

The Association believes that the present pattern of federal spending for higher education through project grants should be supplemented by broad grants for instructional purposes to be expended at the discretion of the institution. Another way of putting this is to say that the federal government should make funds available to institutions in the form of income for general support, in addition to continuing to make grants for specific projects. Institutions have been responsible in their exercise of discretion in allocating federal funds for student aid. They have also been responsible in their choice of the instructional purposes on the basis of which they accept federal funds for construction of buildings. We believe that federal funds made available for instructional purposes, in the generally accepted definition of the term, and regarded as part of the general educational income of the institution, will be as prudently and as effectively expended as have federal funds hitherto made available on a project or contract basis.

If organized higher education as represented by the Association of American Colleges and others, is going to request a large federal outlay^o for support of instruction, it must be ready to assure Congress and the public that colleges and universities will be accountable for these funds and will spend them prudently. Similarly, any proposal for federal support of general instructional functions must assure that funds made available to institutions are equitably distributed.

Accordingly, the Association suggests these guidelines for a federal program of institutional grants for support of instruction:

- 1. Federal institutional grants should be made to colleges and universities as institutions of higher education serving the general welfare.** Such grants should be available without discrimination between public and private institutions.
- 2. Support should be available to all eligible institutions of higher education for expenditure at their discretion within the generally accepted definition of instructional services and departmental research.** For some institutions this will mean improving the quality of the instruc-

^o The total amount spent by American higher education for general instruction and departmental research is now approaching 4 billion dollars a year. To immediately improve quality in this area it is probably necessary to increase current expenditures by 25 per cent. To achieve this with federal funds would require an annual outlay of one billion dollars, an amount that will increase as higher education both continues to expand and to improve quality of instruction.