

At the level of undergraduate education, the Federal Government has contributed very little to institutional support.

President Johnson has recognized this problem in his instructions to the Secretary of Health, Education, and Welfare to devise a new strategy for higher education. One of his instructions was that such a national strategy must, and I quote, "Insure that State and private contributors will bear their fair share of support for higher education."

In my opinion, an announced Federal policy for making financial aid to students the means of removing financial barriers to higher education, will have an adverse effect on private donors and non-Federal public bodies.

We suggest, then, that the proposed statement of purpose subsection 400(a) of the bill before you be revised by deleting the third sentence, starting after best in line 18, and substituting language to the following effect:

No student of ability should be denied an opportunity to develop his or her talents because of financial inability to meet basic education costs.

This objective can be achieved only by a combination of National, State and local, and private support for our post-high school institutions to help them keep their charges to students at a level which most students and their families can afford, with a program of Federal and other assistance to individual students who still must have such help to meet basic higher education costs.

It is the intent of Congress that a National strategy for higher education be developed which will involve all the above elements of National, State, and local, and private support of educational institutions and aid to individual students. Pending the development of all elements of this National strategy, it is the purpose of this title to provide substantial assistance to students as a means of reducing the financial barriers to post-high-school education.

No doubt the suggested wording of this proposed substitute language may be improved.

I believe its meaning is clear, its statement of purpose sound and realistic and in keeping with the specific proposals in the bill before you, and the intent of the President as outlined in his instructions to the Secretary of Health, Education, and Welfare.

Title IV—Specific details:

Part A—Educational opportunity grants, national defense student loans, and work-study programs.

Our associations favor the proposed extension of these programs and their modification along the lines proposed in the bill before you. The changes would, we believe, give colleges and universities needed flexibility in the administration of student aid programs; make possible a more equitable allocation of available funds to all institutions in accordance with their needs by removal of State allocations; and provide needed additional aid toward carrying the burden of administrative costs of these programs.

We think the provision in section 403(b), page 22, permitting institutions to reallocate up to 20 percent of any allocation is desirable, but do not feel that this reallocation authority should exceed 20 percent at this time.

We support the raising of the limit on the amount of an educational opportunity grant from \$800 to \$1,000, but strongly favor the retention of a fixed maximum.

Student loan insurance program: