ments of 1968. I should like to say at the outset, Madam Chairman, that it is a privilege and pleasure for me to convey to you and to your fellow members on this Committee the profound gratitude of the more than 38,000 members of the American Library Association for the truly great work that you have already done and are continuing to perform on behalf of education in this country and of the users of libraries, and of librarianship in the service of American education.

As you are well aware, representatives of the American Library Association testified before this Committee on April 20, 1967, in support of the library-related amendments to the Higher Education Act of 1965 that are also included in the bill before the Committee. Other than to assure you that our position on these amendments is the same today as it was last spring, I am sure you would like me to avoid a needless repetition of the same testimony.

If you will permit me, however, I should like to reiterate briefly the several suggestions made by the representatives of the American Library Association with respect to the amendments before you which, in our opinion, would improve Title II of the Higher Education Act still further.

The first of these relates to the proposed amendments to Section 224(a), Title II–B, providing grants for the "planning or development of programs for the opening of library or information science schools, or of programs intended to lead to the accreditation of such existing schools." We believe that this amendment should be made, more appropriately, to Section 223(a) of the Act which relates specifically to "grants for training and librarianship," rather than to Section 224(a), which relates specifically to "Research and Demonstrations . . ." in this area.

Second, there is some question in our minds also regarding the advisability of referring in Federal legislation to "programs leading to the accreditation of such existing schools." The procedures and criteria involved in accreditation are complicated and this part of the law would be extremely difficult, if not impossible, to administer.

Third, we should again like to urge that authorization be given for grants to strengthen and expand the programs of existing library schools as well as to support the establishment of new schools and new programs in the unaccredited schools. Language for a specific amendment to Section 223(a) of Title II–B was included in ALA's 1967 testimony.

Another suggestion relates to Title II, Part C which authorizes the Commissioner of Education to transfer funds to the Librarian of Congress for the purpose of acquiring all library materials which are of value to the scholarly and scientific community, and of providing and distributing catalog and bibliographic information promptly. We endorse wholeheartedly the proposed amendments to Title II, Part C, and would suggest only that Section 231(a) be amended further to authorize continuation of the program for the next five fiscal years rather than two, to insure continuity of planning and administration of this program.

My main purpose in appearing here today, however, is to offer you the views of the American Library Association on two new amendments contained in the bill before you, namely Title III–B, which concerns the improvement of graduate programs and the new Title IX—Networks for Knowledge. These seem to us to be closely interrelated and a natural expansion of the present programs to foster cooperation, authorized in Titles II and III of the Higher Education Act and in Title III of the Library Services and Construction Act.

We are all persuaded that the amazing productivity of the United States is, in large part, a consequence of the investment we have made as a nation in higher education and training for our people. The almost fantastic proliferation of new knowledge on the one hand and the accelerating demands for the newest and best information and research to help us attack the many varied and critical problems of our society on the other, make it apparent that we shall be increasingly reliant on the resources of our universities, on their faculties, institutes, laboratories and libraries both for advanced research and for the advanced training of increasing numbers of people competent to help us maintain our national productivity and scientific progress and to resolve the dilemmas that confront us. We, therefore, support this measure to strengthen and expand existing graduate programs and establish new ones with a view to developing an "adequate number of graduate schools of good quality within each appropriate region."

We are very pleased, furthermore, that this amendment to the present Title III—Developing Institutions—makes provision for assistance to graduate schools in "the acquisition of appropriate equipment or curricular, research, or other materials required to fulfill the objectives of projects or activities. . . ." We assume that this language is broad enough to include the acquisition of the essential library materials needed for the program, and would urge that the legislative history make this clear. Certainly an adequate program of graduate instruction or research at a university without strong library support is inconceivable. One of the major deterrents to the development of graduate programs of high caliber at many instituitons today is the fundamental inadequacy of their library resources. To attract and retain teachers and researchers capable of planning and developing high quality programs, a university must be able to offer them the most important materials for their own research and for the instructional and investigative experience that their graduate students will require. This means having available not only the basic books and journals in the disciplines concerned, but library resources in considerable depth. In this age of inter-disciplinary study, when the various disciplines of knowledge seem to merge into each other, it is astonishing how far-reaching the research interests of an individual scholar or scientist may be, even though in the organizational pattern of a university he fits into a rather small curricular niche. It must be borne in mind, also, that the continuous updating of knowledge and the rapid increase in publication in one subject field after another make the cost of maintaining a research collection extremely high. Any university heavily involved in graduate programs of research and instruction rapidly discovers that it must have a library program which acquires publications very extensively in anticipation of future need rather than after the need has been discovered, a process that requires both highly competent library personnel and very considerable sums of money for library acquisitions.

The development of library research collections adequate to serve high quality graduate programs is a slow, laborious and expensive process. Criteria of library adequacy vary with the discipline and the type of research and instruction undertaken, but many institutions which have made the transition from normal school to college to university, as well as many older universities which are now endeavoring to strengthen their graduate programs, have all discovered that inadequate library resources render their laudable ambitions as futile as building a house on quicksand. Consequently, we regard the three lines of text that would authorize the acquisition of library resources to support the expansion or improvement or restablishment of graduate programs as among the most important in this title even though they do not refer to the library specifically. (Section 322 (a)(3).)

I do not mean to imply that every university can be made self-sufficient with respect to library resources. This has never been the case, and it never will be. Certainly every graduate institution attempting to improve its program can expect the assistance of other libraries richer in resources. Cooperation is a way of life in research libraries and certainly it will not now fail us. We infer that the purpose of this amendment is primarily to strengthen the middle range of graduate schools and increase their capabilities at the advanced level of instruction and research. It is unavoidable that as these institutions improve their programs they will have to look to the larger university libraries to supplement their research resources and I am sure that this latter group will do everything possible to help. But the libraries of the largest universities, these days, despite their vast collections and relatively large acquisitions budgets, are already very hard pressed to meet the demands of the growing research and instructional programs on their own campuses to say nothing of satisfying the already very heavy requests from other libraries for interlibrary loans and copying services.

