The states receiving the lowest percentages of their requests are North Dakota, 57 per cent; Tennessee, 59 per cent; Iowa, 60 per cent; and Massachusetts and Rhode Island, 63 per cent each. The remaining states fall some place in between 64 per cent and 100 per cent.

By having institutional allotments made from a national pool, instead of through state quotas, colleges—and their students—in all states be treated equitably. At any time when there are not sufficient funds to grant 100 per cent of all requests, then institutions in all states receive the same proportionate reduction.

We believe that provisions in Title IV raising the maximum Educational Opportunity grant from $800 to $1,000 per year and the maximum undergraduate student loan from $1,000 to $1,500 annually constitute a realistics recognition of the increasing cost of attending college and should be enacted. It necessarily follows that the ceiling on aggregate loans to a student should be raised as the bill provides. We also favor eliminating the present $200 bonus under the Educational Opportunity Grant program to students whose grades placed them in the upper half of their class in the preceding year. There are two problems with the present bonus provision. First, it is often difficult to measure class standings in a meaningful way, particularly as some colleges move toward substituting a pass-fail, system for grade point averages. Also, measurements of class standings tend to equate the hard courses with the less difficult ones. The second problem is that the students who qualify for Educational Opportunity grants, because of demonstrated need for the money are usually the students most apt to also need a part-time job to be able to stay in school and, thus, do not have as much time to devote to earning good grades as their more affluent classmates.

There is another proposed revision in the Educational Opportunity grants program which seems eminently fair and justified. This would permit grants for a fifth year to students in courses requiring five years for a degree and to students who were unable to earn a degree in four years because of the necessity of taking remedial work.

Regarding the Work-Study program, we urge restoration of the 90-10 ratio of Federal and institutional funds which prevailed prior to last August, and we support the proposal to broaden the sources upon which the institution could draw for its matching share to include services and equipment, such as room, board, and books.

As the Council mentioned in its 1967 testimony, the extension of the Fair Labor Standards Act to college and university employment will place an increasing strain on institutions' budgets to meet their matching share for the Work-Study program. The $1-an-hour minimum wage, first applied to college and university employment on February 1, 1967, now has risen to $1.15 per hour. It will increase to $1.30 next February 1, to $1.45 in 1970, and $1.60 in 1971. Thus the increases in the minimum wage automatically require an increase in the institutions' contribution to the Work-study program. We greatly fear that hard-pressed institutions may have to restrict the number of Work-study jobs available to their students if the institutions' matching share is allowed to increase to 25 per cent as presently contemplated in the law, and perhaps even if it remains at the current 15 per cent ratio or drops back to 10 per cent as the bill provides. But the 10 per cent share would lessen the chances that colleges would have to resort to the undesirable alternative of cutting back the number of student jobs. There is an educational as well as an economic benefit from many of these jobs. (In my own institution, for example, there is an educational dimension to all the employment furnished under the Work-Study program. Our students work alongside of professors in the laboratory, do independent library research, and the like.)

Turning to the guaranteed student loan program revisions in Title IV we support, as we did in testimony before you last August, the reinsurance proposal, the provision for additional "seed money" for state reserve funds, and proposed fees to bankers for handling loans as methods of encouraging wider participation in this new Federally-supported program. We believe banks should be permitted a reasonable profit on the student loans they handle so that they will join or continue in this program. We are not financial experts and do not know what would constitute a reasonable fee for putting a loan on the books and later for consolidating loans into the collection stage, but we believe there should be some provision for allowing fees.

We also hope that this committee will look into the possibility of allowing an increase in interest rates on these loans as an alternative to the fees. We under-