomsburg State College
- Bryn Mawr College
- Bucknell University
- Clarion State College
- Edinboro State College
- Indiana University
- Lehigh University
- Mansfield State College
- Margaret Morrison Carnegie College
- Millersville State College
- Shippensburg State College
- Slippery Rock State College
- Temple University
- University of Pittsburgh
- West Chester State College

Rhode Island:
- Brown University
- Rhode Island College

South Carolina: Clemson University

South Dakota:
- Black Hills State College
- South Dakota State University

Tennessee:
- Austin Peay State University
- East Tennessee State University
- George Peabody College for Teachers
- Middle Tennessee State University
- Tennessee Technological University
- University of Tennessee, Knoxville
- Vanderbilt University

Texas:
- Abilene Christian College
- East Texas State University
- Sam Houston State College
- Southern Methodist University
- Stephen F. Austin State College
- Sul Ross State College
- Texas A & M University
- Texas Christian University
- Texas College of Arts & Industries
- Trinity University
- University of Texas

Utah:
- Brigham Young University
- University of Utah

Vermont:
- Johnson State College
- University of Vermont

Virginia:
- Madison College
- Medical College of Virginia
- Radford College
- University of Virginia
- Virginia Polytechnic Institute

Washington:
- Central Washington State College
- Gonzaga University
- Washington State University
- Western Washington State College
- University of Washington

West Virginia: Shepherd College

Wisconsin:
- Stout State University
- University of Wisconsin
- Wisconsin State University, Oshkosh
- Wisconsin State University, Platteville
- Wisconsin State University, Stevens Point
- Wisconsin State University, Superior
- Wisconsin State University, Whitewater

Wyoming: University of Wyoming

Thank you.

The next group to appear before the committee are representatives from the American Banking Association, Mr. Charles Walker.

While they are coming to the table, I will make an announcement for the members of the committee. Tomorrow the hearing will continue with witnesses from the American Library Association, the Association of Research Libraries, and the National Education Association.

On Friday hearings will continue in New York City and our attention will be turned to teacher training and teacher education, the shortage of teachers, and those schools where there is a high concentration of disadvantaged children.

Friday morning we will be visiting two or three schools.

Those arrangements have been made through the cooperation of Congressman Carey, and we are grateful to him for contacting the board of education for the city of New York.

At noon and in the afternoon a seminar will be held and later in the afternoon we will hear from representatives from teacher groups. All of the members of the subcommittee are invited to attend these hearings.

STATEMENT OF DR. CHARLES E. WALKER, EXECUTIVE VICE PRESIDENT, AMERICAN BANKER'S ASSOCIATION; JOHN O'NEILL, VICE PRESIDENT, BOATMAN'S NATIONAL BANK OF ST. LOUIS; STANLEY BRYTCZUK, ASSISTANT VICE PRESIDENT, FIRST NATIONAL CITY BANK OF NEW YORK; JOHN SMITH, FEDERAL LEGISLATIVE COUNSEL, AMERICAN BANKER'S ASSOCIATION

Mrs. GREEN. Dr. Walker, we are delighted to have you present at these hearings. Will you proceed in any way you wish.

Dr. WALKER. Thank you very much, Mrs. Green. It is a pleasure to be back before the committee this year.

I am Charles E. Walker. I am executive vice president of the American Bankers Association, and I appear here today on behalf of the Nation's commercial banks.

With me are John W. O'Neill, vice president of the Boatman's National Bank of St. Louis, and Stanley Brytczuk, assistant vice president of the First National City Bank of New York.

Their banks have been leaders in student lending and these gentlemen have had extensive day-to-day experience in this area and they can answer any technical questions.

Also with me today is our associate federal legislative counsel, Mr. James Smith.

Although the main purpose of these hearings is to discuss H.R. 6232, I would like to expand these comments to cover several aspects of the guaranteed student loan program authorized by title IV of the Higher Education Act of 1965.

Two years ago our association appeared before Congress to support the concept of State and private guarantee plans, rather than a Federal program of guaranteed student loans. Our arguments at the time were based on the impressive records that State and private plans were compiling in a very short period.

We felt at the time, and still feel, that a system whereby private lenders would work with State and private guarantee agencies would offer the best approach to meeting the demand for long-term, low-cost loans to finance college education.

Congress supported this method in passing the Higher Education Act of 1965, which was signed by President Johnson on November 8, 1965. That act directed the Commissioner of Education to encourage the growth of State and private guarantee plans.

It authorized the Commissioner to advance seed money to be used as reserve funds by State and private agencies and to pay interest on behalf of eligible students.

I might interpose a comment with respect to the point Mr. Carey brought up a moment ago. All students are eligible to borrow these loans, regardless of family income, but it does not apply above a certain income level.

Mr. CAREY. Yes, it is true that every student is eligible to apply, but not all students get a guarantee of remission of interest. The funds are limited and in order to serve the low-income student first, the policy is to tell the student from a family with greater means that he will not be recommended for loans; isn't that so?

Dr. WALKER. Yes.

Mr. CAREY. The effect is the same?

Dr. WALKER. There is not a cutoff, I think, at this particular level and our goal is for all students to borrow this money and our statement is to correct the difficulties.

Mrs. GREEN. How do you determine need?

Dr. WALKER. I will go on with my statement and explain that.

Our association conducted an extensive educational campaign to acquaint banks with the new program. We distributed a brochure entitled "Banking's New Opportunity" to every bank in the country last June as soon as the regulations were completed by the Office of Education.

We prepared kits for banks that included copies of the regulations and copies of the necessary forms, descriptions of the procedures involved, and sample radio and newspaper ads.

We discussed student loans at our last two annual conventions and passed resolutions in support of the program. We have had representatives of the Office of Education discuss the program at numerous national and regional banker meetings and conferences.

Many State associations followed with workshops and seminars on student loans.

All of these activities took place in a very short time span. The program is still new. Although the act was signed in November of 1965, the regulations were not completed until late April of 1966.

The necessary forms were not available until August and the seed money did not reach many States until this past September. Moreover, several State plans were not even open for business until after the start of the first semester of this current school year.

To add to these problems, the program was launched in the face of the tightest money and the highest interest rate levels we have seen in 40 years. And, unfortunately, the peak rates were reached last August and September when the program was just getting started.

The Federal Government at the time could not even borrow money, through sale of participation certificates, at 6 percent, which is the statutory ceiling on these loans.

Yet, in spite of these problems, between July 1, 1966, and the end of March 1967, over 270,000 college students were able to obtain such loans, the dollar volume of which amounted to more than $210 million.

I will be the first to admit that these figures fall short of the demand for such loans. And, at the same time, they are far under the potential that exists for guaranteed student loans. However, it is still a fair observation to say that, all problems considered, the program got off to a promising start.

With this background, I would like to discuss four specific areas that deserve attention if the program is to reach its full potential.

The first obvious subject that deserves mention is the rate of return on these student loans. The statutory ceiling is 6 percent simple interest. The Government pays the full 6 percent while the eligible student is in school and 3 percent during repayment period.

Two years ago when this matter of rate was first discussed, we made a rough estimation that 6 percent simple would be a break-even rate for banks. We doubt now that our estimate was correct even 2 years ago.

Today, however, it is clearly a loss rate.

In December 1966, the American Bankers Association conducted a study on the cost factors involved in making and handling student loans. We obtained figures from 20 banks of various sizes and from various sections of the country. The banks, did, however, have one thing in common: They were all active in the student loan program in their State.

Four cost factors were considered. How much did it cost to interview the student, complete the forms, get the college to verify his enrollment, obtain the approval of the guarantee agency, and submit the forms to the Office of Education.

These are the costs of putting the loan on the bank's books, or as a banker would say, the cost of acquisition. The average cost of acquisition for the banks surveyed was $35. That figure, incidentally, is almost $15 higher than the cost of acquisition of the average consumer loan.

Moreover, this cost factor is not a one-time expense. If the same student comes back the next year to borrow money, the bank has to repeat the whole process again.

Many elements could have changed. The student could have changed schools. His marital status could have changed. The adjusted family income—which determines the student's eligibility for the interest subsidy—could have changed.

His residence could have changed. In other words, it costs the bank just about the same in man-hours to make the second and third loans to the same student as it did to make the first loan.

The second cost factor arises from the need to contact the student after he graduates and to determine how he wants to repay the loan. In today's mobile society many of these students grow up in one State, attend school in another, and then go to work in still another.

Getting in touch with a student on the move frequently involves many letters and phone calls before the bank can even set up a payment book and shift the loan on its records. The bankers polled estimated that it cost just as much to convert an inschool note to a payout note as it did to make the loan in the first place, another $35.

The third cost factor is the cost of money. Because these loans are not intended to be profitable we used the marginal cost of money in our study; that is, the cost to the bank of pulling in the additional dollars needed to make the loan.

You know how high interest rates have been in the past year. Banks, too, had to pay high rates. They also had to advertise to get these funds. In addition, they had to put part of the money aside as reserve and, of course, they had to pay the salaries for people to handle the money and overhead for the space.

The average marginal cost of money in December when we did survey was 5.5 percent. Money market banks, big city banks, insisted the figure should have been higher.

The fourth cost factor is the cost of collecting these loans. The banks in the survey estimated that it cost about $1 per month to handle the payments and recordkeeping.

Based on these cost factors, if a student borrowed $750 as a freshman, started paying back 1 year after graduation and paid off the loan in 2 years, the bank would end up losing $71.50 on the whole transaction.

If the student borrowed $750 in each of his freshman and sophomore years, started repayment 1 year after graduation and paid off the loan in 3 years, the bank would lose $96.

If the student borrowed in each of his first 3 years and paid it back in 5 years, starting 1 year after graduation, the bank would lose $127.37.

If he borrowed $750 in each of his 4 years, and paid it back over a 6-year period, the bank would be out $149.50.

I used the $750 figure because that was the average loan at the time of the study. However, the same red figures showed up on a specific example of students borrowing $1,000 for 1 year of $1,000 per year for 4 years.

These losses are out of pocket. I am talking not about the income a bank sacrifices by putting this money into student loans instead of investing it elsewhere at a much higher rate of return.

This is a major problem for the student loan programs. A private corporation cannot indefinitely subsidize a social program, regardless of the merits of the program.

You cannot solve hunger in the ghetto by insisting that the supermarket give away its groceries.

The question is how do we return these loans to the break-even point for lenders? Let me emphasize that we are not asking that the loans be competitive with other types of consumer lending where gross rates usually exceed 9 percent and the costs of making and administering the loans are much less.

In fact, we are not asking for a profit at all. We simply want to break even. If Congress makes this possible you will be giving the program a much needed and appropriate shot in the arm at a critical time.

Initially, we suggested that the interest on these loans be made tax exempt; we didn't get far with this. This had limitations because the benefits would not be the same for all banks and the benefits would not be the same for other lenders in this program.

The second consideration was to increase the interest return to the lender. However, this would not work well because many States have usury laws that prohibit rates above 6 percent on loans of this type.

We considered the idea of having the student pay a fee. This is similar to the proposed increase in the interest rate. Many States consider fees along with interest under their usury statutes. If the fee and interest amount to more than 6 percent, the charge is usurious. Therefore, this approach had to be rejected.

The fourth, and most acceptable solution, is to have the Government pay the lender a placement fee at the time each loan is made.

Such a fee system could be established on a flexible basis so the Commissioner of Education, in consultation with the Secretary of the Treasury, could adjust the fee up or down consistent with the changing market rates of interest. We believe this approach has much to commend it and we urge the committee to give it careful consideration.

Any time you have a program that involves a student, his parents, a college, a State or private guarantee agency, the Office of Education and a private lender, you are going to have paperwork.

There is no way to eliminate it completely. However, there are numerous ways to keep the paperwork—which is a big cost factor—down to a minmum.

In this area, the Office of Education has been extremely cooperative. For example, the Office has revised its regulations covering the computation of adjusted family income so the lending officer doesn't have to spend a lot of time answering questions which do not affect the student.

As a result, a two-page form has been reduced to a few lines of computation.

Moreover, the Office of Education has combined the adjusted family income information with the application for interest benefits. Now it is possible to include this one sheet of paper with the basic application of State and private guarantee agencies.

I understand these agencies are now trying to devise a common form to be used by all student borrowers. That too, would be a simplification for lenders and college financial aid officers.

But I think the Office of Education is making its greatest progress in reducing paperwork by its efforts to set up a system which would permit lenders to bill the Office of Education for interest on a bulk basis once each quarter or semiannually.

Instead of listing the balance of each individual loan, the lender would submit a form showing the average daily balance for the quarter or the quarterly balance on all loans and the Office of Education would send one check for the total amount.

The lender would still submit all the necessary statistical information each time a loan is made. However, after that the paperwork would be greatly reduced. If the Office of Education believes a post-audit system is necessary to make certain that interest payments are correct, perhaps an arrangement can be worked out with the Federal bank examiners.

But the biggest potential savings in paperwork comes when the student graduates and starts to repay the loan. Under the present system, the lender is required to compute the outstanding principal balance each quarter for as long as 10 years in order to receive the 3-percent interest paid by the Government.

This is a complication that deserves close attention. Several plans have been advanced to deal with this problem.

The most promising suggestion is that once the student graduates he should pay the full 6 percent interest. Then when the loan is repaid in full the student would get a rebate from the Government covering half of the interest paid. This proposal has several advantages. It would result in only one transaction between the bank or student and the Office of Education after the student graduates. If the student took 10 years to repay that would mean one transaction instead of 40.

This system would also provide an important incentive for the student to repay the loan. Moreover, such a system might be less attractive to those who actually don't need the loans, those who could meet college expenses with smaller loans.

This would make more funds available to students who actually need the money to meet college costs.

I realize that "need" is a sensitive word when it comes to these loans but it is a word that cannot be avoided. If the college financial aid officer is not permitted to recommend a loan of a certain amount for a student and each student asks for the maximum, then the bank is placed in a difficult position.

If the bank sets aside a certain amount to meet the demand for these loans, and the demand is greater than the bank can meet, the bank will have to be selective.

The bank would rather lend to the student who actually needs it than to the student whose family just found it more convenient to borrow.

When money gets as tight as it did this past year, some students in dire need may not be able to get loans because students who didn't need loans got them.

It seems to me that the college financial aid officer should be authorized to recommend a maximum amount for each student loan. He knows about other sources of financial aid available to the student.

He knows about the work-study program and the grant program. He also knows about the National Defense Education Act loans.

Getting back to the so-called Michigan plan, the only disadvantage to having the student pay the full interest during the repayment period is that the student would have to meet a slightly higher monthly payment. In terms of dollars this amounts to very little on a monthly basis.

Another way to eliminate the recordkeeping during the repayment period is to let the student pay the 3 percent and then when the loan is paid in full the bank would submit one bill for the other 3 percent.

The bank would, of course, have to be compensated because it would not have the use of this money during the repayment period. However, I am sure a scale could be worked out to simplify this computation.

A third possibility to have the Office of Education pay the lender one lump sum at the time the student graduates and starts to repay the loan. This would be difficult to work out an average repayment schedule, but this system would greatly reduce the paper flow between the Office of Education and the lender.

We have not done enough research on these three approaches to be able to give you our final recommendations. However, we will discuss these various suggestions with representatives from the Office of Education and the Treasury Department and if possible submit our views to them as a supplement to this statement.

It is clear, however, that we must find a simplified way for lenders to bill the Office of Education during the repayment period.

The third major area that deserves the attention of Congress is the matter of reserve funds.

We think it is critically important that the 90th Congress come to grips with the question of the applicable national policy as to the guaranteeing function.

If the Congress determines that it wishes to pursue the initial objectives of the 1965 act, namely, a program to encourage the establishment of guarantee plans at the State level, then we would urge that modifications be made in the overall program which are designed to carry out this purpose in an affirmative manner.

We hope, very frankly, this is the course that the Congress would finally decide to follow.

On the other hand, if you should decide that the State approach is not the proper one, then there is equal need for a clear and unequivocal policy statement, directing the Commissioner of Education to begin implementation and operation of the Federal insurance program.

Until the Congress speaks clearly and forthrightly on this important policy question, we fear that the overall objectives of the guaranteed student loan program will be frustrated by uncertainties as to where the future responsibility for the insuring function will reside.

We earnestly commend your most thorough scrutiny of this problem.

In reaching an ultimate decision on this question, you may find the following observations and recommendations helpful.

It should first be noted that when the authorizing legislation was finally approved in November of 1965, 12 States were operating State-funded guarantee programs. Today, there are 30 States with various types of loan programs.

These figures would seem to indicate that the expectation for State action was not a frivolous one. At the beginning of this calendar year State and private guarantee agencies had total reserves of over $83 million.

The Federal contribution to these reserves was less than $8 million. More importantly, current estimates indicate that these States with going programs will appropriate some $25 million to fund reserve operations for the coming fiscal year.