The discussion of this problem leads me directly to the proposed new Title IX—Networks for Knowledge—in H.R. 15067. Cooperation among libraries, to assure the best use of existing facilities and resources, is historical—and this spirit of cooperation has already resulted in the introduction of many library services and informal network arrangements which are now a fundamental part of the educational structure in the United States. The American Library Association is therefore gratified to see *Title IX—Networks for Knowledge* included as an integral part of H.R. 15067 because it will enable libraries to further their joint programs through cooperative exploration of the new computer and communications technologies.

The marriage of computers to communications holds considerable promise for libraries. We are eager to have suitable media developed for electronic or other rapid transmission of materials, to have computer networks established that could be used for the transmission of library materials. The new technology will make it possible for libraries to share their combined resources much more effectively than in the past, and it will also greatly facilitate the distribution, exchange, and use of the newer media. Sound and video recordings, microfilm, digital computer tapes, movie films, and other audio-visual materials are the stock in trade of the modern library and demands for their use are increasing steadily throughout the country.

Library networks will not only provide college and university libraries with freer access to each other's materials, but will also allow them to interconnect with national and private information resources as well. The Library of Congress, the National Library of Medicine, the National Agricultural Library, and many other information centers in the private sector, are engaged in active network programs that are aimed eventually at a linking of their resources to libraries elsewhere in the nation. Fuller implementation of the network principle will bring with it a new and challenging opportunity for higher education. The ability to communicate data as well as voice over common carrier communication lines will enable libraries to tap the vast and rich resources of our large national libraries in an unprecedented way. It can serve as a mechanism for identifying the location of a particular bibliographic item, for obtaining copies of materials which cannot be found locally, and for drawing on the information sources which are unique to specified collections. A national network of knowledge is certain to have a profound effect on higher education by making a wider range of materials uniformly available to individual institutions. Certainly, this new capability can only result in a general upgrading of the level and quality of library support to higher education.

Libraries, through inter-library loan systems, have been in the forefront of network activity for the inter-university sharing of printed materials. More recently, several college and university libraries have begun to investigate newer methods such as facsimile and computer time-sharing systems to further improve their efforts. Now the Networks for Knowledge provision of H.R. 15067 offers the potential for developing more rapid and more comprehensive means for transmitting desired information to a user wherever he is and whenever he wants it. The American Library Association endorses this objective and therefore strongly urges favorable action on Title IX of H.R. 15067.

At the same time it must be borne in mind that much as we welcome the advantages which technology can offer, the pushbutton age of library operations is not yet here, and for a very considerable time to come we shall be dependent on traditional means of making our resources available to each other. These procedures are time-consuming, costly and generally misunderstood. Roughly 90 percent of the expense and labor incurred by a library in sharing its materials with other libraries is not apparent and we hope devoutly that in the implementation of the authorization provided by this Amendment it will be borne in mind that the libraries called upon to share their research resources need very considerable assistance with the costs involved. Almost no university library that serves as a resource institution for smaller libraries can afford the expense it currently incurs in meeting these requests. For efficient interlibrary network service as could be provided under this Title, financial assistance is needed and will be needed for a long time while we experiment with more efficient techniques that utilize technological developments for the storage, retrieval and transmission of recorded information.

Madam Chairman and Gentlemen, may I conclude by saying that although I have addressed myself mainly to certain sections of H.R. 15067, the American Library Association also endorses other amendments such as the provision for advance funding and for extension of the Higher Educational Facilities Act of 1963. Once again may I express, on behalf of the Association, our thanks to the Committee both for the significant benefits already derived from the legislation to aid higher education and for the proposed improvements in these measures.

I am grateful to you for this opportunity to appear here today.

Mrs. GREEN. Congressman Quie, do you have questions you would like to direct to him or do you want to ask Mr. McCarthy to speak first?

Mr. QUIE. Let us have Mr. McCarthy speak first.

STATEMENT OF STEPHEN A. McCARTHY, EXECUTIVE DIRECTOR, ASSOCIATION OF RESEARCH LIBRARIES

Mr. McCarthy. Madam Chairman, and members of the committee, you have my testimony. In view of the lack of time, I will summarize it. My name is Stephen A. McCarthy. I am executive director of the Association of Research Libraries.

As I believe the committee knows, this is a small organization of the large libraries of this country.

I would like to say thank you to this committee for the very far-sighted legislation which it has sponsored in support of libraries over the past few years.

This has been most beneficial not only to the large libraries but to many small college and university libraries throughout the country.

I would like to address myself to two parts of the bill under discussion. We, as you know, have been deeply interested in title II–C from its inception and we are pleased to see that in the version of the bill which is now before this committee some amendments which were recommended by our organization last spring have been incorporated.

However, there is one point about which we are still concerned and that is that this particular title, title II–C, is extended for only 2 years, whereas, I believe nearly every other title in the act is being extended for 5 years.

In support of that position, I would like to make these points that this is still a developing and expanding program. It has been extended to Italy, for example, only within the past 2 months.

The impact of this program is cumulative. It takes time to make these effects felt and these effects tend to build up as the program goes on.

The Library of Congress has to make rather complex arrangements abroad and in this country in order to make this program function.

Under these circumstances, I submit that a limited extension of the program appears questionable because of the effort and expense involved in getting it started.

And then the relatively short amount of time allowed for its operation.

Mrs. Green. Mr. McCarthy, may I interrupt you there?

Mr. McCarthy. Yes.

Mrs. Green. Do you know of any task force, commission or any library association that is making a study of this and that this might be the reason for the 2-year extension only?

Mr. McCarthy. I think, Madam Chairman, this is related to the National Advisory Commission on Libraries which has been appointed and has submitted a report which has not yet been made public.

However, it is our understanding, although we have not seen the report, that there is nothing in the report which would affect or change this program and I believe it is for that reason that Mr. Mumford, who I believe has already been in touch with you, has also recommended the extension of the 5-year program.

I do give a small table in my testimony indicating the effect of this program in several universities where it is apparent that there has been a very noticeable increase in the availability of Library of Congress catalog copy as a result of this program and an analysis made at the University of Michigan within the past month indicates that the cost of cataloging a book in the University of Michigan Library when the Library of Congress catalog copy is available is only one-fourth the cost if Michigan has to do the original cataloging there.

