

(1) One-third of the funds appropriated would be distributed to the institutions as a graduated percentage of the total amount of project awards received by them from the National Science Foundation, the National Institutes of Health, and the U. S. Office of Education. We suggest that the formula be so designed that all institutions receive 100 per cent of the first \$30,000 of this base and that no institution receive more than \$300,000 in any one year.

(2) One-third of the funds would first be divided among the several states in proportion to the relative number of high-school graduates in the states and then re-allocated by the responsible Federal agency among the colleges and universities within a single state in proportion to the number of undergraduate semester credit-hours taught by each in accredited programs of instruction in the physical, biological (including agricultural) and social sciences, engineering, and mathematics.

(3) Finally, one-third would be allocated to the institutions in proportion to the number of advanced degrees (both masters and doctoral) awarded by each institution during the immediately previous three years in the physical, biological, social sciences, engineering, and mathematics, including degrees in education which qualify recipients to teach in these fields.

Institutions may be required to report on their use of the funds. They would be encouraged to anticipate future funding in order to design long-range plans for the development of research and educational programs in the sciences emphasizing the achievement of national goals and objectives such as the expansion of educational opportunities and improvement in the quality of the programs offered.

The first part of this program provides institutions engaged in Federally sponsored research with funds for broadly discretionary use to correct imbalances in present research programs and between instruction and research. It gives some recognition to qualitative judgments made over the years by a wide variety of experts in the separate disciplines. The graduated matching schedule and the \$300,000 limitation on this part recognizes the special needs of institutions whose research programs are in the developmental stage.

The second part provides substantial funds for all institutions but, by funding introductory courses equally with advanced undergraduate courses, gives favored treatment in relation