This 1-year figure for State appropriations exceeds by $7.5 million the total amount appropriated for Federal advance funds to be disbursed over a 3-year period. Thus the State effort to date cannot be characterized as nominal.

Of those States which have not yet authorized guarantee programs and which are currently operating on Federal advance funds, coupled with USA funds private insuring capacity, several will reach a point within the current calendar year where their existing reserves are totally encumbered.

When this point is reached the U.S. Office of Education is empowered under the 1965 act to activate the Federal insurance program for those States.

It is our earnest belief that such action will toll the eventual dismantling of all State guarantee programs. We feel certain such a result will occur, for we find it hard to believe that States such as New York, Connecticut, Louisiana, and South Dakota, will long continue to appropriate funds for insurance purposes when they look across their borders and see the Federal Government fulfilling this responsibility for their neighboring States.

Our concern with the phasing out of existing State guarantee operations is not predicated on a meaningless ideological desire for the State rather than Federal action. It stems from a practical concern for the immediate if not the ultimate future of the entire program.

You must understand that this association, State bankers associations, and individual banks have expended tens of thousands of dollars in educating banks to the procedures and practices of particular State guarantee plans.

If these plans are now to be replaced by a Federal insurance program, it means starting anew with the entire educational and training process for all lending institutions and for educational institutions as well.

Many lenders who have just been through this educational process may well determine that it is not worth the expense and time to become acquainted with new operating procedures and decide to discontinue their participation in student lending.

That would be highly regrettable both to our association and me personally as we worked very hard on this.

To prevent such a development we submit the following recommendations:

(1) Amend the act to limit interest under the Federal program to 6 percent, the same as all State and private programs instead of the present permissible rate of 7 percent. This takes away incentive for States to favor the Federal program.

(2) Extend the program of Federal advance funds for States to bolster their reserves for 2 more years.

(3) Establish a provision in the act whereby those States which do not, after 2 years, appropriate reserve funds be excluded from the interest subsidy benefits under the act. In other words, the Federal Government should give the States the choice of providing reserves or foregoing interest benefits.

The Federal Government should not be expected to do both for college students of a State. This approach would be much more equitable for all States and would reduce Federal expenditures for this program.

A fourth alternative might be to authorize additional Federal advance funds for the next 2 fiscal years to those States which have not as yet established State-supported guarantee programs, and couple this authorization with a matching fund program—at such ratio as the Congress might determine to be equitable—for those States which have operative loan guarantee programs.

The 2-year extension of the "advance fund" program would carry States without a program through the next general State legislative year in 1969, thus giving these States an additional period within which to act.

The matching fund program would serve as a very tangible inducement for these States to move enactment of a reserve program in 1969, and would likewise encourage those States that have already acted to continue the operation and further funding of their guarantee programs.

Then, as I mentioned earlier, this program is still young with little more than 6 months experience behind it. We feel that the results to date merit this extension of the advance concept so the program can be given a valid test.

In the ABA educational booklet, which I noted a moment ago, which we published and distributed last summer, we stated that the goal of the American Bankers Association was 100-percent participation in student loans by the Nation's commercial banks.

We have not changed that goal. Records in the Office of Education indicate that to date over 8,000 of the 13,000-odd commercial banks in the country have participated in the program. Others are becoming involved almost daily.

It is also encouraging to note that other types of financial institutions are signing up to participate in this program. Our conclusion has been that the more participants we have the more even the load will be shared.

But, even more importantly, the more participants there are the easier it will be for students to obtain the funds they need to finance a college education.

We are convinced that once the rate on these loans is returned to a break-even proposition and once the paperwork is streamlined we can, through continued hard work, gain the support of almost every lender in the land.

Of all the schemes and proposals to finance higher education that have been advanced in Congress in recent years, the guaranteed student loan approach seems to us to be by far the most appealing.

It gives the Government the greatest amount of leverage for the least amount of money. It encourages the cooperation of Federal and State Governments, private guarantee agencies, colleges, and universities, and the Nation's lenders.

Moreover, it attempts to have each section do what it does best. I hope we can eliminate some of the obstacles now in the program so it can function more smoothly and reach its full potential—that is, to make sure that no qualified student is denied a college education because he lacks the marginal funds necessary to finance this education.

We have the foundation for a great program. The recommendations submitted here on behalf of the American Bankers Association will help build on that foundation.

Thank you very much.

Mrs. GREEN. Thank you very much, Dr. Walker, for an excellent statement.

I particularly appreciate your outlining the alternative recommendations on page 12.

It seems to me, also, on pages 4 and 5 you have given the best basis for arriving at the costs to colleges and universities on the NDEA loan.

Would it be your judgment that the figures on those pages would also be the cost to the university when they are processing the NDEA loans?

Dr. WALKER. I will say, and then perhaps let others comment on this that know a little more on it than I, first, we ran over these costs in a presentation to the administration task force some time back. Naturally, they checked out our figures pretty carefully on the basis of their own experience and the NDEA experience.

They thought our figures were quite realistic. Second, just off the top of my head, I would think our figures are probably lower than the NDEA fund lenders; we are specialists in the area of doing this sort of thing, but I am sure the Office of Education people will tell you how they compare.

I would think their figures are higher. Their loss ratio tends to be higher, and when you try to collect a loan that is bad, you really get into costs.

Mrs. GREEN. In your statement you get into the number of students who had loans between July 1966 and 1967; do you have comparable figures from 1965 to 1966? How much of an increase has there been because of this program?

Mr. GANNON. It was approximately $150 million by all States and private guarantee agencies during the last academic year.

Mrs. GREEN. Do you know how many loans that would be? You have 270,000 with $210 million?

Dr. WALKER. They average $750 per loan.

Mrs. GREEN. The size of individual loans has not been increased?

Dr. WALKER. Yes; it has been increased by the facts of life of a college education and, in addition, the publicity that the Federal program got originally, which we thought was somewhat unfortunate in that it was a Federal lending program. The students came into the banks and said, "We want one of those loans to go to school."

It was published as 1,000 and many students tried to borrow the full amount. There should be a limit put on this. The amount of cost has been rising because of some of this publicity.

Mrs. GREEN. Would you know how many students were refused or turned down on the loan program of insufficient funds during fiscal 1966?

Dr. WALKER. No global instances, figures were quoted in the press and I received letters myself from disgruntled and unhappy students, which we tried to check carefully.

Mr. Brytczuk might comment on this. His bank is the largest lender in the country in this area. Could you give an estimate of loans made versus turndowns?

Mr. BRYTCZUK. I don't think our bank would be typical; we have made it a policy to make the loans as students approach us, providing they meet the qualifications. I don't know of any instance where we turned down a loan.

The student has to show the scholarship ability and the desire to complete his education.

Mrs. GREEN. Do you require need?

Mr. BRYTCZUK. No; not a need in that way but we want to satisfy ourselves that this student has indicated in his past performance that he will be able to complete his college education and he has a desire to complete his college education.

Mrs. GREEN. Do you give any weight in making the loan to your judgment of his ability to repay?

Mr. BRYTCZUK. That is a minor factor because the loans are guaranteed.

Dr. WALKER. I think implicit in that is if he has the ability to get a college education—you have to look at this—if a student came in with a bare minimum in terms of his high school training and education and it seemed clear to the college people and others that he wouldn't get through the whole college career, that is one thing.

On the other hand, if he is going to get through, we checked the figure this morning, the average B.A. student is employed at $611 a month and the average technical at $711 per month.

There is no question if the student seems to be able to go ahead and get his degree.

Mrs. GREEN. Do you think that by and large the loans have gone to needy students?

Dr. WALKER. I don't think there is any question about this.

Our experience seems the parallel U.S. Air Force experience, if you recall last year when the head of the U.S. Air Force testified the figures which they compiled in the survey indicated there was not much difference between the levels at which their loans had been made and the NDEA loans.

I think the needier students will tend to get the loans and this follows from the logic of the situation. If we are going to lose money or break even, but we would like to perform a public service at the same time.

Mrs. GREEN. In your judgment do the NDEA and U.S. Air Force loan programs serve the same purpose in the socioeconomic area?

Dr. WALKER. No; U.S. Air Force figures showed they were not exactly parallel. You will tend to have an average of lower income level, but in the earlier stages when you are getting off the ground, I think lenders, logically and appropriately, when lending to students with a family of $15,000 or $5,000, they would lend to the lower income.

We think that is appropriate. If you get this thing going up into the $1, $2, $3, $6, or $8 million category, I think you will see loans move to the higher income strata.

Mrs. GREEN. Does this really follow the intent of the legislation establishing the guarantee loan program?

Dr. WALKER. Reading the record and reading the reports not precisely because one, the word "need" was never used and could not be used.

We demurred very strongly from this idea, we think you should start with need to begin with. I would hope very much that the Congress and your subcommittee would take a particular look at that and I devoted some portion of my statement to it.

If you put yourself in the place of the lender and this bank puts aside $500,000 to make the loans and it has demands for $1,000,000 worth of loans, perhaps some of these you know are from students and customers you know can afford to get the funds elsewhere or pay it out of the current income.

I think then the banker has to look at the situation. Maybe 5 years from now we can be away from this but I don't think we can in the embryo stage.

Mrs. GREEN. Let me say I do understand the lenders' position. I think all bankers would operate in the same fashion. Where there is a limited amount of money it should be on the basis of need.

I think legislation did say any student with income less than $15,000 was eligible.

Dr. WALKER. He was eligible for the interest subsidy, not the loan. Any student is eligible even with an income of a million dollars, eligible for the interest subsidy. There is nothing, though, that says the lender must make the loan. We are doing all we can but there is no requirement that the loan must be made.

Mrs. GREEN. I think this points up the concern of some of us that students from the middle-income bracket really do not have a program of student assistance to help them through college.

Dr. WALKER. You have hundreds of millions of dollars of loans for years under what we call the banks own plans. This is at a higher rate of interest and a more competitive rate of interest but, when you talk of an adjusted family income of $15,000, or gross family income of $19,000 or $20,000 or $21,000, and these loans run possibly 12 percent in interest, this is tax deductible, and particularly in accordance with the point Mr. Carey made earlier.

I would disagree that these people are completely out in the cold. They have quite a few sources of credit and many families started when the child was born to build up a fund to send the student to college later

Mr. CAREY. I will agree that a great many people did in frugal ways manage to sequester funds for the education of their children but none of us reckoned with the high cost of education today.

No matter what the savings were, nobody could determine 20 years ago that we would face the high cost of the tuition in colleges today.

I assume this is on my time now, Madam Chairman, had you finished your questioning?

Mrs. GREEN. Yes; please go ahead.

Mr. CAREY. I compute that roughly 480,000 students were able to obtain some kind of loan under the guaranteed program of USAF program, if my figures are accurate.

Dr. WALKER. Including NDEA?

Mr. CAREY. No; just the USAF, this calendar year.

Dr. WALKER. Right.

Mr. CAREY. We don't know, or I don't know, how we can find out how many students applied for loans and were not fortunate enough to live in the area of the First National City Bank of New York.

I think it is of interest to the committee to determine what happened to these students, where did they go? Perhaps the parents were not provident enough to put money aside, maybe the family was living up to their income levels.

I don't know what they were doing with any of their money. The concern here is the student, not the family income or where he comes from.

Maybe the family is broken up. The level of income under the statutes we use for reckoning our tax income and so forth, the taxable income, it may be sizable but is it available to the student?

We don't know these answers.

I am relieved a great deal to hear those students coming to my office and saying they had been denied a loan and the bank won't give them one because they say they have no more funds for this purpose because of tight money.

I can now direct them in this mass number to the First National City Bank.

Mr. BRYTCZUK. I would rather you didn't do that.

Mr. CAREY. This is a policy of the bank that no one is turned away who is judged capable of pursuing a college degree.

Mr. BRYTCZUK. We don't take loans from all over the country.

Mr. CAREY. You just take care of the 15th Congressional District of New York?

Madam Chairman, you will have to get your own First National Bank.

I want to say I do recognize the banking community in New York, which naturally would be more within my budget, has done a fabulous job of cooperating with the State leadership in this field and our State plan, which was far in advance of the national plan, brought about a great awareness of the opportunity for the banks to perform this public service.

Dr. WALKER. It was one of the prototypes for the national plan.

Mr. BRYTCZUK. I think in the figures New York State accounted for $50 million of that total previously mentioned.

Mr. CAREY. If you are successful in selling the committee and the committee is successful in selling the Bureau of the Budget that you should get a placement fee, cost of acquisition fee to cover your paperwork and other factors in these loans, won't this make it far more attractive for all the States, all the banks rather, to operate for the Federal program because you get the placement fee which you won't get on the other?

Dr. WALKER. No, my statement is not clear on this point. This would be for any loan guaranteed under the Federal program. I say this again for the benefit of the members of the press, the Federal loan program is not at this point a Federal-student cooperation, it is a Federal-private; there is no Federal yet.

Mr. CAREY. It is only a guarantee?

Dr. WALKER. No, there is no Federal guarantee anywhere yet.

Mr. CAREY. When the State decides to come in the Federal guarantee will be there?

Dr. WALKER. No, the States have the opportunity first of setting up their own plans or going under a private plan such as USAF. After a given period of time if the State is not doing this, the Office of Education can trigger the Federal plan in that State.

We hope they will not because we are afraid that will leave no incentive for States to move ahead.

Mr. CAREY. I might say it is common in New York commercial banks, but I did detect the bank is making a judgment as to who is capable of pursuing a college career successfully?

Mr. BRYTCZUK. Only to this extent, we were anxious that we be able to collect the loan after the student graduates. One of the factors in being able to successfully collect your loan is to be sure the boy will have an adequate income.

I think one thing follows the other. If he can complete his college education, he will have an adequate income and we will be able to collect our loans.

We don't want to run into a situation where *x* percent of our loans are uncollectable because the people don't have enough money to repay them.

Dr. WALKER. Bankers are not setting themselves up as scholastic judges of ability. We go on the college judgments.

Mr. CAREY. What standard do you use?

Mr. BRYTCZUK. Under the New York program the college first initiates it and they indicate in their judgment whether they think this boy will make a good college student.

Mr. CAREY. So the college made this judgment?

Mr. BRYTCZUK. Yes, and he submits his grades with this loan application.

Mr. CAREY. But you still might turn him down even though the college is willing to accept him?

Mr. BRYTCZUK. Or we might reduce the loan amount.

Mr. CAREY. If he can't make up the difference he does not go even though he is acceptable as college material?

Dr. WALKER. That is why we have to make this program grow and work better.

Mr. CAREY. As good as the program is, there is still a number of persons, the number is marginal, but a number who have gained acceptance, who are college material.

I think it is clear to all of us who have studied this that there are a great many that fall below acceptance because they went through the New York school system and many students who might have gone to other high schools, coming out of our high schools are not getting the proper diplomas.

If the college accepts the person but he is borderline in the estimate of the bank, he still might not get a loan; is that correct?

Dr. WALKER. That is true in many parts of the country.

Mr. BRYTCZUK. We have been sort of bypassing this to the New York State educational program. Where we feel in doubt about a loan application, we forward it to Albany and ask the New York Higher Education Assistance Authority to make the judgment.

Mr. CAREY. It all sounds good on paper. I would like to make this observation: as good as it sounds, in the grassroots, I am told by parent after parent that for all intents and purposes if your child has not won a regents scholarship, it really means he is in the top 10 percent, or if he is not eligible on the poverty program, forget it, you won't get a student loan.

This is brought to my office day after day. You finance your own child. You are a regent scholarship student or you start with a Federal opportunity grant from the Federal Government where there is a leg up for the student and the bank says, "Well, this is this much and we need to flesh out the substance."

But one who starts without any of this, family after family tells me to forget it, you won't get a student loan. There is an inaccuracy here somewhere that we should discover.

Mrs. GREEN. There were two statements made this morning that concern me. You indicated the student's ability to repay the loan is a consideration in your making it?

Mr. BRYTCZUK. Right.

Mrs. GREEN. You used the word "boy." Is there any question here about giving girls loans in terms of their ability or what you think their ability to repay might be?

I couple this with what Dr. Gross said about the reverse dowry, the apparent handicap that he thinks accompanies a girl but does not accompany a boy.

Mr. BRYTCZUK. Not that I am aware of, but most of our applicants are male.

Mrs. GREEN. The majority are?

Mr. BRYTCZUK. Yes.

Mrs. GREEN. Do you have a percentage?

Mr. BRYTCZUK. No, I do not.

Mrs. GREEN. What do you think it might be when you say most?

Mr. BRYTCZUK. I can't guess.

Mrs. GREEN. What does most mean as you use it?

Dr. WALKER. Let me make a suggestion here, this is in response to a statement Mr. Carey made earlier. I am a little unhappy we had not thought of this before. I think a survey conducted by the ABA and other interested groups as to experience during this formative period as to turndowns, we could get some information and bring up some interesting information on this score and with respect to the sex problems.

