

Mr. HOWE. Let me say also our purpose in arranging for this administrative set-aside is to provide adequate funds for the administrative purposes of this piece of legislation. Wherever it becomes clear this does not reach that purpose, we want to try to find ways to change it so it will.

Mrs. GREEN. I think the committee might reexamine the 12½-percent limit and see if it should be extended to the Defense Department, so that no one State could get more than 12½ percent of the Government contracts.

Mr. BURTON. You might limit the Defense expenditures to 12½ percent of the total budget.

Mrs. GREEN. Now, Mr. Secretary, the student financial officer at Yale University has asked whether a university should be made eligible as a lending institution under the guaranteed student loan program. He points out that Yale University has their own loan program and that if they became eligible under the GSLP it would, of course, permit the payment of the subsidy.

Mr. BARR. I see no objection to their qualifying as a lending institution but I would defer on this; I see no financial objection.

Mr. HOWE. I agree with that. I say at the same time there are complexities in this because of the nature of the student body at this institution. Many institutions have the same problem; in fact they desire it this way, having a student body coming from many States. This would place the State of Connecticut in the position of incurring expenses for the State of Connecticut for subsidization of students from other States. So the problem is here, but the eligibility aspects of this I quite agree with.

Indeed, I believe that the law makes some provision of this kind; is this correct?

Mr. MUIRHEAD. Yes, the law does permit this now, a university may be a lender if it is eligible, but as the Commissioner points out, the State guarantee agencies impose restrictions. They may say: "We will provide this guarantee for our own residents. They may attend college where they want to, but it is for only our own young people."

Now, Yale University, as an example, might be identified by the Connecticut Guarantee Agency as an eligible lender. The agency could then say: "but only for Connecticut residents attending Yale."

Mrs. GREEN. But the same restriction would be on the other financial lending institutions?

Mr. MUIRHEAD. Yes.

Mrs. GREEN. One other question regarding maintenance effort. In the college work-study program could we permit maintaining the total level of all forms of student assistance and not limiting it to employment assistance only.

Mr. MOORE. We have recommended in H.R. 15067 that the maintenance of effort be combined into a single requirement applicable to the institution's total aid program.

Mrs. GREEN. Mr. Commissioner, we have a few minutes remaining and you have one part of your testimony you have not given which is related to student assistance. This is a program of services for disadvantaged students, would it meet with your approval to turn to that? It seems to me it has some relationship to the matters we have been discussing.