So these increases in percentage of Library of Congress catalog copy is of great benefit to all of our colleges and universities and this is a place where, as Mr. Dix made the point when this legislation was first under consideration, that a dollar spent on this program spreads out over the country.

So, we would earnestly recommend that the committee give favorable consideration to extending title II–C for 5 years, because I believe that to expect the National Advisory Commission's report to pick up this program is simply not provided in that report.

I would like now to turn my attention to networks for knowledge. I want to summarize this, but if we pick up the language of the first part of this title it is intended to stimulate colleges and universities to share through cooperative arrangements their facilities, equipment, and so forth.

The point is made that this should be done through a variety of arrangements. The Association of Research Libraries endorses this title and supports it heartily.

However, we do think that the present draft language of the title makes an unwarranted assumption. It seems to assume that whatever is to be communicated is already available and that all that is needed is a communications network.

We in University Research Libraries have to say that all of the material that is needed to be communicated is not available nor are the funds to acquire it available.

We believe, of course, libraries have been sharing their resources and facilities through perhaps rather primitive methods for a good many years.

We believe that this should go on, should be encouraged and should be developed. But we submit that no matter how generous institutions may be in making their library resources available to other institutions if the resources aren't available in any of the institutions, then communications networks and facilitating them will not serve the desired purpose.

In the Office of Education fact sheet, Commissioner Howe referred to the knowledge explosion and went on to say that it was not impossible, he said it was almost impossible, and I was reminded of Mayor Lindsay's remark when someone said New York is almost impossible to govern. The mayor responded, "What do you mean, almost?" I think that might be applicable to the Commissioner's testimony.

There is one example in this country, one outstanding example, there are other examples, of how libraries have tried to cope with this problem. The example I have chosen to cite is the Center for Research Libraries in Chicago. This is a nonprofit organization established by a group of universities to acquire and house for their joint use extensive and expensive collections of research material.

This is now a nationwide institution with 32 participating members from coast to coast. By sharing the cost of buying, cataloging, and housing research material, these libraries have been able jointly to afford more than any one of them could afford independently.

Of no less importance, what is acquired does not belong to any one of them alone with the privilege of first call on it. It belongs to all equally, and each member has equal access to it.

In our judgment, this type of cooperative library program is a logical part of the networks for knowledge.

If I could pick up a point of Congressman Quie's—libraries do believe in this and we have been spending money on it, we are spending money on it, and we expect to continue to spend money on it, but we do need some help.

In our judgment, assistance to this kind of project should be provided under networks for knowledge. It seems to fit well within the intent and purpose of the act, but there is no clear specification that funds could be used for this purpose.

We would, therefore, respectfully suggest that certain paragraphs be renumbered and that the following statement be added, that, "Funds could be available for cooperative programs and facilities, for the acquisition and processing of library materials, for joint use and for buildings and equipment required to house, preserve, and make available such materials."

I have now some rather minor changes in language to which I would like to draw attention.

We would like to have inserted on page 93, line 4, the words "new and" so that the section would read "such grants may be made to other new and established public or nonprivate agencies."

As the law is written, it says "to other established." We think if you are going to stimulate this activity there should be recognition and opportunity for new organizations to be established and to present their proposals.

On line 18, page 93, we would suggest the deletion of the word "specialized" because we believe it might be interpreted in a restrictive fashion.

On line 19, page 93, we would suggest the insertion of the following language after the word "catalogs." These are the words we would like to have inserted, "and other bibliographic records in both conventional and unconventional form."

This section would then read "affording access to library collections through preparation of interinstitutional catalogs and the bibliographic records in conventional and unconventional form."

We suggest this change because the word "catalog" is sometimes interpreted narrowly. We believe that any type of library record that will serve the purpose of the title should be eligible for support.

We include the words "conventional and unconventional" because we think the library catalog of the future may be in some other form.

Now it is either on cards or in book form but it may be on a future date be in computer memory or on tape or some other form. So we believe that that should be provided for.

On page 94, line 11, we suggest that after the word "terminals" a comma and the following words be added, "except for pilot projects, research, and experimental purposes."

The section then would read "grants pursuant to clause (B) of paragraph 3 of subsection (b) may not be used to pay the cost of electronic transmission terminals, except for pilot projects, research, and experimental purposes."

We think that this is desirable and necessary if networks are to provide facilities for the transmission of the text of parts of books and other library materials in bound form.

Existing equipment accepts only flat sheets. Book material must first be copied onto sheets and then transmitted. The process is slow, cumbersome, and the transmitted text is poor.

The necessary improvements in the equipment and its adaptation for use in materials in book form we believe will not come about unless funds are provided for experimentation and research.

It is for this reason that we make this recommendation.

Thank you very much.

Mrs. GREEN. Thank you very much, Mr. McCarthy.

Under title I of the Facilities Act, the construction of libraries will be hurt as much as other construction on college campuses.

What is your judgment about starting new programs when we have such drastic cuts?

Mr. McCARTHY. Madam Chairman, speaking for myself, and I believe I would be speaking for the association but I am not sure, it would seem to me desirable to adopt forward-looking legislation with very modest sums for planning.

I believe that the networks for knowledge, for example, will take a great deal of planning.

It seems to me that it would be desirable to get this underway with modest planning funds.

Mrs. GREEN. Do you agree with that, Mr. Low?

Mr. LOW. I believe I would. I have not thought this point through very carefully. I think that is the way new programs are usually gotten underway.

It seems that we are always in need of funds. If you do not start new programs, we never get to the point where they are started. There will forever be great needs in existing programs. So I would agree with Mr. McCarthy's statement.

Mrs. GREEN. I am advised that amount is $8 million for the networks for knowledge. It obviously would not be divided equally between the 2,300 colleges and universities throughout the country, but if it were, it certainly does not amount to much money per institution.

I am wondering again, is it really wise to start a new program with great publicity and high expectation and to stimulate a lot of applications, requiring a lot of time of staff and then to provide a very small amount of money?

