

refundable fees for each Fellow enrolled. For all other Federal fellowship programs, however, the institutional allowances are not set by statute, but by administrative action. The institutional allowances for all but these two programs can thereby be established at amounts which are not only comparable but which are consistent with appropriation levels, type and level of graduate program, and actual institutional costs of education.

Amending Section 525 of the Higher Education Act and Section 404 of the National Defense Education Act to permit the institutional allowances to be set at amounts comparable to those of other Federal fellowship programs would provide: (1) the means to establish a greater degree of consistency among all Federal fellowship programs; and (2) the flexibility to increase allowances, appropriations permitting, to more adequately meet the actual institutional costs of education. The desirability of providing comparability or consistency among Federal fellowship programs should be evident. The need for a more flexible authority to allow a higher level of institutional support should also be evident in view of the increasing costs of higher education.

All available evidence shows that the present \$2,500 institutional allowance by no means covers even the present institutional costs of graduate education. That the difference between the allowance and the actual cost of education is steadily increasing reinforces the need to provide for this authority now—as we seek a five-year extension of the NDEA Graduate Fellowship Program and several technical corrections in the Education Professions Development Act.

In speaking of the economic problems of higher education several months ago, McGeorge Bundy noted that “with the tools now available, we cannot really prove our case.” The truth of this statement is nowhere more obvious than when seeking hard data concerning the costs of graduate education, but there is agreement on one fact: graduate education is expensive.

One private university, estimating that its direct and indirect costs related to undergraduate study are \$3,000 per student, estimated that its costs per graduate student are one and a half to three times that much. Most institutions, however, cannot even estimate these costs—some noting that they realize they will have to begin doing so, while others state that it will never be possible to isolate the costs of graduate education from the total costs of higher education. One finds the same varied picture when looking at State formulas for the support of the different levels of higher education. In an attempt to base State support on a recognition of the essential differences in the expenditure requirements of various levels of study, the Ohio Board of Regents recommended per full time equivalent student institutional support ranging from \$350 for lower division, to \$1,000 in upper division, to \$4,800 in Ph.D. programs for 1967-69. Most other States, while merely noting that the costs graduate education are higher than those for undergraduate education, would probably be in agreement with a 1965 report of the Ohio Board of Regents:

“It is a fact of long-standing recognition among university administrators that medical education and graduate study are the two most expensive instructional activities of a university's operations. The exact order of magnitude of this expense varies from institution to institution. But we would not be far from the mark if we say that graduate study at the Ph.D. level and medical education require public support in a public university about *ten times* that required for the average array of undergraduate courses.”

One State higher education commission reflected that this was the minimum difference between undergraduate and graduate education costs in its report of recommendations on institutional appropriations requests, going as high as a 25-to-1 ratio in some fields of study.

When we note that present institutional expenditures per full time equivalent student average \$1,506, and are projected to increase to \$1,670 five years from now—and that these averages are weighted by the fact that graduate students comprised only 13.5 per cent of total opening resident enrollment this past fall—it is readily apparent that graduate education is expensive. It is also apparent that the present \$2,500 institutional allowances does not cover the actual costs of education. We recognize that colleges and universities compete for the NDEA Graduate Fellowships, as well as those provided under the Education Professions Development Act, but we are also aware that this is often a competition for institutional deficits. One obvious way to fulfill the purposes of this part—to improve graduate education—is to provide the means of assuring that the receipt of fellowship allocations will not always be a losing proposition for our colleges and universities.