

Institutions ranking at the lowest end of the scale in doctorate production would be accorded a lower priority in eligibility, because of the limited contribution they could make to a significant expansion of highly trained individuals. This leaves 95 to 100 middle-range institutions which would be accorded top priority for grants.

The precise number which will receive grants cannot be predicted exactly because each applicant would have to justify its request by the merit of its individual proposal, its past record, and the realism and quality of its plans for improvement.

We would plan to administer these grants in a fashion to give enough funds to each institution to bring the leverage for a change in the quality of its program. As in other OE programs, panels of experts will appraise the merits of all applications submitted, within the broad policy directives determined by the advisory council on graduate education.

The second program for graduate education which we are suggesting is the increase in cost of education allowances for graduate fellowships. This really is a very simple program to move from \$2,500 level for cost of education allowance at the present time to the \$3,500 level which we would place in being for the graduate fellowships which we administer in fiscal year 1969.

We would phase this program in, Madam Chairman, by allowing the \$3,500 amount for initial grants in fiscal 1969 and then over a period of 3 years we would build up to the point of having all grants receive the \$3,500 level. We have allowed for that phasing in our budget request for fiscal 1969.

Mrs. GREEN. Does that include tuition or \$3,500 in addition to tuition and fees?

Mr. HOWE. This is the institutional grant that goes to the institution over and above the fellowship that goes to the student. It is really in lieu of tuition and, of course, represents an amount of money larger than any institution charges for tuition.

The program recognizes the fact that graduate education is a loss operation in every respect and that a Federal fellowship given to a graduate institution, while it helps the student get his education, confronts the institution with an additional financial problem.

My hope is that this program will move throughout the Government for fellowships sponsored outside the Office of Education, as well as by the Office of Education. In other words, there are a great many graduate fellowships in other departments of the Government and I believe that arrangements are being made to have them adjust their programs to move in this same direction.

This is our specific adjustment to this added cost factor for graduate education. Specifically, next year, the funds that we will have to move to the \$3,500 level will take care the new graduate fellowships that we awarded under NDEA title IV, which is about 6,000 new fellowships, and then an additional number of fellowships that we have in the Office of Education under the Education Professions Development Act, about 3,000 of those, in round numbers. We will give you the exact numbers on those if you would like to have them.

So, this is not a piece of legislation that has major changes of principle involve in it but it does permit us to support graduate education through this added cost of education award.