Mr. LOW. I do think that at least 2,000 of these 2,300 would not want to submit programs initially. It seems to me, the networks for knowledge would have its first impact on the quite large institutions with large resources such as Dr. McCarthy's former institution at Cornell, and as it was perfected would become significant for the smaller institutions.

Mrs. GREEN. Even if 1,800 or 2,000 made application, they would get such a small amount.

Mr. LOW. It seems to me not meaningful if you tried to divide it in that way. I had not anticipated it would be divided in that way.

Mrs. GREEN. No, it would not, I grant you that, but they might make an application and spend an awful lot of time and effort.

Mr. Low. That is one trouble with these somewhat glamorous programs.

Mrs. Green. They have small amounts?

Mr. Low. Yes. It requires a good deal of effort to participate.

Mrs. Green. Congressman Quie.

Mr. Quie. I have no questions. I appreciate your good testimony.

Mrs. Green. Congressman Esch.

Mr. Esch. Thank you, Madam Chairman.

I think the point you raised in the previous question is a valid one. However, I also feel very strongly that we would be derelict to lose the concept of cooperation between the various institutions in regard to library facilities.

I would hope that we might look not at what might be given to specific universities but at the concept of total cooperation in resource materials throughout the various institutions in this country.

I should think the committee would want to balance that off with the immediate need of providing facilities.

Would you want to comment?

Mr. McCarthy. I wanted to make this point, that the situation, I believe, will be found to vary considerably from State to State.

Some States will be much farther along. New York State, for example, has the so-called three R's program which might be called a State network.

It does not have the sophistication and so on, and it is limited to libraries. But in many parts of the country there are now library cooperative groups.

I believe, Madam Chairman, and this would depend on how the Office of Education set it up, but applications for funds might well come not from six or 10 institutions but one application for the cooperative.

For example, the universities in Washington, D.C., have a cooperative. In upstate New York, the five universities in western New York, Cornell, Syracuse, Rochester, Buffalo and Binghamton have formed a library cooperative.

This pattern is found in many parts of the country. So that depending on the administrative guidelines and regulations, it would seem to me that applications might come from the cooperative.

Mr. Esch. Could I ask a question related to that?

In II–C we have the Library of Congress being expanded, in essence, to provide a service function on a broader base to research libraries throughout the country.

Would you want to make a value judgment on the funding of the "Networks for Knowledge" going through the Library of Congress rather than through another agency in the Federal Government?

Mr. McCarthy. I believe I would prefer not to make a value judgment on that, sir; if I may be excused.

Mr. Esch. Would you think it is something which the committee should investigate?

Mr. McCarthy. Yes, I would certainly say yes to that.

Mr. Esch. Thank you.

Mrs. Green. My thanks to you, Mr. McCarthy, and also Dr. Low. We hope your colleague from Michigan comes along very nicely and no bad results.

Your comments and recommendations and suggestions will be helpful to us when we start drafting this legislation.

Thank you.

(The document referred to follows:)

STATEMENT BY STEPHEN A. MCCARTHY, EXECUTIVE SECRETARY, ASSOCIATION OF RESEARCH LIBRARIES

Madam Chairman and members of the subcommittee, my name is Stephen A. McCarthy, I am Executive Director of the Association of Research Libraries. The Association of Research Libraries is an organization of seventy-nine major university, private, and government research libraries whose purpose is to assist in the development and strengthening of member libraries in support of education, research and scholarship.

On behalf of the Association I wish to express our thanks for this opportunity to present our views on some of the Higher Education Amendments of 1968.

Before discussing the legislation under consideration, however, I would like to take this opportunity to acknowledge the perceptive and farsighted legislation which has been sponsored by this Subcommittee during the past several years. The provisions of Title II of the Higher Education Act of 1965 have been of significant assistance to college and university libraries in all parts of the country.

Despite the fact that Title II–A has never been funded at more than fifty percent of the authorization, it has nevertheless enabled many smaller institutions to augment their library resources in a substantial manner. Under the supplemental and special grants program of Title II–A, selected larger libraries have been assisted in developing special library resources in support of programs of instruction and research which otherwise would have been of far poorer quality.

Title II–B through its provision of support for training librarians and for research in the field of librarianship has helped to increase the flow of competent professional people into the field of librarianship and has provided for research projects which may be expected to yield improved methods and procedures in the operation and services of libraries in our colleges and universities.

Title II–C, "Strengthening College and Research Library Resources", has been of particular interest to the Association of Research Libraries from its inception. This program, through which funds are appropriated to the Office of Education for transfer to the Library of Congress for the purpose of acquiring and cataloging promptly materials needed for research, has already been of great benefit not only to the larger university and research libraries but to many college and public libraries as well. The Association of Research Libraries is deeply appreciative of the interest and support of this Subcommittee in the effort to improve college and university libraries through this legislation.

I would like now to turn to the specific legislation embodied in HR 15067, Higher Education Amendments 1968. The Association of Research Libraries is particularly pleased to note that HR 15067 includes the amendments of language which were supported by this Association in Hearings held by this Subcommittee in the spring of 1967. As Mr. Dix stated before this Subcommittee, both the Library of Congress and the members of our Association who are most immediately concerned, believe that the changes represented by these amendments will serve to strengthen, broaden, and improve the program. These changes will provide valuable added services and benefits, the need for which could not be foreseen at the time the original legislation was drafted.

In one respect the Association of Research Libraries would recommend a change in HR 15067, Title II–C. The extension provided in the present legislation for this Title is only two years. For most other parts of the Higher Education Act of 1965, which are being extended through HR 15067, the extension recommended is five years. The Association of Research Libraries urgently requests that Title II–C be extended for five years.

In support of this request for a five-year extension, the following points are relevant:

1. This is still a developing, expanding program. As an example, it has been extended to Italy only within the past two months.

2. The impact of this program is cumulative. It takes time to make its effects felt and these effects tend to build up over a period of months and years.

3. Complex arrangements must be made abroad and at the Library of Congress in order to initiate and operate this program effectively.

4. Under these circumstances, a limited extension of the program appears questionable because of the effort and expense involved in setting it up and the relatively short time allowed for its operation as a productive enterprise.