Mr. GANNON. The gentleman from the Office of Education gave a percentage after analysis that 43 percent of the loans under a guaranteed plan went to women.

Mrs. GREEN. Any dollar amounts?

Mr. DEAKINS. I don't know, we just received the first analysis of loans that had been made on Friday night and I don't recall the amount but the number of students—it is about 60–40 among the white students. More Negro girls were receiving loans than white girls. It was closer to 50–50 among Negro borrowers.

Mrs. GREEN. But about 60–40?

Mr. DEAKINS. Yes. I am sorry that I don't have that information with me.

Mrs. GREEN. Can you gentlemen representing the American Bankers Association really say to this committee that neither consciously or subconsciously would you consider the sex of the individual and the ability to repay in making the loans?

Dr. WALKER. There are two things there. I would like to say something on the ability-to-repay point but these gentlemen can respond to the other point.

Mr. O'NEILL. Absolutely not. We consider the applicant regardless of race, color, or creed. I can't think of a single girl we have turned down, either colored or white.

Dr. WALKER. I want to comment on the ability to repay and also to respond to Mr. Carey. On the ability to repay, the point should be very clear that the bankers view these loans as very good, regardless of income level, if the student shows promise of completing school.

We are talking about the student completing school and then it looks as though he will have the ability to repay. This is borne out because in the USAF figures, they are not looking at financial worth at the present time, but earning capacity based on the ability to get a college education.

With all due respect, Mr. Carey, our statement is directed to the fact this is a new program. It has a lot of bugs in it, but we are trying as conscientiously as we can to work out those bugs.

In spite of all the problems, I am very proud of the fact that 270,000 students got loans. There were some turned down and I know you and I hear more about the turndowns than the others.

I would like to follow through with the banks making the loans and see what we can find out.

Mr. SMITH. I think the financial aid officers would be a good source for information on this point.

Mr. CAREY. The bank figures would be inaccurate unless we get the student aid officer figures. In many cases the student aid officers say they won't recommend a student because they deem you capable of making a loan on your own.

If the student then goes home and says, "I can't get a loan," the student aid officers might assume that the student went to some other source.

I say it is hard to get the actual figures of turndowns from banks alone. We must also get those figures from the student aid officers?

Dr. WALKER. We will try to do that.

Mrs. GREEN. Congressman Hathaway?

Mr. HATHAWAY. If you lose money on some loans, why are so many more lenders getting into the program?

Dr. WALKER. Because they think it is good for the country for people to get college degrees and in the long run, we like the fact that a young man or woman has his first loan experience under this sort of discipline.

We think they will be good customers in the future and when we presented the program to President Johnson last year, he brought out some good points supporting it.

We have a difficult time finding enough people to come into the banking industry. If you make them a loan to go to college, they are much more sympathetic about coming to you later.

Basically, I think, without getting on a soapbox for my industry, but a banker in any community is vitally concerned with the success of his community or his bank can't be successful.

Mr. HATHAWAY. I appreciate the community interest but isn't there also a good possibility of making a profit.

Dr. WALKER. It is good business and we think what is good business for the country will be good for the banks.

Mr. HATHAWAY. Have you taken into consideration the fact that students coming in for $1,000, or for the limit, borrow additional money at conventional rates which would offset the loss on loans?

Dr. WALKER. There is some of that. Again, I think we should do some surveying on this score to find out how much there is.

It is a threefold operation. You start putting a certain amount of savings aside, then the student qualifies for a guaranteed loan; the parents supplement that and there may be a scholarship or several things in the picture.

This would raise the return somewhat to the bank but not to a break-even proposition as yet.

Mr. HATHAWAY. That figure is not computed in here?

Dr. WALKER. No, it is not.

Mrs. GREEN. Thank you, Dr. Walker, and you other gentlemen. You have been very helpful.

The meeting is adjourned until tomorrow at 10 o'clock.

(Whereupon, at 12:45 p.m., the hearing was recessed to reconvene at 10 a.m., Thursday, April 20, 1967.)

HIGHER EDUCATION AMENDMENTS OF 1967

THURSDAY, APRIL 20, 1967

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10:10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Green, Gibbons, Burton, Quie, and Esch.

Mrs. GREEN. The committee will come to order for further consideration of the two bills on the higher education amendments. The first witnesses before the committee this morning are representatives from the American Library Association and I am glad to welcome Germaine Krettek and her colleagues and friends to the hearing.

Would you come to the table and introduce the witnesses for the record to Congressman Gibbons and others who will be joining us?

STATEMENT OF MISS GERMAINE KRETTEK OF THE AMERICAN LIBRARY ASSOCIATION, ACCOMPANIED BY MORRIS GELFAND, LIBRARIAN, QUEENS COLLEGE; AND MRS. SARA SRYGLEY, ASSOCIATE PROFESSOR, LIBRARY SCHOOL, FLORIDA STATE UNIVERSITY

Miss KRETTEK. Thank you, I am very pleased to introduce Mrs. Sara Srygley, Florida State University professor, and I think you have her biography as well as Dr. Gelfand's for the record. This is Dr. Morris Gelfand, librarian, Queen's College, City University of New York. I should like him to speak first if it meets with your approval.

Mrs. GREEN. Thank you and may I say to you people appearing here to testify that those of us on the committee recognize Germaine Krettek as an outstanding representative of the American Library Association and she represents you very well.

Mr. GELFAND. My name is Morris A. Gelfand. I am professor and chief librarian of Queens College, City University of New York. Except for a period of some four and a half years in the U.S. Armed Forces, during the last 7 months of which I served as library officer of the Pacific theater in General MacArthur's headquarters, I have worked continuously since 1931 as a librarian, as a teacher, and supervisor of instruction in librarianship, and as a library consultant.

From 1949 to the present, I have served as a member of more than 15 evaluation committees of the Middle States Association of Col-

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leges and Secondary Schools. In this capacity, I have visited many colleges and universities, both small and large, in the United States. My foreign experience includes work as a teacher and library consultant in Burma, Thailand, India, and Brazil.

On behalf of the American Library Association, a 35,000 member nonprofit organization of librarians and laymen, I wish to support enthusiastically the general purposes and provisions of the 1967 higher education bill, and to discuss some of its implications for college libraries.

The passage of the Higher Education Act of 1965 was a great legislative achievement, the full potential of which has yet to be realized. As you know, the initial distribution of funds was not made until June 1966, and was limited to basic grants of $5,000 to college and university libraries. For fiscal year 1967 more funds were made available and libraries were invited to submit applications for supplemental and special purpose as well as basic grants.

The authorizations for funding this act, as well as the National Defense Education Act, the National Vocational Student Loan Insurance Act, and the Higher Education Facilities Act of 1963 are scheduled to expire June 30, 1968.

By extending most of the provisions for these acts for 5 years to 1973, and providing adequate funding accordingly the Congress will perform an essential service. The passage and ultimate implementation of the 1967 higher education bill are vitally necessary because the needs of our colleges and the students continue to be great and urgent. Early passage of the bill will provide not only the additional authorization required, but also continuity of funding and time for colleges to plan wisely for long-range development and improvement.

I should like to emphasize this moment this is indeed an extremely important aspect of the legislation from the point of view of colleges and universities. We do need the time for planning and hopefully we would look toward some sense of assurance of continuity in the funding.

The proposed amendments to title II of the Higher Education Act are my immediate concern, but I should also like to comment briefly on certain aspects of other titles.

TITLE I—COMMUNITY AND CONTINUING EDUCATION

We are in hearty accord with the purposes of title I, which allocates funds to colleges and universities to finance continuing education and community service programs that deal with juvenile delinquency, unemployment, inadequate health services, and other urban concerns. To support these important programs effectively, increasingly large amounts of books and other library materials are required.

TITLE II—PART A. COLLEGE LIBRARY RESOURCES

It is important that the full amount of the authorized $50 million if not a greater sum, be provided each fiscal year for college library resources.

The budget recommendation for fiscal year 1968 is $25 million, just half the amount authorized, and the following factors should be considered in making a judgment:

1. Contemporary college instruction depends heavily on a large variety of library materials, rather than textbooks.

2. Fifty percent of our 4-year colleges and 82 percent of our 2-year colleges are below standard with respect to library holdings.

3. The rapidly rising student enrollment in higher education institutions increases the demand for books and further aggravates the deficiencies of below standard academic libraries.

4. Most college libraries are receiving inadequate financial support. A widely accepted standard for support is 5 percent of the total annual budget for educational purposes but the actual amount that is being allocated averages about 3.5 percent.

5. There has been a phenomenal increase in publications in recent years and most of our libraries are unable to cope with it. It is estimated that in the natural sciences alone more than 50,000 journals are published annually. In the United States, 28,595 books were published in 1965, more than twice the number published in 1958. The college library must acquired a significant proportion of the current output of publications to serve effectively its students and faculty.

6. The broadening of the curriculum which is taking place in our colleges requires additional library material.

7. The expansion of graduate studies and research creates additional new demands for books and journals.

My own college library provides a good example of the impact of these factors. We have 24,000 students; approximately 11,000 undergraduate day students, 3,000 graduate students, and 10,000 evening students. Up to 1961 our college was an undergraduate liberal arts institution. Today it is a university in fact if not in name. The library, accordingly, must serve a university type program.

Our library presently contains about 250,000 volumes. It should contain also close to 1,000,000 volumes to serve present programs of teaching and research. By 1972 the college is destined to have an enrollment of 40,000.

We applied for a basic and supplemental grant, but had no matching funds to support a special purpose grant. A library for an institution of such scope and size should possess not only a large general collection, but must add new books at a rate of between 50,000 to 100,000 a year in order to keep up the flow of new publications and fill in the gaps in its retrospective collections.

I might put in an aside that in the United States we published 20,000-some-odd books. In England I think they published somewhat more than this number. This is only the United States and England; when we consider the output of the other countries throughout the world, one can readily appreciate the mass of new materials we face is very great indeed.

Every college has to have some portion of this mass for its students and its faculty.

For those of us, like my own college, which is really a university, we have to build up large collections of retrospective materials to support programs of research, programs of higher studies.

The example I have given may appear to be an extreme example, but it is not. Throughout our country it is possible to find many examples of academic institutions which have responded to the pressures of rising demands for admission and the requirements of our country for well-educated specialists by opening their doors more widely despite deficiencies in staff, facilities and resources.

The Higher Education Act can assist such institutions very significantly indeed. There is also a great need among hundreds of struggling smaller institutions.

I should like to submit for the record some of the results of a limited survey which the American Library Association has just made of title II of the Higher Education Act of 1965. In order to see what the act has accomplished, the association obtained replies from 71 institutions of higher education from various parts of the country, 40 different States and two territories in all. The group consisted of 16 junior colleges, 24 four-year colleges and 31 universities.

We could not get a larger sample because the time was too short, owing to the fact that the guidelines from the Office of Education had been delayed and were just reaching the institution. The tabulations do give some indication of how beneficial the funds have been, however.

According to the returns, these colleges and universities have a total enrollment of 325,282 of whom 254,337 are undergraduates and 70,945 graduate students. They expect to be short 143 professional positions in the academic year 1967–68.

These 71 institutions of higher education are proposing to apply in the fiscal year beginning on July 1, 1967, for: basic grants, $385,400; supplemental grants, $1,206,665; and special purpose $1,054,300.

This small group representing approximately one-thirtieth of the total number of institutions of higher education in the United States, has plans for spending $2,646,365 in fiscal year 1968 compared to the actual expenditure of over $8 million by 1,830 institutions in fiscal year 1966 on a total appropriation of $10 million.

In other words, if all 2,200 institutions of higher education should apply at the same rate for these grants in fiscal year 1968, the total amount would be approximately $78 million.

According to the replies of the ALA questionnaire, the colleges and universities gave the following purposes for which they were going to use the basic, supplementary, and special purpose grants in fiscal year 1968. I would like to ask that this material be made a part of my testimony for the record:

Uses of the grants, fiscal year 1968

	Basic	Supplemental	Special purpose
Junior colleges:			
Audiovisual	2	4	1
Basic collections	4	----------	----------
Binding	0	----------	----------
Cooperation	0	----------	1
General collections	1	4	1
Microfilm of periodicals, etc	1	----------	----------
Periodicals and back files	3	----------	1
Reference	2	1	----------
Special collections	2	----------	----------
4-year colleges:			
Audiovisual	3	3	----------
Basic collections	3	1	----------
Binding	0	1	----------
Cooperation	----------	----------	2
General collections	10	4	----------
Microfilms of periodicals, etc	3	2	1
Periodicals and back files	4	1	----------
Reference	4	2	1
Special collections	5	2	2
Universities:			
Audiovisual	2	1	----------
Basic collections	3	1	1
Binding	3	1	1
Cooperation	----------	----------	4
General collections	17	6	6
Microfilms of periodicals, etc	4	1	1
Periodicals and back files	5	5	3
Ph. D. programs	2	2	3
Reference	2	2	0
Special collections	1	1	8

These are examples of some of the comments from libraries made regarding the use of Title II Grants:

University of Maine, Orono, Maine: 11,275 enrollment.

Special Purpose, fiscal year 1968: "Increased support for a new program in ocean sciences."

Arkansas State University, State College, Arkansas: 5,165 enrollment.

Special Purpose, fiscal year 1968: "Materials for joint effort in:

"(1) Nursing education.

"(2) Speech pathology and audiology,

"(3) Diagnostic evaluation and treatment of the handicapped—both organic and mental.

"(4) Additional materials for graduate research."

University of Washington, Seattle, Washington: 26,880 enrollment.

Special Purpose, fiscal year 1968: "Provide for better base of service to other libraries in the Northwest."

Dana College, Blair, Nebraska: 800 enrollment.

Basic, fiscal year 1968: "Provide for purchase of back volumes of periodicals on microfilm and research materials."

Ripon College, Ripon, Wisconsin: 950 enrollment.

Basic, fiscal year 1968: "Purchase materials for honors program."

University of Illinois, Urbana, Illinois: 14,681 enrollment.

Special Purpose, fiscal year 1968:

"(1) Purchase library materials for a planned Instructional Materials Center.

"(2) Provide additional reference materials for a Statewide system of regional reference centers.

"(3) Purchase appropriate Western language materials to supplement vernacular publications purchased in South, Southeast, and East Asia, and Latin America, by staff members sent to those areas by the Midwest Universities Consortium for International Activities, a cooperative group of four Midwest universities."

Snow College, Branch, Utah State University, Ephraim, Utah: 787 enrollment.

Basic, fiscal year 1966: "This grant has allowed us to purchase additional reference works, i.e. encyclopedias, dictionaries, indexes, etc. besides standard field books which we otherwise would have been unable to obtain through our own resources. These materials are used by both our students and our faculty."

The College of St. Catherine, St. Paul, Minnesota: 1,353 enrollment.

Basic, fiscal year 1966: "We used the entire grant of $5,000 plus an additional $5,000 from our college to purchase *Gmelin, Handbuch der Anorganischen Chemie.* We have now placed a standing order for all subsequent parts. We could not have purchased this without the grant funds to help with the basic volumes. This set, together with *Beilstein,* which we already had, has given us the basic research material in both organic and inorganic chemistry."

Special Purpose, fiscal year 1968: "To provide common acquisition procedures and plan a research/storage center for 7 academic libraries (4-year liberal arts colleges) in cooperation with the James J. Hill Reference Library."

Mount San Antonio College, Walnut, California: 9,505 enrollment. "This legislation, in my opinion, is very important to support junior college libraries at a time which is so crtical in obtaining adequate materials for junior college library collections as increased demands are made upon the junior colleges. Receiving such funds will make the difference between adequate or inadequate services to our students."

TITLE II—PART B. LIBRARY TRAINING AND RESEARCH

Mr. GELFAND. The purposes of this title are admirable. There is a continuing, critical shortage of librarians. It has been estimated that 125,000 librarians are needed to staff the school, college, public, and university libraries according to nationally accepted standards, but the existing library schools graduate only about 3,000 new professionals each year.

Although the authorization for fiscal year 1968 was $15 million for library training and research, the budget recommendation is only $8.25 million for training and $3.55 million for research.

Research in library problems is now a national necessity. The impact of the computer, the development of library networks, the possibilities of improved methods of information storage and retrieval, the social and cultural potentials of modern libraries are all fit subjects for research.

I would hope the committee could find time in their busy schedule to have a look at this subject.

I would just have a few additional comments to make here. Only last week I spent a whole week going back to school, at my age, to the IBM school where I received some insight into the possibilities of the computer and the way it can help our libraries in the future.

Funds under this act will prove very helpful indeed in stimulating a rise in the production of librarians and intensification of research activities.

TITLE II—PART C. STRENGTHENING COLLEGE AND RESEARCH LIBRARY RESOURCES THROUGH THE LIBRARY OF CONGRESS

This subject is going to be discussed in some detail by our eminent colleague from Princeton University, Professor Dix, but on behalf of the association I would like to read the brief comments I have here.

