We commend the idea and think it is very wise, to consolidate the three programs, work-study program, educational opportunity grants program, and national defense student loan program.

Once again, this is advantageous not only for students but for the institutions that administer these funds. Again, the Congress would get more mileage out of money by allowing this package approach and the 20-percent transfer from fund to fund appears a reasonable percentage to us.

We welcome in title II the removal of a certain inequity in which by the formula certain States get full percentage of their approved requests for loan funds but others only get part of it.

Only 11 States, I understand, and Puerto Rico, receive 100 percent of their loan requests and others like North Dakota get 57 percent; Tennessee, 59 percent; Iowa, 60 percent.

By having the institutional allotments made from a national pool instead of through State quotas the colleges and their students in all the States will be treated equitably.

When there are not funds enough to give them all 100 percent they would be treated equitably in the reduction.

We would encourage the raising of the maximum educational opportunity grant from $800 to $1,000 a year and the undergraduate loan from $1,000 to $1,500 annually. That is a realistic recognition of rising cost. We hope that would be enacted.

We would favor eliminating the $200 bonus for reasons we have set forth in detail. The $200 bonus, you will remember under the EOG program, is for students whose grades place them in the upper half of the class.

Increasingly, it is almost impossible to figure class ranks, particularly as colleges and universities adopt pass-fail methods and use a variety of ways of figuring class ranking.

It is, therefore, rather meaningless.

In the work-study program we would urge your restoration of the 90–10 ratio of Federal to institutional funds which prevailed up to last August.

We support the proposal to broaden the sources on which the institution could draw for its matching share to include services and equipment like 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 a burden on institutional budgets.

I will not go into detail unless you wish me to, Madam Chairman, but there is a good possibility that programs which are valuable and have not only a function of service to the institution and economic benefit to the students but also have an educational dimension will be harmed if this burden on the institution's budget continues to increase.

There was interest expressed here in the guaranteed student loan program revisions in title IV. We support the reinsurance proposal and the provisions for additional seed money for State reserve funds.

We have looked with some favor on the proposed fees to bankers for handling loans as a method of encouraging wider participation in this program.