5. Although the program has been in operation for only three years and has never been fully funded, it has already demonstrated its value. Reports from members of the Association of Research Libraries indicate that the percentage of new books being cataloged with Library of Congress catalog copy has increased substantially, that, as a consequence, local cataloging has been speeded up while costs have been reduced and that new books in greater numbers are being supplied to readers more promptly than ever before.

PERCENTAGE OF BOOKS CATALOGED WITH LIBRARY OF CONGRESS CATALOG COPY

Library	1965	1967	Increase
University of California, Los Angeles	47	58	11
Columbia	48	62	14
Illinois	43	58	15

A recent analysis in the University of Michigan Library shows that cataloging with Library of Congress copy in hand costs approximately one-fourth (¼) as much as original cataloging.

Because the Title II–C Cataloging Program has already produced impressive results, because, even with funding limitations, the promise that was foreseen for this program has been substantially realized and because the nature of the program is such that a certain amount of time is required for it to be put into operation and to yield results, we would respectfully ask the Committee for a five-year extension.

NETWORKS FOR KNOWLEDGE

The basic purpose of this Title, that "of stimulating colleges and universities to share to an optional extent, through cooperative arrangements their technical and other educational and administrative facilities and resources while maintaining their respective institutional identities, and in order to test and demonstrate the effectveness and efficiency of a variety of such arrangements preferably on a multi-institutional basis where appropriate and feasible", is laudable and its accomplishment will surely be beneficial. The Association of Research Libraries endorses and heartily supports it.

The present draft language of this Title, however, appears to make an unwarranted assumption. It implies that only a communications network is needed, that what is to be communicated is already available, or will be generated in the routine operations of colleges and universities. This is probably true with respect to student and financial records. It is not true, I suggest, with respect to library materials needed for research purposes.

Agreements among universities and colleges to share access to each other's library collections, by computer or facsimile transmission networks or by any other means, are very useful and should be encouraged. But even the most widespread and generous of such agreements cannot provide access to materials that none of the participants can afford and, therefore, do not have available. A communications network, however efficient, is of value only to the extent that what is wanted is available to be communicated.

One of the clearest statements of an essential element of the library problem appears in the Office of Education Fact Sheet: "The 'knowledge explosion' of the past few years coupled with the vast increase in the number of materials available has made it almost impossible for even the wealthiest university to afford extensive specialized library collections in all the areas its faculty and students might wish to investigate".

Libraries have been grappling with this problem for a long time. One way of trying to cope with it is exemplified by the Center for Research Libraries in Chicago. This is a non-profit organization established by a group of universities to acquire and house for their joint use extensive and expensive collections of research material. Briefly, this is a "libraries' library", now supported by thirty-two institutions in sixteen states across the nation from Massachusetts to California and with more joining in at an increasing rate. By sharing the cost of buying, cataloging, and housing research materials these libraries have been able jointly to afford more than any one of them could afford independently. And of no less importance, what is acquired does not belong to one of them alone with the privilege of first call on it, but it belongs by right to all of them equally and it is equally accessible to all of them.

We believe that support for this type of cooperative library program is a logical part of the Networks for Knowledge.

The importance of this design for increasing the availability of much significant research material is well attested by the report of a committee of the Association of Research Libraries appointed to study the problem. This report was adopted and endorsed by the Association:

> "The Committee . . . is unanimously of the view that the expanding needs of research and the increase in publications cannot be met satisfactorily by local self-sufficiency in combination with conventional interlibrary loans among university and other research libraries. . . . The Committee, while strongly of the view that the resources of both local and national libraries must continue to be strengthened, is persuaded that many large classes of research related publications and other materials now generally unavailable could never be acquired or justified for acquisition by most research libraries or secured through interlibrary loans, but could efficiently be provided by a joint cooperative facility."

Assistance to such cooperative projects appears to fall clearly within the purpose and intent of this Title, yet the specific provisions do not with equal clarity authorize their support. We believe the Title would be strengthened if such specific authorization were included. We, therefore, suggest that paragraphs (2) through (7) of subsection (b) be renumbered as paragraphs (3) through (8) and a new paragraph (2) such as the following be inserted: (2) "Cooperative programs and facilities for the acquisiton and processing of library materials for joint use and for buildings and equipment required to house, preserve, and make available such materials".

In addition to inserting the new paragraph, the Association of Research Libraries recommends the following changes in language:

1. On page 93, line 4, we suggest that the words "new and" be added after the word "other". This section would then read "Such grants may be made . . . to other new and established public or non-profit private agencies . . ." The purpose of this change is to make it clear that a new agency might qualify for a grant under this legislation if it met the requirements prescribed by the Office of Education. Since the objective of the legislation is to stimulate the sharing of resources and facilities, it would seem appropriate to make it possible for new agencies as well as established agencies to participate in the program.

2. On page 93, line 18, we suggest that the word "specialized" be deleted. The word does not appear to be essential and it might be interpreted in an undesirably restrictive sense.

3. On page 93, line 19, we suggest the addition of the following language: after the word "catalogs", insert the words "and other bibliographic records in both conventional and unconventional form". This section would then read "affording access to library collections through preparation of inter-institutional catalogs and other bibliographic records in conventional and unconventional form . . ." We suggest this change because the word "catalog" is sometimes interpreted narrowly. It should be possible to develop whatever type of library records would be useful to achieve the purpose of this Title. We propose adding the words "conventional and unconventional" because, although the present library catalog is on cards or in book form, there is good reason to expect that the catalog of the future may be in some other form, perhaps stored in a computer memory, on tape, on film, or in some other form. Since this is a likely development, it would seem appropriate that the language of the legislation provide for it.

4. On page 94, line 11, we suggest that after the word "terminals", a comma and the following words be added: "except for pilot projects, research and experimental purposes." This section would then read: "Grants pursuant to clause (B) of paragraph (3) of subsection (b) may not be used to pay the costs of electronic transmission terminals, except for pilot projects, research and experimental purposes."