This is another admirable provision of the act. College as well as research libraries are already profiting under the expansion of the accession and cataloging programs of the Library of Congress, under the Higher Education Act of 1965. Indeed, the scientific and cultural community, in the broadest sense, will benefit increasingly by having access to a large and growing source of important foreign materials if this program is continued and expanded as described in section 232 of H.R. 6232 and H.R. 6265.

This amendment deserves the strong support, as the whole Nation benefits from improvements in the services and resources of the Library of Congress.

We would urge, however, that section 231 be amended to authorize continuation of the program for 5 fiscal years, instead of 2 years, to conform to other parts of the bill and to insure continuity of planning and administration of this important program.

TITLE IV—STUDENT ASSISTANCE

New provisions for work-study programs for college students might possibly provide college libraries with a supplementary source of student assistance. It appears doubtful, however, whether students who are permitted to work 40 hours a week while attending summer classes would profit from their studies.

Perhaps I misunderstood the provision there but it certainly seems doubtful to me that they could do very much in the way of study if they were going to work that much time.

TITLE VI—INSTRUCTIONAL EQUIPMENT AND MATERIALS

A title of the Higher Education Act which has and will do much to improve undergraduate instruction is title VI. We heartily support continuation of this program. Elimination of present restrictions on subjects for which equipment grants could be made is recommended.

At this point, if I may, I would like to read a very brief statement which I should have included in my original statement. There is one matter not included in my formal statement that I want to comment on, as I just said.

This is on behalf of the American Library Association and especially the Division of College and Research Libraries. We do not believe that section 1001 of title X is in the best interest of the young people who are the students in our colleges and universities. We favor the provision now in effect which places a ceiling of 6 percent on the interest rate for loans made under title III of the Higher Education Facilities Act of 1963.

We believe the proposal in section 1001 of title 10 would result in higher student fees and for this reason we respectfully urge that section 1001 be deleted from the two bills before you.

Madam Chairman and members of the committee, I am grateful for this opportunity to appear before you. I thank you and respectfully urge prompt and favorable action on the Higher Education Amendments of 1967.

Mrs. GREEN. I have two questions; perhaps Germaine Krettek can answer this, too.

When the American Library Association comes to testify before this committee and other committees on bills relating to grants to libraries and when you support the legislation, or if you oppose it, but when you support the amount of money authorized, do you consider that a minimum amount needed or do you consider that the ceiling and that any amount up to that would be appropriate?

Miss KRETTEK. In all cases I would say we consider the authorized amounts we have recommended that are incorporated in the bills a minimum. In order to meet standards the amounts of money needed are far greater than any amounts appropriated thus far and certainly those authorized in the bills are minimum amounts to accomplish what needs to be done in the face of rising demands.

Mrs. GREEN. Just this week I heard an explanation by a person high in education circles here in Washington suggesting that the justification for the much smaller appropriation by the Appropriations Committee is that the authorization is a ceiling and should be considered as such and, therefore, part of that amount would be justified.

Miss KRETTEK. I don't agree with that; it seems very unfortunate that impression has been given.

Mrs. GREEN. In your own case, for example, just under title II the authorization for fiscal 1968 is $72.7 million, the appropriation is $37.2 million. What effect is that going to have, do you think, on your programs? How are you going to adjust to the actual amount?

Miss KRETTEK. I think it is going to be very difficult because these amounts that are in the bill, and that we supported at the time the bill was originally before this committee, were carefully judged in terms of what the colleges could use, and what their ability would be for matching funds, under title II–A. It is a matching program and we took into consideration the ability of matching by the colleges as well as their needs.

In this situation of delayed funding there would be no possibility of the colleges using fully the amounts but in succeeding years, with increasing demands to be taken care of, full authorizations could be used.

As you look ahead, there are increasing enrollments, and with all of these larger demands, colleges need increasing amounts of money. So it was our expectation that instead of the program starting at half of the amount authorized, and staying at that amount, it would perhaps start at less than the full authorization in the first year, which has been a pattern, but hopefully in a year or so it would go immediately to the full authorization. By the time the act came up for extension, we hoped to see what the effects of that authorized amount had been and then be prepared to make judgment on what the additional amounts needed would be.

In the first year, unfortunately, the actual appropriation was only $11 million with money just for basic grants. The second year we had $25 million with supplemental and special-purpose grants allowed for the first time. We have not yet had an opportunity to really see the impact.

We did this limited survey, presented by Dr. Gelfand, which we were only able to do on a small sampling because the guidelines did not come out until recently and thus the institutions did not have an opportunity to make their plans in light of the actual formal guidelines and regulations.

Mrs. GREEN. When did you receive the guidelines?

Miss KRETTEK. I believe the end of February they went out.

Mr. GELFAND. We received them in March. The applications have to be postmarked no later than April 10.

Mrs. GREEN. When were the guidelines received, in March?

Mr. GELFAND. I don't recall precisely, I think it was the middle of March that we received them.

Mrs. GREEN. What day was the legislation signed?

Miss KRETTEK. It was passed the last of October, and signed November 7.

Mrs. GREEN. There was about a 5-month period between the time the bill was signed and the time the guidelines were received.

Mr. GELFAND. May I add a comment here, please?

Mrs. GREEN. Certainly.

Mr. GELFAND. In my own institution, using the criteria set forth in the guidelines, we established that we would require a collection of some 900,000 volumes to serve the needs of our large and growing student population.

We presently have, as I mentioned in my testimony earlier, 250,000, and if you take a rough figure, say $8 a volume, and multiply that by the 550,000-odd additional volumes we need to come up to standard, I think you can see what the effect would be in one institution.

Even the little survey that the ALA made of the impact of the present act up to this time, I think that suggested that problems of this magnitude were being experienced on the college and university level.

The other point I should like to make is that it has been unfortunate, really regrettable that the timing has been so poor. This length of time you just mentioned, 5 months or so that elapsed, that put us in the position where we were having to make applications for rather sizable funds which had to be made on short notice and for which we had to be prepared to make the expenditures before the end of, or commitments before the end of June 1967.

All these factors impinge upon us in the field to create rather difficult conditions. So, of course, we all hope that when the new legislation is passed that at the same time some provision will be made on the administrative side for facilitating the application for grants.

Miss KRETTEK. The Library Services Division has been without a college library specialist which has made their handling of applications very difficult. This stems in some measure from the fact there is a great shortage of librarians and other factors in the office where we have provided them with insufficient staff to do their job.

Mrs. GREEN. When you relate the number of new books being published every year, my only reaction is that the American Library Association ought to start a national program, a nationwide program in speed reading.

Congressman Quie, do you have any questions?

Mr. QUIE. Yes, I have a question that was prompted from our field hearings on the study of the U.S. Office of Education last winter and a subsequent letter from Mr. Stanford, director of libraries at the University of Minnesota. He is a collector of college and university library statistics.

Let me read a little of what he said in a couple of letters and see if you have had that experience.

In one letter of April 27, 1966, he expressed concern to Dr. Frank L. Schick, Coordinator of Library Statistics, National Center of Educational Statistics, U.S. Office of Education, about the article in the March issue of Special Libraries and the new system that would be used.

He was concerned that it would mean a delay of information being made available to colleges and universities. He says:

> Statistics on expenditures and salaries are of little use in administrative planning if they do not arrive until a year or more after the period they represent particularly in these times of rapidly changing costs and library growth and support.

On April 12, 1967 he wrote to Mr. A. M. Mood, the Assistant Officer of Statistics, Office of Education, indicating the changes that had occurred. He said:

> The fact that the request blank carries printed directive please return on or before October 1st, a date that passed over 6 months ago, clearly indicates that something is seriously wrong with your new procedures for gathering college and university library statistics.

He then questions what little value this will be. He said:

> If library figures are to be of any use in planning budgets and in support of state legislative requests the data from the most recent fiscal year ending June 30th are needed by the following January or February.

Instead the latest publication, he said, that is available now is institutional data for 1963–64. Have you had that same experience and what would your comments be on Mr. Stanford's criticism of the U.S. Office of Education?

Mr. GELFAND. We have had similar experience, the statistics do come out. At least in the past they have come out rather late. I won't say they are useless, we have made good use of the statistics however late they have been.

Certainly it would be far better for us if we could have prompt tabulation and publication of the statistics.

I think since you received these letters, or the latest one of these letters, the statistics for 1965–66 have been published and although I personally have not received my copy yet, I have seen a notice of the publication.

That is comforting.

Miss KRETTEK. That is an ALA publication, not U.S. Office of Education. It was done through a grant from the Office of Education because they were unable to compile the statistics at that time. It was wholly an emergency situation.

The only library statistics that have come out since the reorganization is this one publication by ALA. There has not been a library statistic from the U.S. Office of Education in several years.

Mr. QUIE. Evidently things were going quite well prior to that, because in his letter of April 27, 1966, he said:

> As you know, the ACRL and the Association of Research Libraries was delighted when the Office of Education assumed full responsibility for the collection and publication of library statistics of colleges and universities a few years ago.

Each year thereafter, both the coverage and promptness in the publication of the statistics improved notably and under your direction, and it was very helpful to have these data available by January each year, for use in our own internal budget studies and presentations.

It is not that they are not able, because they were once.

Miss KRETTEK. This is part of the problem of reorganization I would expect, and we hope they will be resolved. We are disturbed not only about the delay of statistics but the fact there is no librarian in the National Center for Educational Statistics.

Mr. QUIE. I think they will be able to assume this responsibility again.

Miss KRETTEK. We hope they will be able to.

Mr. QUIE. I commend your organization for developing statistics and information, but it also does bother me that the U.S. Office of Education contracts with organizations to represent people who receive funds individually through their institution and not the organization itself.

Miss KRETTEK. This particular project was just in order to get some needed statistics out. We would hope this would not be continuing, because we feel this is a responsibility of the Office of Education.

They have better facilities to gather statistics on a national basis.

Mr. QUIE. I would think of any responsibility they have this one should come first.

That is all.

Mrs. GREEN. Congressman Burton.

Mr. BURTON. No questions.

Mrs. GREEN. Congressman Gibbons.

Mr. GIBBON. No questions.

Mrs. GREEN. Thank you very much.

Now we will proceed with the lady from the University of Florida, Mrs. Srygley.

Mr. QUIE. May I request that these letters from Mr. Stanford be made a part of the record?

Mrs. GREEN. Without objection, they will be included.

(The documents referred to follow:)

UNIVERSITY OF MINNESOTA,
OFFICE OF THE DIRECTOR,
Minneapolis, Minn., April 12, 1967.

Representative ALBERT QUIE,
U.S. House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE QUIE: Since the enclosed matter (the Office of Education's fiasco in its new system for collecting college and university library statistics) is directly relevant to the hearings on U.S.O.E. you conducted in Minneapolis a few months ago, I am submitting copies of the correspondence for your attention.

I hope you will wish to take it up with the Commissioner and perhaps with your committee at an appropriate time.

I am sending copies also to Don Fraser, since he represents the University district, to Senator Mondale, and to Commissioner Howe, for information and any response they may be moved to make.

Very sincerely yours,

E. B. STANFORD,
Director of Libraries.

UNIVERSITY OF MINNESOTA,
Minneapolis, Minn., April 12, 1967.

Mr. A. M. MOOD,
Assistant Commissioner for Statistics,
U.S. Office of Education,
Washington, D.C.

DEAR MR. MOOD: With this letter I am enclosing the library statistics you requested in your form letter of March 30, which reached me yesterday.

The fact that the request blank carries the printed directive "Please return on or before October 1" (a date that passed over six months ago) clearly indicates that something is seriously wrong with your new procedure for gathering college and university library statistics.

As I wrote* Dr. Frank Schick a year ago (before he left the Office of Education in discouragement with the new set up for statistics) I had misgivings lest the reorganization would fail to furnish university libraries with the data they urgently need for budget planning, in time to be useful.

This has now proved to be the case. To date the latest library publication the Office of Education has issued is the Institutional Data for 1963–64. As you know, the A.L.A., A.R.L. and A.C.R.L. urged you to send your 1965–66 request forms directly to each library, but it was evident when you spoke to the A.L.A. conference last summer in New York that this advice would be disregarded.

As a result of your decision A.L.A. had to undertake, as an emergency measure, its own collection of 1965–66 library data (with some financial aid from U.S.O.E.), when it became evident that your office could not do the job. Some time ago I received the finished 233 page publication furnishing basic data for 1,891 institutions.

Admitting that the results of your current data solicitation may possibly cover more institutions, it will, whether compiled and issued in late 1967 or 1968 became available too late and be too out-dated to be of use to libraries, except for historical purposes.

If library figures are to be of any use in planning budgets and in support of state legislative requests, the data from the most recent fiscal year, ending June 30, are needed by the following January, or February at the latest. Until last year's U.S.O.E. reorganization botched the enterprise, this time-table had become generally operative, after years of gradual improvement in U.S.O.E.'s handling. Now, these advances have been largely wiped out under the new system.

In the light of this year's regrettable failure I strongly urge that next year, if U.S.O.E. is to continue to collect these data, the library figures for colleges and universities once again be solicited directly from the libraries, The centralization of state reporting through the state library slowed up the operation in some cases, by introducing an additional level of clearance and communication, but was not serious. The well-intended effort to obtain all university data through each President's office obviously is not working. Frequently, especially in large universities, he simply does not have the figures, and with so many offices to contact to assemble full institutional data for all parts of the questionnaire, it it not surprising that deadlines cannot be met.

Please solicit library figure directly from the libraries in the future.

Very sincerely,

E. B. STANFORD,
Director of Libraries.

APRIL 27, 1966.

Dr. FRANK L. SCHICK,
Co-ordinator of Library Statistics,
National Center for Educational Statistics,
U.S. Office of Education,
Washington, D.C.

DEAR DR. SCHICK: I have just read your article in the March issue of *Special Libraries* concerning the status of library statistics in the Office of Education.

As you know, the ACRL and the Association of Research Libraries was delighted when the Office of Education assumed full responsibility for the col-

*See enclosed letter.

lection and publication of library statistics of colleges and universities, a few years ago. Each year thereafter, both the coverage and promptness in the publication of these statistics improved notably under your direction, and it was very helpful to be able to have these data available by January each year, for use in our own internal budget studies and presentations.

I am sure the decision to centralize the collection of local statistics through each state library agency was well intended, but I had some misgivings that this procedure might possibly delay their publication. Now, this year, we are still awaiting the institutional data, but nothing yet has been forthcoming, although it is nearly the end of April.

I note from your article that hereafter the Office of Education will probably discontinue to process separate statistical forms for elementary and secondary school as well as college and university libraries, and instead incorporate requests for information about these libraries in more comprehensive manifold forms, which will be sent to parent institutions.

While your article does not indicate that this new procedure will affect any economies (which at least might explain the proposed change) I am understandably apprehensive that it may well delay the publication of this information even further, until it may be too out of date when we receive it to be very meaningful.

Statistics on expenditures and salaries are of little use in administrative planning if they do not arrive until a year or more after the period they represent, particularly in these times of rapidly changing costs and library growth and support. For this reason I urge you to bring this matter to the attention of the Commissioner in the hope that the Office of Education may review its recommendations for further change in the gathering and publication of academic library statistics, before adopting a pattern that may delay the distribution of such information beyond the period of its practical usefulness in budget planning.

Until now you have done an excellent job in collecting and publishing library statistical data, so I hope nothing will be done to delay or decrease the usefulness of this valuable information by introducing additional steps into the process.

Very sincerely,

E. B. STANFORD,
Director, University Libraries.

Mrs. SRYGLEY. I am Sara Krentzman Srygley, an associate professor in the Graduate Library School of the Florida State University. For the past 30 years I have been in library work, during which time I have served as a professor of library science, a library consultant, a State school library supervisor, and a school librarian.

This service confirms my opinion that good library and information services are essential in a nation committed to the necessity for providing educational opportunities for all its citizens, young and old.

Today I am speaking on behalf of the more than 35,000 members of the American Library Association, an organization of professional librarians and lay citizens. For almost 100 years the association has worked for the achievement of a well-defined and adequately supported program of library development for the people of this country, recognizing this to be in the national interest.

Representing the American Library Association, I am grateful to you for this opportunity to discuss proposed amendments to higher education legislation, in H.R. 6232 and H.R. 6265, and especially those sections related to library training and research in title II–B of the Higher Education Act of 1965.

First, however, may I express great appreciation for the provisions in the Higher Education Act of 1965 and in other legislation already enacted, which assists in the development of library and information science programs.

Title II provides for strengthening college and university libraries, recognizing the significant contribution of library services to the nature and quality of higher education. Title II–B relates to this provision but has even broader implications.

