

Mrs. GREEN. I am not suggesting the same kinds of needs test as NDEA but as I understand it. Dr. Spalding, you would favor the involvement of the financial student aid officer in certain areas to determine whether the money is needed. That is a needs test.

Mr. SPALDING. To a degree. We share with you concern about the possible abuse of this. You must have detected our enthusiasm is much greater for those programs that do meet those traditional criteria of determining eligibility on the basis of those who have potential and stipends related to their demonstrated need.

But this same kind of detailed review of confidential documents found in the Princeton Center and a calculation on the part of the financial aid officer it seemed to us might defeat the purpose of the guaranteed loan provision. But in a more general sense we share your concern over the possibility of abuses and in my own personal view, some certification to the bank that this loan is needed is certainly called for.

Mrs. GREEN. I invite the American Council on Education to help this committee in thinking this through a little bit more in terms of some kind of a needs test that is not parallel to the NDEA test, both in terms of equity to all who want a loan and in terms of protecting the banks from the pressure that they need to resist.

Under title I of the Facilities Act, it has been recommended that we place a \$50,000 minimum for each of the title I categories.

What is the reaction of the American Council?

Mr. MORSE. We have never considered that specific proposal. It is hard for me to conceive of there being many grants which would be less than \$50,000 if the justification for the grant were to expand enrollment capacity.

I will be glad to consult our people and supply an answer, Mrs. Green.

(The information requested follows:)

AMERICAN COUNCIL ON EDUCATION,
Washington, D.C., March 18, 1968.

HON. EDITH GREEN,
Chairman, Special Subcommittee on Education, Committee on Education and Labor, House of Representatives, Washington, D.C.

DEAR MRS. GREEN: During the course of our testimony before you in connection with the Higher Education Amendments you asked for our comments on the adequacy of grant funds under Title I of the Facilities Act—first, in terms of state allotments and then in terms of institutional allotments. I believe you suggested the possibility of considering \$50,000 as a logical minimum grant.

We have looked into this matter from both points of view. As far as we can tell only the Virgin Islands and Samoa receive less than \$50,000 annually in terms of state allocations. Since there is no college at the moment in Samoa, this presents no problem. They simply allow the funds to lapse. It would seem logical, therefore, to provide an amendment to the Act that would establish \$50,000 as a minimum allocation for any state or territory. This would not cause imbalances in the funds available, but would provide the Virgin Islands with sufficient funds to justify the expense of preparing a proposal. To put it in another way, it would assure the Virgin Islands of a sum of money that could have significance in their building plans without causing major disruptions in the amount of funds available for other states.

We would have rather grave reservations about an amendment that would require a minimum grant of \$50,000 to an individual institution. The only way there could be a grant of such a small amount would be in the case where a state commission funded all of the top priority applications in the state and had a