We believe that this additional phrase is desirable if networks that will provide for the transmission of the text of parts of books and other library materials are to come into being. Existing equipment accepts only flat sheets for transmission. Book material must therefore first be copied onto sheets and then transmitted. The process is cumbersome and the transmitted text is of poor quality because it is second generation copying. The necessary improvements in the equipment and its adaptation for use with material in book form will require research, experimentation, and trial installations. We recommend that this legislation permit and encourage projects designed to develop and adapt electronic equipment to the needs of library networks.

Thank you for permitting me to present the views of the Association of Research Libraries on this legislation.

Mrs. Green. The meeting will be adjourned until tomorrow morning at 10 o'clock at which time we will have the following witnesses: Keith Spalding, the president of Franklin and Marshall College, Lancaster, Pa; John Morse, representing the American Council on Education; Dr. John Oswald, president, of the University of Kentucky, presenting testimony for the National Association of State Universities and Land-Grant Colleges; Dr. Robert Martin, the president of Eastern Kentucky University; and Thomas Jones, president of Pikesville College, in Kentucky.

Kentucky seems to be pretty well represented tomorrow.

Then on Friday, we will continue the hearings and at that time we will have General Hershey and Dr. Trytton of the National Science Academy to discuss again the current draft policy and its impact on graduate education.

The meeting is adjourned until tomorrow at 10 o'clock.

(Whereupon, at 12:10 a.m., the subcommittee recessed, to reconvene at 10 a.m., Thursday, February 29, 1968.)

HIGHER EDUCATION AMENDMENTS OF 1968

THURSDAY, FEBRUARY 29, 1968

HOUSE OF REPRESENTATIVES,
SPECIAL SUBCOMMITTEE ON EDUCATION,
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to recess, in room 2261, Rayburn House Office Building, Hon. Edith Green (chairman of the subcommittee) presiding.

Present: Representatives Perkins (chairman of the full committee), Green, Brademas, Carey, Gibbons, Hathaway and Quie.

Staff Members Present: William F. Gaul, associate general counsel and Charles W. Radcliffe, minority counsel for Education.

Mrs. GREEN. The subcommittee will come to order for the further consideration of the Higher Education Amendments of 1968.

The first three people we will hear from today are from the great State of Kentucky. Will Dr. Oswald, Dr. Martin and Dr. Johns please come to the table.

May I say that we are delighted that the very distinguished chairman of the Education and Labor Committee of the House of Representatives is here with us this morning.

I would say to you gentlemen from Kentucky that you are very fortunate in having such an outstanding person to represent the people of your State. I know of no one who has a greater concern about the quality of education in this country and no one who is more determined to provide greater opportunities for full quality and equality of educational opportunity.

As one of the members of this committee, and I am sure I speak for every member of the subcommittee, we feel very honored to have the distinguished gentleman from Kentucky, Mr. Perkins, as chairman of this committee, a man who really takes a deep and great interest in all of the education legislation that is before the House.

I am going to turn to the chairman of the committee to introduce this panel of distinguished educators from his own State. Mr. Chairman.

Chairman PERKINS. Mrs. Green and members of the committee: First, let me state that we are here today to amend legislation that has been sponsored by the distinguished lady, the distinguished chairman of this subcommittee. But for her untiring efforts in the past, we would not be here to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Program of 1965, and the Higher Education Facilities Act of 1963.

Mrs. Green has done more for education than any other individual in America. There are few who have the untiring spirit that Mrs. Green possesses to get all of these legislative measures enacted.

It is a great pleasure for me to be here with this distinguished lady this morning. This bill is the most important bill that will come before the U.S. Congress outside of the direct defense expenditures to defend this country.

We all want to see these programs expanded and improved. It is a pleasure for me to welcome you Kentuckians here, all distinguished educators. Dr. Oswald is listed first. He is an outstanding gentleman. I notice that Dr. Oswald represents the National Association of State Universities.

Dr. Oswald came to Kentucky at a time when they needed a great educational leader. He has done a magnificent job as president of the University of Kentucky. That great university continues to grow and expand and improve the quality of education under his leadership.

We have another distinguished educator from the Eastern State University, Dr. Robert Martin. He has been in the field of education for many years and has served as State superintendent of public instructions of the State department of education.

His institution has expanded about 300 or 400 percent since he has been president.

Another gentleman, the new president of Pikeville College, recently made a 4-year college at Pikeville, Ky., is also with us. Not only is Dr. Johns a great educator but he happens to be one of America's most outstanding athletes, an all-American football player. That is showing up in the way he is administering the college at Pikeville. I am glad to say he is a great administrator and I am glad to see that college grow. It is in my congressional district.

I am glad to welcome all you distinguished gentlemen this morning. We will be anxious to hear from you. This bill will be the first major bill out of this committee this year.

Mrs. Green, we are going to lay the vocational education legislation aside until we get this bill completely marked up and ready for the floor.

Mrs. Green. Thank you, Mr. Chairman.

Dr. Oswald, you may proceed as you wish.

STATEMENTS OF DR. JOHN W. OSWALD, PRESIDENT, UNIVERSITY OF KENTUCKY, CHAIRMAN, LEGISLATIVE COMMITTEE OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES ON BEHALF OF THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES AND THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES; DR. CURLEY, VICE PRESIDENT AND FINANCIAL OFFICER, UNIVERSITY OF KENTUCKY; DR. ROBERT MARTIN, PRESIDENT, EASTERN KENTUCKY UNIVERSITY, BOARD OF DIRECTORS OF THE AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES; AND DR. THOMAS JOHNS, PRESIDENT, PIKEVILLE COLLEGE, PIKEVILLE, KY.

Mr. Oswald. Thank you, Mrs. Green.

Madam Chairman, Mr. Perkins, members of the committee, first let me say, on behalf of my colleagues from Kentucky, how greatly pleased we are to be invited to testify here this morning, and how aware we are not only of what Congressman Perkins has meant on the national scene in relationship to education but also in his great efforts in eastern Kentucky in his own district.

My name is John W. Oswald and I am president of the University of Kentucky, which has campuses at Lexington and in 13 other locations in Kentucky.