It provides assistance to graduate schools of library and information science in producing better qualified librarians and information scientists to staff libraries of all types. This refers to school, public, and special libraries as well as to those in universities and colleges. It further provides for support of research and demonstration projects for the improvement of libraries, or for the training of librarians or information scientists.

This legislation has received high praise by the education community, including librarians and library educators, and also the country at large. It has been described as noteworthy evidence that the Congress and the people it represents are increasingly aware that the quality of the country's libraries determines in great measure the educational opportunities and achievement of its citizens.

There has been serious concern that in the beginning stages of implementation, this important legislation has not been funded as authorized. In fiscal year 1966 no funds were available for research, and only $1 million for training grants.

In fiscal year 1967 the amount allotted for research was $3.55 million and $3.75 million for training. The budget recommendation for the fiscal year beginning July 1, 1967, is $3.55 million for research—the same as fiscal year 1967—and $8.25 million for training.

These amounts are quite inadequate to get a program of this nature really off the ground. The $15 million which was authorized for each of the fiscal years 1966, 1967, and 1968 to support both programs under HEA, title II–B is considered to be the minimum appropriation necessary for implementing a great national program of library research and training.

In fiscal year 1966 grants were awarded to 24 institutions of higher education providing 139 fellowships to individual students of library or information science.

In fiscal year 1967, $3.75 million was allotted for fellowship programs, and plans are presently underway to provide 595 fellowships to students of library and information science.

Let us think of manpower needs in library and information science. The need for recruitment and training of librarians is even more acute than it was a year ago as my colleague has said, when it was estimated that 125,000 additional librarians would be needed in school, college, university, and public libraries.

Developing programs of library services in this country to meet critical needs have precipitated an ever greater need and demand for qualified personnel. Librarians are essential to insure wise expenditure of funds for books and other materials and to plan programs making these materials both accessible and useful to the people who need them.

A good example of this need can be found in school librarianship. In Florida the director of educational media in the State department of education has identified the need for 900 additional school librarians to staff the elementary and secondary schools of Florida in 1967–68 alone.

Additionally, county supervisors of instructional materials are needed in approximately half of the 67 counties of the State. Similarly in New Jersey, Harry T. Gumaear, director of college curriculums for teacher education, New Jersey State Department of Education, considered the school librarian shortage in New Jersey, including the needs of public and private schools, elementary and secondary schools, and predictive data about enrollment.

Mr. Gumaear found that New Jersey alone requires more than 250 additional school librarians for each of the next 10 years if the students in New Jersey schools are to have adequate library service.

If the total needs of the 50 States are considered, it is obvious that there is a manpower crisis in school librarianship.

A similar consideration of the development of other types of libraries in this country reveals a situation just as critical.

This is even more serious when one considers that the existing accredited library schools in the United States graduate only about 3,000 new professionals each year. These schools have the capacity to increase their output, and fellowship aid to encourage graduate students to prepare for careers as librarians seems essential.

The manpower need has been identified by the American Library Association as one of its most critical concerns. The recruitment and uses of professional manpower will be the program theme for the association's annual conference in June.

The library profession speaks for all who are concerned with the progress of the Nation when it asks you to extend through 1973 the legislation that will provide the librarians so urgently needed.

And now we come to an aspect of the proposed amendments in H.R. 6232 which we believe important in intent but incorrectly placed. I refer to the proposed amendment to section 224(a) of the HEA, title II–B, providing for planning and development grants to encourage the opening of new library and information science schools or of programs intended to lead to the accreditation of such schools.

We do not question the critical need in this country for such grants for planning, establishment, or development of educational programs for library and information science. However, it is our belief that this amendment should more properly be made to section 223(a) of the act, related specifically to "grants for training in librarianship," rather than to section 224(a) related specifically to "research and demonstrations * * *" in this area.

We further question the advisability of referring in the law to programs intended to lead to the accreditation of such existing schools.

While it is assumed that improved programs will more likely meet the various accreditation standards, the complexity of accreditation agencies and procedures would seem to make this proposed part of the law difficult, if not impossible, to administer. And so we recommend that this phrase regarding accreditation not be added to the legislation.

It should be made clear, however, that grants are needed to improve and expand existing library education programs in the Nation's institutions of higher education, as well as for the purpose of supporting the establishment and development of new programs.

As a substitution for the proposed amendments to section 224(a) in H.R. 6232 and H.R. 6265 title II–B we propose that section 223(a) title II–B be amended to read:

GRANTS FOR TRAINING IN LIBRARIANSHIP

SEC. 223(a). The Commissioner is authorized to make grants to institutions of higher education to assist them in training persons in librarianship.

Such grants may be used by such institutions to assist (1) in covering the costs of courses of training or study including short-term or regular session institutes for such persons, (2) for establishing and maintaining fellowships or traineeships with stipends (including allowances for traveling, subsistence, and other expenses) for fellows and others undergoing training and their dependents, and (3) for establishing, developing, or expanding programs of library and information science, not in excess of such maximum amounts as may be prescribed by the Commissioner.

It is obviously our belief that this substitute amendment would achieve more effectively the purpose intended than the language in the bill before you.

We support enthusiastically the obvious intent in H.R. 6232 to provide early extension of the various titles of the HEA expiring at the end of fiscal year 1968. The library profession will be most grateful for anything you can do to make possible more long-term educational planning.

In a study made by the Library Education Division of the American Library Association, the deans of accredited library schools reported almost unanimously as their most critical problem the need for advance planning to allow for better use of personnel and appropriations. Your leadership in extending title II–B of HEA this year will make possible much sounder educational planning and programing.

Also significant is the need for research studies to determine the most effective ways to provide library services and to educate librarians. There have been pitifully small amounts of money from public and private sources to support research and development programs for library and information services.

When one considers the importance of these services to national programs, this becomes alarming.

Since the research program authorized in title II–B of the Higher Education Act was delayed in getting underway because of limited appropriations, it is impossible to give a valid evaluation of the library research program now.

It is our understanding that the Bureau of Research, U. S. Office of Education, has received more proposals designed to study a wide range of types of libraries and services than can be funded with the amount of money currently available.

There is much evidence that research in library and information science is necessary and that research programs can be developed with competent researchers if there is funding available for it.

In a recent release on the library and information science research program by the Bureau of Research, U. S. Office of Education, seven topics suggested in research proposals to that Bureau were identified as being of critical importance. These are:

1. Education: The techniques, philosophy, and scope of training and education for librarianship.
2. Use and users: Information and read services; expressed and unexpressed goals for different kinds of users (students, specialists, and

the public); variations in user patterns caused by geographic, economic, or other factors.

3. Organization of library and information services: Administration, management, personnel (including manpower utilization, job description, and staffing), finance, and governmental relations.

4. Role of libraries and information centers in society: Purposes, values, goals; relationships with other educational and cultural institutions; influence of various communication media public relations; recruiting; and the profession of librarianship.

5. Integration of library services in school and academic instructional programs: Curriculum development, school planning, and, in particular, instructional programs at the elementary and secondary levels.

6. Control of resources: Documentation; book and card catalogs; subject analysis; classification; indexing; abstracting; provision of an optimum collection for teaching and research needs; network and system planning and analysis; automation (software).

7. Technology: Preservation of materials; storage and physical ac cess, reprography, automation (hardware).

The needed research includes a range of project types; state-of-the-art studies; feasibility studies; prototype development and hypothesis generation; testing and evaluation, and demonstration and implementation. I would like you to realize that these studies provide opportunities for both small projects requiring support of less than $10,000 and larger projects requiring much more funding than this.

Extension of title II–B of the Higher Education Act through 1973 will encourage more long-range planning for research and serious study of library problems. We do urge the appropriation of the $15 million authorized for fiscal year 1968 for title II–B and a serious consideration of increased funding in each of the succeeding 5 years.

These next brief remarks deal with part E of title IV, amendments to the national defense fellowship program. This legislation clearly intended for school librarians to be considered as teachers in the provisions of the original act.

In the first year of operation institutional grants were made for advanced study in librarianship under this legislation. In the program for 1967–68 no fellowships were funded for school librarians although a number of proposals for such fellowships were made.

The guidelines for the program specifically gave low priority for school librarianship.

As the NDEA program is extended and implemented, we urge that fellowships for school librarians be included as an area with high priority. The testimony given earlier supports the importance of producing librarians, adequate in number and quality to support instructional programs in our schools. Teachers and the children they teach are dependent on school librarians to provide the instructional material services needed.

So we urge that the intent of the law be implemented in this program. In title V, part B, we are pleased to see that provision is made for a 5-year extension of title III of the National Defense Education Act of 1958. This title, providing instructional equipment and materials, has been of great value in improving educational programs in elementary and secondary schools.

For those of us in this country who have long believed that a partnership among Federal, State and local government is essential for achieving our national goals, these are exciting years in which to live and to work in the United States.

For the first time in the history of our country, there has been recognition in our Federal legislation that library services must be provided to support the needs of our citizens in all aspects of their living.

We are pleased to be of some assistance to you in determining these needs, and in implementing the programs designed to meet them. We hope that your committee will take favorable action upon our suggestions.

Madam Chairman and committee members, I thank you personally and for the ALA, for this opportunity to meet with you and I will be glad to attempt to answer any questions you may have.

Mrs. GREEN. Thank you, Mrs. Srygley.

You mentioned the teacher fellowship provisions in the Education Act. Did you say there were no fellowships for librarians?

Mrs. SRYGLEY. Not this year.

Mrs. GREEN. Were there applications?

Mrs. SRYGLEY. Yes, there were proposals; I don't know how many. We might get this specific information.

Mrs. GREEN. How many applications there were?

Mrs. SRYGLEY. Yes; we will be glad to do that and send it for inclusion in the record.

Mrs. GREEN. Please do that.

(The document referred to follows:)

NATIONAL DEFENSE FELLOWSHIP PROGRAM

According to information from the USOE, there were 26 proposals for education of school librarians in the experienced teacher fellowship program, and 12 proposals for education of school librarians in the prospective teacher fellowship program, although none were funded in fiscal year 1967. It is recommended that appropriations for these teacher fellowship programs be adequate to allow funding for fellowships for education of school librarians as intended in the Act.

Mrs. GREEN. I might make this comment: I have been greatly interested in the Teacher Corps. I have had the president of one national education group wire me and send out word to all the affiliates throughout the United States to send letters and telegrams urging the retention of the Teacher Corps. A few came in, but not one word was mentioned about the fact that for the teacher fellowship program, which is also designed for graduate education for elementary and secondary teachers, there was $275 million authorized and a request by the administration for only 12 percent of that amount for fiscal year 1968, or $35 million out of $275 million for graduate teaching.

Up to this point I have not had a telegram or letter from any educational group objecting to this kind of cut.

At the same time they are pleading for a new program for the Teacher Corps. Neither have I had any telegrams or letters from groups in this particular organization who have voiced any protest on the fact there is only a 50-percent request for authorized funds from elementary up through higher education. In higher education it amounts to about 52 percent and in elementary and secondary about 50 percent.

I am greatly interested in the priorities being established by educational groups and groups interested in education this year. Apparently there is no concern over the cut in funds across the board and the small request for one very small program.

Would you have any comments on this?

Mrs. SRYGLEY. I would just like to say, Madam Chairman, traditionally librarians are considered instructional personnel and they must be certified as teachers.

It seems a logical thing that under this teacher educational fellowship program school librarians should be one of the significant types of positions that would be funded, particularly in view of this national crisis in shortage of library personnel, which we have just discussed, this would be extremely important.

I don't believe that I have the knowledge to comment too much on what you have just said about appropriations, although this is somewhat surprising to me, I think I may say, and very interesting.

Mrs. GREEN. In terms of facilities under title I, the undergraduate facilities of the Higher Education Facilities Act, this year we have a request of only 54 percent of the authorized funds for fiscal year 1968. The request for fiscal year 1968 is $63,000,000 less than the actual appropriation for last fiscal year.

I have not received any protest over this up to this point. Does this mean the librarians and people in education feel we have reached the saturation point on construction and we no longer need construction for library facilities at the university level?

Miss KRETTEK. We are testifying vigorously on the need for full funding for college construction for the whole program.

Mr. GELFAND. In case of the Higher Education Facilities Act, I think one of the difficulties is a certain amount of matching is called for. I think many of our small institutions are simply incapable of meeting that in the time allowed under this new act. This is unfortunate but it really is, I think, a practical matter.

Well, it stymies us. We wanted to apply for a special-purpose grant in my college under the college resources provisions of title II of the Higher Education Act and we are so far extended financially that we simply could not find another $35,000 that would qualify us to ask for three times that amount then in the special-purpose grant.

The situation, of course, is quite different with respect to requesting money in aid of buiding, construction, because we run here into the millions.

Even a small college library buiding of let us say 50,000 square feet of space is going to cost you a million or more to put up. First you have to have the matching money yourself before going out to ask for additional funds.

Then to say we can expect the Federal Government to pay all the money, perhaps that is unreasonable. We have to find more sources at home in order to take full advantage of the Federal sources.

Mrs. GREEN. Are you saying the $387 million is sufficient for fiscal 1968? Is this the thrust of your argument?

Mr. GELFAND. I would hate to see the appropriation reduced below the authorization for fiscal year 1968, and the money ought still to be available to encourage institutions to go out and find their own matching funds, but I am not in a position to comment in specific terms.

Mrs. SRYGLEY. Madam Chairman, it would be hard to believe more adequate funding was not necessary in view of the burgeoning enrollment in these institutions. In my State, for instance, how many new institutions do wo have?

I think one of the problems is the matching provision in terms of how this is used. I can speak specifically at Florida State University we need very badly a building to house our library school.

We in the library school are presently occupying one floor of our university library which is needed for this other purpose we are talking about, serving increasing numbers of students. It is matching provisions that has on us the first floor of the library.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. No questions.

Mrs. GREEN. Congressman Burton.

Mr. BURTON. No questions.

Mrs. GREEN. Congressman Esch.

Mr. ESCH. No questions.

Mrs. GREEN. Thank you very much for being with us today.

Mrs. SRYGLEY. Thank you.

Mr. GELFAND. Thank you.

Miss KRETTEK. Thank you, Madam Chairman.

Mrs. GREEN. We appreciate your testimony.

Mrs. GREEN. Our next witness is Dr. William S. Dix, librarian from Princeton University.

Dr. Dix, on behalf of the committee, welcome and we are anxious to hear your comments.

STATEMENT OF DR. WILLIAM S. DIX, LIBRARIAN, PRINCETON UNIVERSITY, AND DONALD F. CAMERON, DIRECTOR, ASSOCIATION OF RESEARCH LIBRARIES

Dr. DIX. I have with me this morning the librarian emeritus of Rutgers who has come out of retirement to help us with the library of research as director, Mr. Donald Cameron.

I think I will use the limited time you have if I concentrate on one part of the proposed legislation. I hope you and members of the committee will understand that we are in complete support of the testimony delivered by our library colleagues from the American Library Association and I might add also I have just read the testimony given by President Gross on behalf of the American Council on Education.

We are very impressed by the comments he had to make. These things all hang together in a definite way and I think there is no question of the points he made.

One point in particular—I have no instruction from my association on this—but personally I am inclined to think removal of the 3-percent ceiling rate on loans under title III of the Higher Education Facilities Act would be a mistake at this point as proposed in the legislation but I have no special competence on this point.

Let me then move particularly into part C, title II of the Higher Education Act of 1965 and some suggested minor changes. I hope you will permit me to begin by expressing the thanks of the Association of Research Libraries for the courtesy and the understanding with which you and the other members of your committee heard our testimony on March 10, 1965.

The result was the addition of part C to title II of the Higher Education Act of 1965. I said in my original testimony that it would probably take about 3 years before the effect of this legislation would be fully apparent in the increased speed and economy with which the libraries of the country cataloged and organized for use the flood of new books from all over the world.

It had been my first intention to report to you in about a year but it gives me particular pleasure to report today, only about 9 months after the first appropriations were made available, that the impact of the legislation is already beginning to be felt and felt strongly.

The Library of Congress has moved with speed and imagination to set the program in operation. Ninety-one of the larger libraries are participating and amplifying the book selection machinery of the Library of Congress by reporting all books which they are acquiring for which cataloging copy is not available at the time the books are ordered.

Thus the Library of Congress is assured of getting the books which are important for American teaching and research, and the program is fitted to the real needs of libraries.

Furthermore, the Library of Congress has established offices in many of the major book-producing countries of the world and more important, in a number of areas from which book procurement is difficult.

The offices in the developed countries have established close working relationships with the book trade and national bibliographic centers in order that in implementing the II–C program, full advantage may be taken of all cataloging work done abroad.

In the less developed areas these offices are essential to procurement of the books themselves because there is often no well-developed machinery for publication and distribution as we know it. Without a representative in the area we cannot even find out what is being published.

In preparation for this testimony we asked a number of major college and university libraries to let us know whether they were able yet to see any effect of title II, part C, upon their own operations. The replies were so enthusiastic that they surprised even us, optimistic as we had been about the potential benefits. Let me read you a few excerpts from these letters:

University of Pennsylvania (reading):

> Title II–C provides the support for one of the most promising cooperative endeavors in the history of research library development in this country—After just the few months that this massive and complex program has been operational, we are beginning to feel its effects here at Pennsylvania * * *

Cornell University (reading):

> If all aspects of salaries, space, benefits, and the administration of this personnel were included, the total savings to this library in dollars would undoubtedly be in the range of $15,000 to $18,000 * * *

Duke University (reading):

> The facts are, however, that because of what the library of Congress has been able to do in this first year of the program, we shall catalog with the same number of catalogers 5,000 more volumes than last year, and a substantially larger

percentage of the total items cataloged have been handled by non-professional help. These non-professional people, incidentally, given Library of Congress cards, can catalog three to four times as many books a year as a professional cataloger without Library of Congress cards. The 5,000 additional volumes we are adding this year if the books had come to us without Library of Congress cards, would have required four professional catalogers who would have cost us at least $28,000. When one begins to multiply this kind of savings by the number of libraries that will be affected, the significance of Title II–C to American research libraries can be appreciated.

University of Michigan (reading):

Although Title II–C has been in operation only a short time, there has already been an increase of over 20,000 titles cataloged by LC from May 1966, through February 1967, over the same period for the previous year, as demonstrated by the catalog cards received by our library. * * * Moreover, because of the high level of competence at which original cataloging must be performed, with corresponding higher salary levels, the use of an LC card reduces the cost by considerably more than fifty percent.

University of Chicago (reading):

The benefits of this program rest not just in greatly improved utilization of this country's limited specialized manpower, but absolute benefits that can frequently not be secured in any other way, for example, in the cataloging of material in very difficult foreign languages where local capability simply does not exist.

Dartmouth College (reading):

Although conversion to LC classification is partially responsible we have been able to reduce our general monograph catalogers from seven to two and to use the five professional positions for more efficient catalog department organization or to accomplish cataloging that was formerly going into arrearage * * *.

University of California (reading):

We have admired the speed and precision with which the Library of Congress has instituted this new program, to a point where already we see a fifty percent increase in the availability to us of Library of Congress printed cards * * *.

University of Washington (reading):

The Head of our Catalog Division estimates that, while before Title II–C catalog information was available for thirty to thirty five percent of such acquisitions now LC cards are available for approximately fifty percent and it is expected that this percentage will rise even more * * *.

University of North Carolina (reading):

If the savings realized on only title II–C country titles is projected over a one year period, the savings will amount to $19,848.00. If the title II–C program were expanded to the point where world wide coverage was provided and copy made available for all foreign books purchased by this library, this figure would increase to approximately $59,500.00, a considerable savings to this library * * *.

May I remind you, Madam Chairman, this result has been achieved even without full funding. We urgently hope that the Congress will appropriate for fiscal year 1967 the full $7.7 million authorized by the act.

The full sum is essential for the extension of the program to other critical areas of the world with the consequent increase of available catalog copy and the further reduction of wasteful duplicated effort. We in the libraries need this help to get more books more rapidly to the people who need them.

I think it is appropriate for me to say just a few words about the international effect of the program for none of us when we proposed the program, had clearly foreseen quite the extent of its effect abroad, a valuable byproduct of the central program which you will remember we discussed in terms of savings which individual U.S. libraries might obtain, primarily.

Without going into complex details, let me say simply that the new international cooperation achieved through the opening of these Library of Congress offices abroad has produced a new level of uniformity in cataloging practice which has brought us definitely closer toward reducing the world's output of books to some semblance of bibliographic order, an important prerequisite to the free flow of books and ideas among the nations of the world.

I was told last week that the Spanish-speaking nations of Latin America, because of this program, already have their knowledge of the publications of each other increased by about 50 percent. In other words they discovered and recorded an aditional 50 percent of new titles in Latin America.

Sir Frank Francis, director of the British Museum and president of the International Federation of Library Associations, in discussing the centralized cataloging program at the last meeting of that organization in Holland said—

> The acceptance and the implementation of their proposal for shared cataloging on an international scale would result in speedier bibliographical control of the materials flowing ever faster into our libraries would reduce cataloging costs and would release the energies of our cataloging forces, which are at present engaged in duplicating each other's efforts a countless number of times in different libraries not only in all parts of the world, but in almost every country under the sun.
>
> I hope that over the next three to five years, it will be possible to get this collaboration fully worked out and made into a going concern. It is not only desirable that this should be done, it is necessary; otherwise the great libraries will cease to play their proper part in the intellectual life of their countries, because of the sheer impossibility of meeting all the demands which are made upon them . . .

It may be noted that this program is completely in accord, in spirit, and in substance, with the U.S. policy as expressed by President Johnson, last January, in his statement on international book and library activities.

The accompanying directive to Government agencies specifically instructed them to further a greatly increased inflow of foreign books through appropriations under title II–C. The Interagency Book Committee, appointed by Assistant Secretary of State Frankel, to coordinate and implement these activities, has recommended full funding for this purpose.

To make this important legislation even more effective, we recommend respectfully, in addition to full funding, certain specific changes:

1. These foreign offices of the Library of Congress are purchasing for that library one copy of each of the new books believed important for American scholarship and research.

One copy for the whole country is hardly enough and we believe that the relatively modest added cost of depositing another copy in some institution in another part of the country as a national loan copy would be thoroughly justified. The Center for Research Libraries in Chicago, for example, would be an appropriate institution.

This is a sort of library's library, a nonprofit corporation supported and operated jointly by 24 major universities from coast to coast. It collects and makes available the sort of library books, journals, and documents which are important but which need not be held by every local college or university library.

If it could obtain a second set of the foreign books now being procured by the Library of Congress under title II–C it could supplement the resources of the National Library in an important way.

2. These foreign offices of the Library of Congress in areas where national bibliography and the book trade are poorly developed could serve another very useful function.

The problem is that in many less-developed countries there is no way to get a book unless you are there nor indeed any way to know that the book exists, for there are as yet no booksellers there capable of handling so complex an operation as international book trade.

If title II–C were amended to permit these Library of Congress offices to act as agents for other libraries in this country, a great step toward solving this problem would be taken.

The individual libraries would, of course, pay for the books, and the staff costs of ordering a few extra copies of a book already being selected and purchased would be nominal.

3. Finally we proposed that the bibliographic information gathered through this and other programs of the Library of Congress be made available not only through the original legislation, but also through other means, such as the distribution of printed bibliographies.

Current bibliography, the accurate recording, and the prompt distribution of information about what is being published around the world, is of the greatest importance.

It is the key to the free flow of ideas across the oceans of the world, and ideas are the basis of economic development as well as international understanding.

As a librarian I am tempted to claim too much for the importance of bibliography, but it does seem to be a fact that there is an almost exact correlation around the world between the state of bibliographic development in a country and its economic development.

These three proposals are covered by section 232 of H.R. 6232, amending the Higher Education Act of 1965. On behalf of the Association of Research Libraries, I urge the passage of this legislation.

We disagree with H.R. 6232 in one respect. In section 231 the original act is amended by authorizing "such sums as may be necessary for the next 2 fiscal years."

We respectfully urge that appropriations be authorized for the next 5 years as is proposed for part A of this title. Quite complex internal administrative arrangements must be made in each library to utilize effectively this new and essential flow of catalog information from the Library of Congress.

To have this aid held out to us and then withdrawn would lead to tremendous waste and inefficiency. We need as much assurance of continuation as possible.

Madam Chairman, in concluding let me thank you and the members of this subcommittee once again for your imagination as well as your courtesy. In sponsoring title II, part C, of the Higher Education Act of 1965, and in watching over it until it becomes law, you have helped demonstrate once again how Federal assistance of a relatively modest sort, applied at an effective point, can have a far-reaching influence upon State and privately supported higher education throughout the country.

Mrs. GREEN. Thank you, Dr. Dix.

On the last point, in Commissioner Howe's testimony the other day he said as follows:

> The Administration proposed amendments to Title II would extend Parts A and B for five years through fiscal year 1973. Part C would be extended through fiscal year 1969. At this time the program would be reviewed and the results of an on-going study to be completed in 1969 on the relationship of the Library of Congress to the Congress and the Executive Branch would be considered. Some perfecting amendments to Title II–C have also been suggested to make the program even more responsive to the total library needs of higher education in this country.

I take it you do not feel this is sufficient justification for extending that only 2 years.

Dr. DIX. I am a little confused as to which study he is referring to.

Mrs. GREEN. Following Dr. Mumford's testimony yesterday.

Dr. DIX. I assume he is referring to the Presidential Commission. If so, I can find nothing in its directive to say it is specifically studying the relationship of the Library of Congress to other activities.

I have here the President's appointment of the Commission. I am sure you have seen that. Under duties, nothing is said about that.

Mrs. GREEN. If it is, and I presume it is from the Commissioner's statement, would you not think Congress would be ill advised to extend it only for 2 years and get the results of the study at that time?

Dr. DIX. I am afraid I am in an area where by knowledge is really lacking. Let me put it this way. Our interest is in seeing the program continued at the Library of Congress with full funding, whatever is needed to get the job done.

What legislation is needed to do this is not completely clear to me except that we want something that is as safe as possible, 5 years would be better than 2. I would assume if the legislation authorized this for 5 years and if there were in the meanwhile some major reorganization of the positions of the Library of Congress and the Government, I would hardly believe it could happen that fast, a change could be made in spite of that 5-year authorization. I would hope so.

Let me say that certainly the librarians of the country have no reason for thinking this program should appear in legislation of the U.S. Office of Education. It is, it seems to us, related to the Higher Education Act.

As we pointed out 2 years ago, it enables the dollars spent in buying books to go farther. If it could be incorporated into legislation for the Library of Congress, we would be happy, indeed.

Mrs. GREEN. As you know, in order to get the program going, this committee decided it had to amend the Higher Education Act.

Dr. DIX. We are grateful for that.

Mrs. GREEN. At this time I think we do need to verify the relationship of the Library of Congress to the executive branch, to the Congress itself, and to the Office of Education.

Would you state in capsule form again the reasons you consider it necesary to have the branch offices of the Library of Congress in several other countries.

Dr. Dix. There are two, and they are really rather different. One, in the highly developed countries, for example, the United Kingdom, in France, in West Germany, in the Scandinavian countries there are now offices which are assisting with the procurement of books on an incidental fashion, but this I hasten to point out by the way is in full and careful relationship with the organized book trade in those countries.

In other words, there is no problem there in buying books. The problem there is to take full advantage, as full as possible of the bibliographic work already being done in those countries. To be very specific, taking Britain as an example, the Library of Congress there works very closely with the British Bibliographic Office. This is a cataloging operation similar to our own. It picks up a copy there once a week, sends it to the Libary of Congress where it is adapted for use.

By contact with these agencies we are getting a lot of work done that would have to be done here. We list the importance of cataloging the book only once in this country.

Actually what happens is this practice has been extended to the world as a whole, at least in model form.

Mrs. Green. The reason I ask is that when we placed this in the legislation, we did not see establishment of branch offices of the Library of Congress in a good many countries. Evidently from your testimony and Mr. Mumford's, this would be an expanding operation?

Dr. Dix. I hope so. Let me put it simply and crudely, we are getting much more for our money when we can get this information from Britain instead of doing it ourselves.

Let me answer the rest of your question. In the smaller countries, there is no cataloging available. This is a procurement operation to scout out and find books. This is what is happening with the office in Latin America, Africa and, hopefully, others to be established.

Mrs. Green. Any questions, Congressman Quie?

Mr. Quie. No questions, but I commend you on your statement.

Mrs. Green. Any questions, Congressman Gibbons?

Mr. Gibbons. No questions.

Mrs. Green. Congressman Esch?

Mr. Esch. I commend you on your satement, but I wanted you to more specifically reiterate whether you think the Library of Congress might be the vehicle for expansion of our library system in this next decade.

Dr. Dix. It seems to me the Library of Congress, which is the National Library in a great many ways and has been for 50 years, and serving many functions of other libraries, including those as Library of Congress, it does seem to me that this must be recognized and the Library of Congress must have the backing, authority, and official recognition of its role, whether in the administrative or executive branch.

Mr. Gibbons. It's not going into the executive branch if I have anything to do with it. You put it in the executive branch, and we will have to get a pass to get in there. You are the only thing we have that we are proud of.

Dr. Dix. Yes, that is true.

May I say to the chairman, I compliment Mr. Gibbons on the libraries in his State. I am attending a ceremony in Gainesville tomorrow at the new library of the University of Florida. I compliment him.

Mrs. GREEN. Mr. Esch?

Mr. ESCH. No further questions.

Mrs GREEN. I thank you, Dr. Dix. I would appreciate a further statement if you can find out more about the study being completed in 1969.

Dr. DIX. I will supply that.

(The information to be supplied follows:)

PRINCETON UNIVERSITY LIBRARY,
Princeton, N.J., May 5, 1967.

Hon. EDITH GREEN,
Rayburn Building,
Washington, D.C.

DEAR MRS. GREEN: During the course of my testimony before your sub-committee on April 20 you expressed interest in the overseas offices established by the Library of Congress in the implementation of Title II–C of the Higher Education Act of 1965. In order that you may be more fully informed, here is a summary of the current status of these offices, based on information supplied by the Library of Congress:

There are five Shared Cataloging (Title II–C) offices in western Europe. They consist of a handful of people, nearly all Europeans. The London office, the prototype office, now has no U.S. personnel. The Belgrade, Oslo, Paris, and Vienna offices have one U.S. citizen each, while the Wiesbaden office has two. These offices provide bibliographic coverage of the publishing output of Denmark, Sweden, and Switzerland as well as of the countries in which they are located.

In addition there are two regional acquisition centers, one in Nairobi, Kenya, and the other in Rio de Janeiro. There is one American in charge of each, and these offices also acquire materials from the surrounding countries.

In other words, these are very small operations, involving few Americans.

While not contemplated at the time I made my original proposal, these offices represent an imaginative extension by the Library of Congress of the mechanics for achieving the original objectives, the prompt acquisition and cataloging of a substantially higher percentage of the current book publishing output from foreign areas for the benefit of all American libraries. The five offices in Europe make it possible for us to obtain and use after some adaptation bibliographic information being produced in the countries of origin, thus making more efficient use of scarce American cataloging personnel. The offices in Africa and South America are essential for the procurement of material in those bibliographically under-developed areas.

I shall be glad to obtain further information if it will be useful to you.

Yours sincerely,

WILLIAM G. DIX.

Mrs. GREEN. The next witness represents the National Education Association.

Dr. Lumley, will you and your associates join us?

STATEMENTS OF DR. JOHN LUMLEY, DIRECTOR, DIVISION OF FEDERAL RELATIONS, NATIONAL EDUCATION ASSOCIATION; DR. RONALD UHL, SUPERVISOR, AUDIOVISUAL EDUCATION, PRINCE GEORGES COUNTY, MD.; DR. HOWARD S. DECKER, EXECUTIVE SECRETARY, AMERICAN INDUSTRIAL ARTS ASSOCIATION; MRS. MARY GEREAU, STAFF MEMBER; AND RICHARD CARRIGAN, STAFF MEMBER

Mrs. GREEN. Dr. Lumley is accompanied by Mrs. Mary Gereau, Mr. Richard Carrigan, and others.

Perhaps the three of you want to present your statements first and then the others afterward. That is Dr. Carrigan, Mrs. Gereau, and you, Dr. Lumley, and then the other two.

On behalf of the committee may I express our appreciation for your willingness to come here and give us your views. Your statement will be made a part of the record and you may proceed in any way you wish.

(The statement follows:)

TESTIMONY PRESENTED BY JOHN M. LUMLEY IN BEHALF OF THE NATIONAL EDUCATION ASSOCIATION OF THE UNITED STATES

Madam Chairman and Members of the Committee, I am John M. Lumley, Director of the Division of Federal Relations of the National Education Association. The NEA, as you know, is an independent association of professional educators. Our membership includes educators in the public and private schools and colleges ranging from pre-school teachers to university presidents. Of our 1,025,000 members, 95% are classroom teachers.

Our testimony on HR 6232 and HR 6265 is based on the policies of the parent Association as defined by the platform and resolutions adopted by the 7000 delegates to the annual convention of the Association.

There are 33 constituent special interest departments in the NEA complex. They do not always agree in every detail with the position of the parent organization. With me today are representatives of two of these departments, Dr. Ronald Uhl, representing the Department of Audio-Visual Instruction, and Dr. Howard S. Decker, Executive Secretary of the American Industrial Arts Association, and they will be presenting statements. Two members of the staff of the Division of Federal Relations, Mrs. Mary Gereau and Mr. Richard Carrigan, are also with me today.