I have the privilege today of testifying on behalf of two major national associations of colleges and universities: the American Association of State Colleges and Universities and the National Association of State Universities and Land-Grant Colleges. I am also chairman of the legislative committee of the latter group.

Membership of the two associations includes approximately 335 public and land-grant universities and colleges, located in all the States, Puerto Rico, and Guam. Member institutions enroll more than half of all students in U.S. higher education.

In the area of graduate work and most professional fields, their percentage of degrees awarded is substantially higher than their relative percentage of total enrollment.

Membership in the two associations involves small institutions and large college and university systems, institutions classified as developing colleges, and those clearly among the outstanding U.S. institutions in graduate education and research.

Some of our member institutions are heavily involved in the operation of technical institutes; in—as is the case with the University of Kentucky—responsibility for a statewide system of community colleges; in every phase of the health professions at every level of post high school education.

I mention these facts to indicate that our member institutions are concerned with the whole range of post high school education; and that in arriving at policy recommendations we bring to bear a wide range of experience, interests, and viewpoints.

The two associations have recently issued, as they have annually for several years, a joint statement of recommendations for national action affecting higher education. Copies of this are being made available to each member of the committee, and it states in detail the position of the two associations on many issues which are before or are likely to come before this committee.

As a preface to this joint statement, there is a summary of the broad positions taken, followed by an indication of what the two associations consider the highest priority both in authorizing legislation and in funding.

The two associations place the highest priorities first on the extension, perfecting, and adequate funding of existing programs. Their first priority in new initiatives in Federal legislation is on a program of broad Federal operating support for institutions of higher education.

We believe very strongly that unless adequate resources are made directly available to institutions of higher education to enable them to carry on their educational responsibilities without constantly accelerating charges to students, it will not be possible for this country to achieve the great objective stated by the President, of making post high school educational opportunity available to all who can benefit from it, and to eliminate all economic and racial barriers to higher education. Helping disadvantaged students meet the increasing cost of going to college is necessary and desirable, but in a sense it is a case of treating the symptoms rather than the disease.

May I now turn to a review of and comment on specific provisions of H.R. 15067? For convenience I will follow the order of titles as listed in the bill.

Title I: We support the proposed extension of and amendments to title I of the Higher Education Act of 1965, the community service and continuing education program, including authority given to the commissioner to utilize 10 percent of the authorized funds for experimental or pilot projects. We regret that the funding of this title has been inadequate.

As you are aware, there was an authorization of $50 million in fiscal 1968. The funding was $10 million and it is proposed for $10 million in 1969.

This is causing renewed pressures, in other areas and departments of Government, for new or expanded programs which could be carried out under this title if adequate funds were available.

Title II: We support the extension requested, and specifically the proposed liberalization of the maintenance of effort requirement for special projects provided in section 202. The amendments provided in section 222 authorizing planning and development grants would appear to be desirable and useful.

Title III: Our associations are strongly in favor of the proposed 5-year extension of the present title III of the Higher Education Act of 1965.

The experience of our member institutions involved in this program as developing colleges, which are the public colleges in the two associations predominantly attended by Negro students, has been that the yield on the investment of limited funds thus far is high indeed, and that the program merits continuing support for the period indicated.

As an aside, I will indicate that the University of Kentucky is now completing its second year of a program with Kentucky State College and on into a third year next year is proposed.

We believe that continuance of a combination of special aid from this and other sources is necessary and desirable for the near future, and will make it possible for these institutions to enter the mainstream of American higher education.

In the long run this special effort will be justified only if continuing support for these and other colleges and universities makes it possible for them to maintain quality programs, once these are established.

Strengthening graduate education: The proposed new part B of title III of the Higher Education Act is in itself divided into two parts. The first would authorize a 5-year program in the U.S. Office of Education of special grants to institutions offering the doctorate in philosophy or its equivalent.

As we understand it, such grants would not be available to the present top-ranking graduate schools, but designed to improve the quality of either the entire program or individual departments in other graduate schools.

The second would authorize raising the level of payments to institutions on behalf of graduate fellowship holders from programs of the U.S. Office of Education, by removing the present $2,500 legal ceiling and authorizing an increase to the levels consistent with the practices in other comparable federally supported programs.

We support the second proposal, with one reservation: That is, that the increase in payments to institutions not be at the expense of the number of fellowships granted in programs administered by the U.S. Office of Education.

The present grants to institutions are substantially below the cost of carrying on graduate programs at the Ph. D. level.

We also support the first proposal, the aid to development of graduate programs, but suggest one change in language. On page 13, lines 19 and 20, the institutions eligible to receive grants are identified as those ". . . having programs leading to a degree of doctor of philosophy or an equivalent degree."

Since there is no academic degree equivalent to the doctor of philosophy degree, we recommend either that the other degrees intended be specifically identified so that the meaning of the statute is clear, or that the words "or an equivalent degree" be stricken. Strengthening of graduate programs in Ph. D.-granting institutions not now identified as among the top-ranking group is desirable and in the long run essential.

Attention should be given both to geographic considerations, and to institutions within the various geographic areas.

In supporting this proposal, we at the same time point out that both the institutions thus strengthened and those already in the top-ranking group are faced with the problem of maintaining levels of quality once achieved. This proposal would give institutions funds to expand and improve over a short-range period.

The inevitable question arises: What happens then? An expanded fellowship program, with increased grants to institutions to cover the cost of education; plus expanded and dependable support of Federal research and graduate education programs generally, would be one way of assuring graduate schools of the ability to carry on after the temporary financial aid of project grants is withdrawn.

Without such support, universities having achieved high quality in graduate education are on the horns of a dilemma: One horn being to let the graduate program deteriorate, and the other being to sustain it by charging undergraduates more in order to finance graduate education.

The provision requiring the Commissioner of Education to consult with other Federal agencies conducting similar programs is desirable, and in fact we see it as essential, whether required by law or not.

Title IV: Student Assistance Act (Educational Opportunity Act of 1965):

STATEMENT OF PURPOSE

Our associations believe the statement of purpose proposed for title VI as a new section 400(a) should be revised, for reasons which I shall indicate.