In general, the National Education Association supports HR 6232 as we have in the past supported the National Defense Education Act, the Higher Education Facilities Act, the Higher Education Act, and the National Vocational Student Loan Facilities Act. All of these laws have made significant contributions to improving the quality of American education. Their main thrust, to provide greater opportunity for individuals to improve their professional competence is, of course, not only important to the individuals but also to the nation's economic and social development. We regret only that the programs are too meagerly financed and thus too limited, especially in the number of student aids of all types which they provide.

We have read the testimony presented by the American Council of Education and as a constituent member of that organization we concur with the formal testimony presented by Dr. Gross yesterday. It is not necessary to repeat the points he made, especially as they pertain to details of the higher education amendments.

For the convenience of the Committee, I believe it preferable to present our comments on the bill item by item as they appear in the draft legislation. However, I would like to comment first on what we believe to be a serious departure from acceptable practice which appears several times in this bill and is a development which is a recurring feature in various Administration proposals relative to education before the 90th Congress.

The Commissioner is authorized at several points in this bill to contract with profitmaking agencies for carrying out projects ranging from improving the qualifications of persons who are serving or preparing to serve in education programs in the public elementary and secondary schools to hiring public relations firms to recruit persons into the field of education.

Madam Chairman, this constant effort on the part of the Office of Education to secure authority for the Commissioner to bypass the public and private nonprofit education agencies and deal with profit-makers is, in our opinion, the most dangerous proposal ever to come before the Congress.

Potentially it would authorize the Commissioner to use tax-payers' money to provide profit for private agencies in carrying out activities which are clearly and solely the prerogative of the public schools and public and private nonprofit institutions and agencies. Of even more danger, however, is the potentiality for federal control and direction of the entire education effort of this country, in direct violation of the American tradition of state control of public education. Profit-making agencies are in business primarily to make a profit. If the permission to contract with profit-making agencies is granted, nothing prohibits the

Office of Education to hire persons to accomplish objectives, to conduct slanted "research," and to conduct well financed Madison Avenue type promotion campaigns to achieve purposes which the public education sector, and the ethical private non-profit institutions would never consider becoming involved in. This seems to us not only a totally unnecessary practice, but indeed a frightening one.

This type of activity, that is contracts with profit-making agencies, was first proposed as an amendment to the Cooperative Research Act (Title IV ESEA) in 1966. We objected at that time. HEW spokesmen claimed that the purpose of providing authority in the Cooperative Research Act to contract with private profit-making agencies to train research personnel was necessary because such training was not available from non-profit sources. The emphasis was on need for skilled workers and researchers in the use of computers. Perhaps there is some validity to that argument, although we believed then, as we do now, that direct contracts between the USOE and profit-making agencies are inherently wrong and that the objective of increasing the supply of computer experts could be achieved by *subcontracts* between nonprofit agencies receiving federal grants and the computer training agencies. In addition, we questioned the practicality of training such researchers in a situation isolated from the education community.

We lost that argument but not our concern. At that time they told us it was just for the computer processes with IBM, General Electric or some other corporation like that.

Now, however, in HR 6232, the original USOE justification (for training research personnel) has been discarded. Virtually blanket authority is sought for the Commissioner to enter into contracts with profit-making agencies for conducting experimental and pilot projects in continuing education and community service (Sec. 107, page 6); talent search projects (Sec. 403, page 13); attracting qualified persons to the field of education (Sec. 504, page 51); and providing preservice and inservice training for elementary and secondary teachers, including pre-school, adult and vocational teachers, etc. (Sec. 532, page 59). The latter is the most astonishing of all.

These things could be given out under Title II on contract.

We find it incredible that the Administration would propose that the Commissioner be granted such authority! May I make it perfectly clear that we are not criticizing the incumbent. Nor are we opposing the involvement of the profit-making sector of our society in the educational enterprise. We believe that situations can arise where it is economical and efficient for public and nonprofit educational agencies to contract with industries such as the computer or electronics industry, to provide specialized training or develop machinery for specific parts of a research or demonstration project. Our strenuous objection is the proposal that the USOE be authorized to contract *directly* with profit-making agencies, with no involvement of the public and nonprofit educational sector, in such a manner as to achieve whatever objectives the USOE may unilaterally determine. The provision for advisory councils, which are appointed by the Commissioner, in no way lessens the danger—indeed could enhance it. Carried to extremes, a Commissioner could appoint a council which he knows would advise him to concentrate on contracts with profit-making agencies and to use the majority or all of the funds available under the pertinent sections to bypass completely the public and other nonprofit agencies.

USOE spokesmen compare this requested authority to that in the health and defense fields. Neither area is comparable to education. National defense is exclusively a federal concern and is not carried on by the states. Health research by industry, such as that which resulted in the discovery of antibiotics, was carried on long before the National Institutes of Health was developed. On the other hand, public education has traditionally been provided by the states and nonprofit institutions. There is no federal education operation—and no reason to develop one. The role of the federal government in education must be confined to that of channelling funds to the public and other nonprofit education agencies and institutions to meet the objectives defined by the Congress as representatives of the people. Research, demonstration projects, inservice education, and information dissemination about worthwhile developments in education should be carried on, not by the Office of Education, but by schools, state education departments and institutions of higher education with funds provided through the Office of Education for the purposes which the grantees identify as most appropriate. Violation of this principle places a Commissioner in a position where he can contract with any person or group of his choice (—and he can undoubetdly find a profit-making agency which can be hired, for a price, to do almost anything he may ask—) to develop programs which *he* wants the nation to follow. This is federal control of the most objectionable sort; and we urge the Committee to reject this proposal every time it is made, for the sake of placing authority for American education where it belongs—with the state and local governments and nonprofit institutions.

If my language seems strong, I assure you our feelings on this matter are even stronger.

We do, of course, have other comments on this legislative proposal, and I shall return now to the beginning of the bill and make comments on items as they appear in the text.

We support the extension of the Community Service and Continuing Education Programs for an additional five years, the retention of the 75% federal matching provision, but regret that the request for an authorization of $50 million is being dropped and that only $16.5 million is being requested for appropriations.

We strongly object, I repeat again, to the granting of authority to the Commissioner to enter into contracts with private profit-making agencies for the purpose of developing experimental or pilot projects in the field of continuing education and community service. (Sec. 107, page 6, lines 15–21.)

We urge the extension of the College Library Resources program (page 8) for five years and the liberalization of the provision relating to matching for special purpose grants. We also support the extension of Parts B and C of Title II.

We support the extension of Title III of the Higher Education Act (Strengthening Developing Institutions) for five years and regret that the appropriation request is some $20 million short of the authorization figure approved by the Congress.

The technical amendments to Title IV (Student Assistance) seem reasonable, except that again we strongly object to granting the Commissioner authority to contract with profit-making agencies to carry out the talent search provision of Part A (Opportunity Grants; Sec. 403, page 13, lines 16–23 end page 14, lines 1–2.)

We recommend substantial additional funding of the work-study program to at least the level of the authorization for 1968 as passed last year ($200 million). We also suggest that the federal share of this program be 90%. We especially approve the inclusion, expansion, and extension of the Vocational Student Loan Insurance program in Part B of this Title.

Part D of Title IV, the National Defense Student Loan program, is, of course, the heart of the student assistance title. We urge that it be made permanent legislation and that the authorization of at least $225 million be continued for the following five fiscal years. We resist any efforts which may be made to substitute a guaranteed student loan program for the NDEA loans, which have been of such great value to lower and middle-income students. The proposal that specific authorizations be scrapped in favor of the indefinite "such sums as are necessary" phraseology is a cause for concern. Such a proposal surrenders the control of this committee and of the entire Congress over the future of the program. We note with regret that the appropriation request for NDEA loans for fiscal 1968 is $35 million less than the present law authorizes.

Part E of Title IV, as it permits extension of the period of study to four years under special circumstances, is a sound proposal. Also bringing the financial assistance into line with other federal fellowship programs is desirable.

Part F of Title IV (which becomes Part E to the Higher Education Act on page 45) provides for an advisory Council on Financial Aid to Students. We are becoming somewhat wary of the recent proliferation of "advisory councils." Perhaps the advice received by the Office of Education in the Congressional hearing process might suffice in this instance.

Of major interest to the National Education Association is the proposal entitled Title V—Education Professions Development. The purposes of the proposal as outlined in Sec. 501 are certainly in accord with the objectives of the National Education Association.

Sec. 503, on pages 54 and 55, by expanding the definition of elementary and secondary teachers to include pre-school, adult, and post-secondary vocational teachers, improves the teacher fellowship program. Also, including a specific reference to educational and instructional television and radio is desirable. We particularly approve the addition of "child development" to the listing of career areas in this section. We suggest that a definition of child development be considered for inclusion in the definition section of the basic act.

The customary advisory council is proposed again (page 48). We believe in this instance it is justified, provided that a specific number of members is delineated, and that the practitioners—i.e., working teachers and supervisors in the elementary and secondary schools—are well represented. (By this we do not mean a private prestige college president who taught a one-room rural school 40 years ago.)

The direction to the Commissioner that he survey from time to time the nation's existing and future personnel needs in the field of education is quite necessary—although we believe he should do this whether or not the Congress directs him specifically into this activity.

We note again that the Commissioner is to be empowered to contract with profit-making agencies for the purposes of attracting persons into the education professions. We oppose such a policy.

We have several other comments on the parts of the bill which amend Title III and Title XI of the National Defense Education Act, especially on pages 59 through 73.

On page 59, line 22, through page 60, line 5, the existing NDEA categories are enumerated and augmented with "health, physical education, international affairs, the arts and humanities." We urge the addition of safety education to this listing and also urge that school librarians again be included in this section. The programs in the Library Services Act are suited to regular and college library training, but we feel as do school librarians, that the interests of elementary and secondary education can be better served if school librarians are grouped with the teaching profession.

We have some doubts as to the wisdom of deleting specific mention of categories in the NDEA Title XI program for teacher institutes after this year. We recognize that the identification of specific subject matter areas limits the program to those subjects specifically mentioned in the Act. More flexibility is definitely desirable. However, we do not believe that the federal office should alone decide the direction the institute programs should take. We urge, in order that federal control be lessened in this respect, that language be inserted into the bill under Sec. 532, page 61, a new subsection (c) as follows:

"On or before January 1 of each year the Commissioner shall solicit from each chief state school officer a priority listing of such subject matter areas or categories of educational personnel as each such officer deems needs strengthening in his state, and that the Commissioner shall be guided by the results of such survey in determining the number and type of institutes or programs to be funded under this Act. And further, that before April 1 of each year the Commissioner shall report to the Congress the results of the survey and his determination based thereon." (Present subsection (c) becomes (d); and subsection (d) becomes (e).)

Philosophically, we feel that the proposal to eliminate the specific categories in the language of NDEA Title III has merit. In our view, however, the pretense here is that the program will be expanded to include all subject matter areas. But as a matter of fact, unless the Congress provides *substantially increased funds* for this Title, the net result will be retrenchment.

We wonder, for example, whether USOE has considered the possibility that equipment and supplies for hitherto unsupported areas can be enormously expensive. A good example would be for badly needed industrial arts equipment, which (in an extreme case) could gobble up a disproportionate amount of the state's allocation.

It should certainly suffice to list the subject areas in wording that does not exclude new offerings. And the Committee might consider the desirability of placing suggested—not arbitrary or restrictive—limits on the proportion of state allocations for any single subject matter area. In other words, the state plan would simply assure USOE that every discipline in need of equipment, supplies, and supervisory services would be guaranteed a reasonable degree of assistance.

Page 67, line 6, and page 68, line 10, exclude "athletic and recreational equipment" from the purposes for which Title III funds may be used by colleges and schools. If by this is meant equipment for interscholastic spectator athletic programs, we concur. However, we believe that it should be made clear that the funds can be used for equipment for physical education classes in schools and colleges, including teacher education programs in physical education or college programs for the training of recreation personnel. As the NDEA categories have expanded over the years, the physical education program has been discriminated against, since equipment for other school subjects could be financed up to 50% from federal funds, while physical education equipment was not so favored. Unless the language excluding "athletic and recreational equipment" is clarified, this unfortunate situation is likely to continue, even though the litany of categories is eliminated from the Act, presumably so that all interests can be treated fairly. We believe that the bill should clarify such matters as this and not leave the decision to the guideline writers in USOE.

Page 70, lines 19 through 21, repeal the provision in Title III of NDEA which authorizes $10 million for state supervisory services in the categories enumerated in Title III NDEA. We oppose the repeal of the authority for the states to use NDEA funds for this purpose. Indeed, there is reason to believe that this part of NDEA Title III has been perhaps of more benefit than the equipment provision, especially in what the Office of Education calls the weaker states. Until Title V of ESEA is amended to provide for autonomy within the states over uses of funds provided to strengthen state departments of education as each state determines, we strongly urge that Congress continue to provide state education agencies the opportunity to appoint subject matter specialists to their staffs to assist local school systems in strengthening their curricular offerings. This is further reason for our resistance to removing the categories in NDEA Title III.

Page 72 provides for extension of the private school loan program for equipment. We note with approval that the bill proposes to extend this opportunity to schools operated by United States citizens primarily for American children overseas. This is a minor, but important, step in the direction of extending to pupils in these schools some of the assistance they are entitled to as American citizens.

While the language on page 73, Sec. 701, extends Part A of NDEA Title VII (Guidance, Counseling and Testing) for five more years, it is silent on Part B. We assume that Part B (Institutes) is to be absorbed, after this year, into the Education Professions Development Act.

We note also that Sec. 801, page 74, extends Title VIII: Language Development of NDEA for one year only. We trust the programs developed under this title will continue to receive comparable attention from the USOE under other acts in subsequent years.

Note: We have not been able to determine how much the USOE is requesting to implement the Educational Professions Development Act. We believe the amount should be substantially higher than the total of the authorizations for the various programs—such as teacher fellowships under the Higher Education Act and the NDEA institutes—presently in the laws. For example, if anything approaching an adequate expansion of the NDEA type of subject matter institutes is to be carried on, and considering the extension, potentially, to all subject matter areas at the elementary, secondary and college level, at least three times the amount requested in the 1968 budget for NDEA institutes alone would be required. Specifically, at least $100 million is necessary for this activity alone. If in addition any meaningful effort to implement programs described in the imposing list of activities outlined on pages 60 to 63 for every type of educational personnel from teacher aides to school administrators, school board members and college presidents is to be carried out, at least $150 million or more in additional funds should be provided for the first year, with proportionate increases in subsequent years. Further, if the Commissioner is to be authorized to employ experts and consultants—as we think he should—for $100 or more a day as provided on page 53, Sec. 507, the need for adequate funding for this purpose also must be met. A conservative estimate of the funds required for the first year of operation of the Professions Development Act would be about $255 million, in addition to full funding of the teacher fellowship program.

We testified at length on March 14 in support of the Teacher Corps as amended by legislation before the full House Education and Labor Committee. We re-emphasize that supportive position again here today, for the record.

We note the extension of NDEA programs to children in the federally-operated Bureau of Indian Affairs Schools. We have consistently maintained that these youngsters belong in the public school systems in the states in which they reside.

Madam Chairman, we appreciate the opportunity to present the views of the National Education Association to this Committee. We are confident that this Committee will produce a bill which will continue to improve the quality and quantity of educational opportunity in this country and at the same time preserve the traditional structure and control of education by the states.

Mr. LUMLEY. It is a pleasure to be here before the committee. I think it is my first oportunity to testify before your committee.

Mrs. GREEN. You have neglected us; we have been here for quite a while.

Mr. LUMLEY. I know the NEA has been here.

On the first page of the statement I would call your attention to the fact the NEA is a many-headed monster in that we have many organizations.

Mrs. GREEN. I don't know about that; you said that.

Mr. LUMLEY. There are 33 constituent special interest departments in the NEA complex. They do not always agree in every detail with the position of the parent organization. With me today are representatives of two of these departments. Dr. Ronald Uhl, representing the department of audiovisual instruction, and Dr. Howard S. Decker, executive secretary of the American Industrial Arts Association, and they will be presenting statements.

Two members of the staff of the division of Federal relations, Mrs. Mary Gereau and Mr. Richard Carrigan, are also with me today.

In general, the National Education Association supports H.R. 6232 as we have in the past supported the National Defense Education Act, the Higher Education Facilities Act, the Higher Education Act, and the National Vocational Student Loan Facilities Act. All of these laws have made significant contributions to improving the quality of American education. Their main thrust, to provide greater opportunity for individuals to improve their professional competence is, of course, not only important to the individuals but also to the Nation's economic and social development. We regret only that the programs are too meagerly financed and thus too limited, especially in the number of student aids of all types which they provide.

We have read the testimony presented by the Amercian Council of Education, and as a constituent member of that organization we concur with the formal testimony presented by Dr. Gross yesterday. It is not necessary to repeat the points he made, especially as they pertain to details of the higher education amendments.

For the convenience of the committee, I believe it preferable to present our comments on the bill item by item as they appear in the draft legislation. However, I would like to comment first on what we believe to be a serious departure from acceptable practice which appears several times in this bill and is a development which is a recurring feature in various administration proposals relative to education before the 90th Congress.

Mrs. GREEN. I may have to leave and I wonder if my colleagues would object if I asked a couple of questions.

Mr. GIBBONS. Please proceed.

Mrs. GREEN. I read the first couple of pages of your statement. I think it is great, perhaps because it agrees with my views.

I notice you express some concern over what I think is a real trend in the Office of Education to contract with profitmaking institutions and corporations for a great deal of the business of education. Would you read part of your statement there on that and then let me ask—summarize it or whatever you want to—the reasons for your feeling this way and what you see if this trend continues?

Mr. LUMLEY. For the other members, we start on the bottom of page 2 and on the top of page 3 we say the Commissioner is authorized at several points in this bill to contract with profitmaking agencies for carrying out projects ranging from improving the qualifications of persons who are serving or preparing to serve in education programs in the public or elementary and secondary schools to hiring public relations firms to recruit persons into the field of education.

Madam Chairman, this constant effort on the part of the Office of Education to secure authority for the Commissioner to bypass the public and private nonprofit education agencies and deal with profitmakers is, in our opinion, the most dangerous proposal ever to come before the Congress.

Potentially it would authorize the Commissioner to use taxpayers' money to provide profit for private agencies in carrying out activities which are clearly and solely the prerogative of the public schools and public and private nonprofit institutions and agencies. Of even more danger, however, is the potentiality for Federal control and direction of the entire education effort of this country, in direct violation of the American tradition of State control of public education. Profitmaking agencies are in business primarily to make a profit. If the permission to contract with profitmaking agencies is granted, nothing prohibits the Office of Education to hire persons to accomplish objectives, to conduct slanted "research," and to conduct well-financed Madison-Avenue-type promotion campaigns to achieve purposes which the public education sector, and the ethical private nonprofit institutions would never consider becoming involved in. This seems to us not only a totally unnecessary practice, but indeed a frightening one.

Now, you will recall at the ESEA hearings last year we also raised this same question and it was only in one research section last year we tried to hold it off. We probably were a little more gentle. This year we are making it as strong as we know how.

We say, this type of activity, that is, contracts with profitmaking agencies, was first proposed as an amendment to the Cooperative Research Act (title IV, ESEA) in 1966. We objected at that time. HEW spokesmen claimed that the purpose of providing authority in the Cooperative Research Act to contract with private profitmaking agencies to train research personnel was necessary because such training was not available from nonprofit sources. The emphasis was on need for skilled workers and researchers in the use of computers. Perhaps there is some validity to that argument, although we believed then, as we do now, that direct contracts between the USOE and profitmaking agencies are inherently wrong and that the objective of increasing the supply of computer experts could be achieved by subcontracts between nonprofit agencies receiving Federal grants and the computer training agencies. In addition, we questioned the practicality of training such researchers in a situation isolated from the education community.

We lost that argument but not our concern. At that time they told us it was just for the computer processes with IBM, General Electric, or some other corporation like that.

Mr. GIBBONS. Will the gentlelady yield?

Mrs. GREEN. Yes.

Mr. GIBBONS. Let's get specific. I don't want to keep good brains out wherever they may be. I want to keep the charlatans out, such people as that. Are we talking of IBM, General Electric, or Westinghouse, or some of these people?

Mr. LUMLEY. We are protesting against any private corporation getting a contract from the Office of Education because we believe this is a national problem, and as you read this statement, you will find that we say that this can be done by the university, by the State Department, or anything below the level of the Commissioner.

Mr. GIBBONS. Maybe I want to debate with my chairman as much as you but I think it is interesting.

It is your contention then that people like Westinghouse and General Electric have no business to be involved in this field?

Mr. LUMLEY. No, we are saying—let's go back and take as an example the textbook publishers. Over the years they have been doing research and preparing textbooks for the schools of the country. The result is you have many different kinds of textbooks that are being produced, the State of Florida can use one kind of book, the State of New Jersey another, or cities within that area. If you are contracting at the Commissioner level, the Federal level, they have a contract with a company producing hardware, now they are going to produce instructional materials. They get a contract and this nationalizes, potentially nationalizes the curriculums of the country. This is why we say it is wrong.

So far as the contract is concerned, if there is need to develop research in the preparation of instructional material in mathematics, the University of Florida should have the grant to do this. If they need the ability of some private corporation, if they need them to work with, then they in turn work with whatever corporation you may take that is producing the particular kind of hardware.

I think the thing we are trying to say is that we see we have been heading down a road that we are getting closer and closer to a federalized system with Federal control. The one thing we fought against over the years was to get away from Federal control. This, in our opinion, is indirect Federal control.

Mr. GIBBONS. Do you get any more Federal control by the Office of Education contracting with say General Electric than the Office of Education contracting with you or contracting with somebody else?

Mr. LUMLEY. I don't know—Mrs. Green asked me that question somewhere before. I don't know that they should contract with us.

Mr. GIBBONS. I think you made your point; the only reason I am pursuing it is to develop some information.

Mr. QUIE. Will the gentlewoman yield?

Mrs. GREEN. Yes.

Mr. QUIE. I believe title 5 also carries language including grants to scholarly associations. Some may not call you scholarly but you are professionally associated.

Mr. LUMLEY. I don't think that should be in the record either. At the top of page 4 we state, in H.R. 6232, the original USOE justification—for training research personnel—has been discarded. Virtually blanket authority is sought for the Commissioner to enter into contracts with profitmaking agencies for—

Conducting experimental and pilot projects in continuing education and community service (sec. 107, p. 6);

Talent search projects (sec. 403, p. 13);

Attracting qualified persons to the field of education (sec. 504, p. 51); and

Providing preservice and inservice training for elementary and secondary teachers, including preschool, adult, and vocational teachers, etc. (sec. 532, p. 59). The latter is the most astonishing of all.

These things could be given out under title II on contract.

Mrs. GREEN. What about research? It seems to me if you are considering the possibility of Federal control that here is the greatest possibility of all because you can then select the corporations and the companies to carry out the specific research that you have already predetermined is important in building the curricula of the country.

The results of that research may have a direct bearing and a tremendous impact on the curricula for many, many years. If there is any chance of Federal control, it seems to me it lies in this particular area.

This is one of my concerns as I see the Bureau of Research more and more dominated by business people. I am not convinced that they are the ones who have the greatest knowledge about education nor the greatest concern about it. I have had discussions in the last few weeks with people in the educational community over this exact point. I don't know how many times I have been told we must turn to business because the schools have failed to do it.

Mr. LUMLEY. This is the story that has been given out, and this is one of the great concerns we have.

Mrs. GREEN. I think this is one of the most dangerous bits of propaganda being circulated in the United States today; the statement that schools obviously have failed or we wouldn't have the problems we have. We wouldn't have a million dropouts, or a million emotionally disturbed youngsters, it is said.

It seems to me this is really a dangerous philosophy because I am of the firm conviction that these schools have not done many of these things because they have not had the money.

In fact, the Office of Education hasn't done it. We could charge it with being no good, too, and say let's do away with it and get some other Office of Education. It has not done all of these things. The reason is it has not had the authority nor the authorization, and neither have the schools.

I am concerned about this line of arguing.

One of my colleagues, who is here today, even seriously considered that we should turn to a corporation that is not a school and set up competing programs. I said, "Would you have them set up under the same ground rules, have the program limited by the kind of money the taxpayers are willing to give, or would you have the public schools operate under those ground rules and a corporation work on a negotiated contract, a cost-plus-fixed-fee basis?"

His answer was, "Yes, let's have them do that and then compare the results."

This seems to be a dangerous trend.

The other argument advanced is that because business corporations have been successful, at least on the profit-and-loss sheet, therefore they would also be successful in the field of education.

I don't look on the investigations of drug companies or car manufacturers, nor do I look on the price fixing of General Electric, in such a way that I have complete confidence that when they get in the field of education their one and only concern would be the education of the child.

I am very interested in your testimony on HEW, and I am sorry we have not heard it in the last year.

I think your testimony on page 5:

Research, demonstration projects, in-service education and information dissemination about worthwhile developments should be carried on, not by the Office of Education, but by schools, state education departments and institutions of higher education with funds provided through the Office of Education for the purposes which the grantees identified as most appropriate.

I think your next sentence is really crucial—

"Violation of this principle places a Commissioner"—we are not critical of Commissioner Howe; I personally have the greatest admiration for both Secretary Gardner and Commissioner Howe.

Violation of this principle places a Commissioner in a position where he can contract with any person or group of his choice (—and he can undoubtedly find a profit-making agency which can be hired, for a price, to do almost anything he may ask —) to develop programs which he wants the nation to follow. This is federal control of the most objectionable sort.

I just want to say that I am so pleased finally to hear representatives of some educational group come up and have the courage to make that statement.

I have not heard from the NEA in regard to the requested funds, and I really place the same question to you I asked of Germaine Krettek. I was not referring to your organization when I said the president of a national association sent out the word that all groups were to wire and write about the Teacher Corps.

Is this your priority that the graduate teacher fellowship, authorized at the $275 million level, has a request for only 12 percent of the funds? If this is of no concern to you then you would not express concern to the Congress about the big cut here. At the same time would you place the Teacher Corps program in a place of far less importance?

Mr. LUMLEY. We have asked on the elementary bill, you will find in here we say there should be full funding. We go one step further, we object to the provision in here that would delete the sums of money and say that the money is necessary for the program. We do not believe that this lets Congress express what it thinks.

In other words, if the Congress decides that the fellowship program should have $250 million, we think the law should say $250 million so that the Budget Bureau and Office of Education, when they come back to you and ask for only a hundred million, they have to justify it. If you use the expression they use in here, such sums as are necessary, it throws it back into the hands of the executive department to come to you and say that is all we need.

Mrs. GREEN. May I make one comment on that?

This is traditional language in bills, but it does not prevent the executive branch from doing this. Anytime there is not full funding, the executive branch has complete control over the priorities as is obvious in the request for appropriations.

The only way I know to offset this is that the committee should give consideration, after we determine the authorization, to a lump sum for the entire bill, and then say, if there are any cuts in any parts, they would be prorated at a certain percentage.

This leaves some kind of congressional control, otherwise Congress has completely abdicated any control over various items.

Mr. LUMLEY. I realize they are not asking for the money on the authorization you have put in in the last year. They have less to justify or less of a goal in a sense if you do not have the amount of money specified in the authorization which you, as a committee, have decided is not the maximum, say $250 million, so that the Budget Bureau and Office of Education, when they come back to you and ask for only a hundred million, they have to justify it. If you use the expression they use in here, "such sums as are necessary," it throws it back into the hands of the executive department to come to you and say that is all they need.

Mrs. GREEN. You have always considered it a minimum when you testified?

Mr. LUMLEY. That is right.

Mrs. GREEN. I was told by one person from the Office of Education this was a ceiling not a minimum.

Mr. LUMLEY. No; we always felt this way. This is one of the reasons we felt there was debate in a committee for an authorization; it was the minimum they thought should be given and the appropriation could meet.

Mrs. GREEN. Thank you very much.

Mr. QUIE. Dr. Lumley, you have made these same comments about your concern over the Commissioner of Education contracting directly with private profitmaking organizations?

Mr. LUMLEY. Yes, sir; we did last year on the corporate research, and we did it at the elementary-secondary hearings.

Mr. QUIE. This was raised in my mind before, and I had not crystallized my thinking to the extent that I was ready to make the strong statement that you did here. However, I am surely pleased that you did, for two reasons.

One, I am convinced that you are sure in your own mind that you are saying the right thing, and, secondly, you are willing to throw a few hard punches, and I like to see the NEA throw hard punches. I think this is the kind of independent organization we need. That is why I mention the language on pages 6 and 7. I hate to see them start to contract with professional and scholarly associations and weaken their independent voice.

I would like to see the American Library Association come in and speak their own mind. I would like to make sure Germaine Krettek will continue to do as she has in the past, and you will, too.

You know our chairman's concern even from the contract NEA received before with the Office of Education.

Have you any comment on any of the other organizations?

Mr. LUMLEY. I can't comment for any of the other organizations, but the comment I made when the question was raised at the previous meeting, that is if there is some special department in the NEA that could do a special thing, then I think I would give it consideration, but, on the whole, I don't believe the contract should be made with the NEA any more than with a profitmaking organization.

Mr. QUIE. What kind of special thing? The American Library Association was given a special task of securing some statistics for the Office of Education. It's better to have them provide it than not at all.

My own feeling is the Office of Education ought to do this themselves.

Mr. LUMLEY. That is right. I am thinking of institutes for training teachers; we have a national training laboratory. I said institutes for training of teachers. There may be some kind of institutes that this national training laboratory could do well for them. This one is out of my area, but I can see there is a possibility of doing something there.

Mr. QUIE. I am concerned that, when you question the Federal direction of control, and when the Federal Government is funding research, funding the production of curriculum, funding the institutes for training teachers and then funding the programs for the teachers to be operating in the schools, you have the full circle of control there, and I would have a concern even of your organization doing that.

Mr. LUMLEY. I would not advocate it. I just picked the one group probably furthest removed from the parent organization, one of the most independent, the national training laboratories as an example of something that might be done.

I come back to your concern, the same concern I think Mrs. Krettek mentioned when she said they did the survey for the Office of Education, and she said it could be done. I wouldn't want the Office of Education to contract with the NEA department to do a statistical study. I am sure we can do it, we have a wonderful research division, but we shouldn't be doing it with Federal money; we should do it on our own.

Mr. QUIE. When the NEA used to provide up-to-date information for us, I remember what they supplied and what you supplied in comparison. I think we need this.

Mr. LUMLEY. This is the reason I think we should be doing it ourselves.

Mr. QUIE. I would hope you would always in the future, whether I agree with you or not, hit hard when you feel strongly about something as you did here. I think I agree with you.

Now you say you want to make it perfectly clear and not criticize the incumbent Commissioner Howe. I want to preface my remarks and say I have a high regard for Commissioner Howe and Secretary Gardner. I would say he is the best Secretary of HEW I have ever seen. But where does this idea come from if you don't criticize them? They must agree with it, must support it, and advocate it.

Mr. LUMLEY. I think my statement would have to be exactly what you are saying, we have the greatest admiration for Secretary Gardner and Commissioner Howe, but whatever is done in the organization certainly has to fall on the steps of the Commissioner. He is issuing the orders, so, professionally, we are criticizing what the Office of Education is doing, we are criticizing something he has permitted or ordered; this obviously is true.

Mr. QUIE. Do you feel as strongly about the comprehensive plank section of the elementary and secondary school bill—that hopefully will be on the floor next week—permitting the Commissioner to contract directly with profitmaking organizations as you do in this bill?

Mr. LUMLEY. Very definitely. We believe this comprehensive plank should go back to the State education.

Mr. QUIE. I don't believe you have said that as strongly before.

Mr. LUMLEY. In our discussions on the elementary bill I said it in general.

Mr. QUIE. Now the Office of Education, as I recall, has contracted with some agencies to send teachers to the Job Corps to learn how to teach that type of an individual. Has the NEA made any study of the contracting with private corporations in the Job Corps?

Here you have had experience with the job cost-plus contract.

Mr. LUMLEY. We do not have studies to my knowledge. You see, in the Job Corps they have contracted out the whole educational program in many instances to industry and not to an educational institution. We have not conducted a study.

Mr. QUIE. Is there any in the making? To me the Job Corps is a significant education program going on in the country right now. As you know, I have had great criticism of the Job Corps, but still it is an educational program and needs to be evaluated. If the only evaluation we are going to get is from OEO, some of us might have some question about it.

Mr. LUMLEY. We are in the position of asking our research division—again we are limited by size and amount of money they have—we have asked that this kind of thing be done, not on this but some of the other contracts that have been made with private industry.

Mr. QUIE. Let me go on to another question.

Mr. GIBBONS. We only have 2 or 3 minutes.

I will ask the other two witnesses to give their statements to the secretary to be entered in the record. I regret we don't have more time, but we do not have permission to sit after the bell rings, and I don't want to transgress on the House prerogatives.

Mr. ESCH. If I may, I would add my commendation for NEA's statement and recognize that it does represent a broad base of diversity and a broad base of interest.

I wonder how the statement reflects the need for us to maintain some policymaking at the local level whereas the resources and the sources, the information gathering, the administrative detail might be contracted out.

The policymaking, you suggest, should be left at the local level; is that correct?

Mr. LUMLEY. State and local.

Mr. ESCH. Should the information gathering, the research be left at OGA?

Mr. LUMLEY. That is right.

There is one part I would like to emphasize to all of you; that is, there is in the Professional Development Act which brings together all the institutes and the fellowships and so on for teachers and provides for another of these advisory councils which should be representative of various groups of people.