We are strongly committed to the objectives set forth in the first two sentences of this proposed statement on page 17 of the bill:

> The Congress hereby finds and declares that it is in the national interest to provide educational opportunities beyond secondary school to all our youth that desire such opportunities and can benefit from them.

The strength and vigor of our economy and indeed the future of our society of free people demand that our youth, who represent the best of all our hopes, be given a chance to do their best.

These are the first two sentences in 400(a).

We also are strongly committed to the specific objective stated in the last half of the third sentence of the proposed statement: That is, that "no student of ability be denied an opportunity to develop his talents because of financial inability to meet basic higher education costs."

The joint statement of the two associations in this document I mentioned earlier states that, "It is clear . . . that the American ideal of equality of opportunity for all depends on making post high school educational opportunity a reality for the culturally and economically disadvantaged. . . ."

The third sentence of the proposed statement of purpose, however, read in full, states that: "It is the purpose of this title to provide substantial assistance to students in order that no student of ability will be denied the opportunity to develop his talents because of financial inability to meet basic higher education costs."

This statement, taken in the context of the entirety of the proposed section 400(a) would appear to commit the Congress and the Nation to a policy of assuring access to education for all through financial assistance to students.

I find it difficult to believe, Madam Chairman, that the drafters of this proposed policy statement understood its implications.

As I stated at the outset, a policy of eliminating financial barriers to higher education solely through providing aid to individual students who cannot pay the cost has many of the aspects of treatment of the symptoms rather than the basic problem, which is the spiraling cost of education to the student and his family.

Colleges and universities have three sources of operational support: From public funds, from private gifts and grants, and from student fees.

If the first two sources are adequate, student fees can be kept at a minimum, and the problem of aid to students who need help to meet college costs is a matter of bridging the gap between resources and living costs.

If the college must raise its fees either to accommodate increased numbers of students or simply to meet the rising costs of higher education—or both—both the amount of aid needed per student, and the number of students needing aid, go up.

Today, most students can still go to college on the basis of the amount of help their families can provide or the amount they themselves can earn, or a combination of the two.

If college charges continue to spiral upward, this will be true of fewer students. Increasingly, access to higher education will depend on who is selected to get how much student aid.

I would also ask you to give careful attention to the probable effects of a Federal policy of financing all students who need help to go to college on other sources of support for higher education.

Private support and State and municipal support have in the past provided the overwhelming preponderance of support for the operating costs of our colleges and universities.

At the level of undergraduate education, the Federal Government has contributed very little to institutional support.

President Johnson has recognized this problem in his instructions to the Secretary of Health, Education, and Welfare to devise a new strategy for higher education. One of his instructions was that such a national strategy must, and I quote, "Insure that State and private contributors will bear their fair share of support for higher education."

In my opinion, an announced Federal policy for making financial aid to students the means of removing financial barriers to higher education, will have an adverse effect on private donors and non-Federal public bodies.

We suggest, then, that the proposed statement of purpose subsection 400(a) of the bill before you be revised by deleting the third sentence, starting after best in line 18, and substituting language to the following effect:

> No student of ability should be denied an opportunity to develop his or her talents because of financial inability to meet basic education costs.
>
> This objective can be achieved only by a combination of National, State and local, and private support for our post-high school institutions to help them keep their charges to students at a level which most students and their families can afford, with a program of Federal and other assistance to individual students who still must have such help to meet basic higher education costs.
>
> It is the intent of Congress that a National strategy for higher education be developed which will involve all the above elements of National, State, and local, and private support of educational institutions and aid to individual students. Pending the development of all elements of this National strategy, it is the purpose of this title to provide substantial assistance to students as a means of reducing the financial barriers to post-high-school education.

No doubt the suggested wording of this proposed substitute language may be improved.

I believe its meaning is clear, its statement of purpose sound and realistic and in keeping with the specific proposals in the bill before you, and the intent of the President as outlined in his instructions to the Secretary of Health, Education, and Welfare.

Title IV—Specific details:

Part A—Educational opportunity grants, national defense student loans, and work-study programs.

Our associations favor the proposed extension of these programs and their modification along the lines proposed in the bill before you. The changes would, we believe, give colleges and universities needed flexibility in the administration of student aid programs; make possible a more equitable allocation of available funds to all institutions in accordance with their needs by removal of State allocations; and provide needed additional aid toward carrying the burden of administrative costs of these programs.

We think the provision in section 403(b), page 22, permitting institutions to reallocate up to 20 percent of any allocation is desirable, but do not feel that this reallocation authority should exceed 20 percent at this time.

We support the raising of the limit on the amount of an educational opportunity grant from $800 to $1,000, but strongly favor the retention of a fixed maximum.

Student loan insurance program:

The bill before you includes both an extension of and important changes in the student loan insurance program. I will confine my comments to a few of the major issues involved.

The present legislation both authorizes and requires the Commissioner to make a direct Federal guarantee of loans in the event State or private programs do not make the necessary guarantee funds available.

The proposed legislation extends this latter authority for only 2 years, in the expectation that, with the other changes recommended, this authority will not be necessary.

We recommend that this committee review the situation well in advance of the proposed 1970 expiration date of the direct guarantee authority.

The proposed legislation includes authorization of an additional $12½ million of "seed money" loans for the capital of State and private guarantee programs which meet Federal standards; Federal reinsurance up to 80 percent for State and private programs; and authorization for payment of administrative costs to lending agencies.

In general, we support these proposed changes. They appear to be essential if the direct Federal program is to be phased out by fiscal 1970.

In connection with the use by the Commissioner of Education of his authority for direct Federal guarantee of student loans, it has sometimes been said that this occurred because the States have failed to meet their responsibility of setting up their own guarantee programs.

This legislation was first proposed as a direct Federal guarantee program. The States had no reason to believe that they were involved, and no witness from any State government testified with respect to State involvement in loan guarantees.

The expectation that the States would establish guarantee programs and make use of the Federal guarantee unnecessary was stated by representatives of the American Bankers Association and United Student Aid Funds, Inc., not by representatives of the States.

The proposed legislation clearly indicates a congressional intent to phase out the direct Federal guarantee by the end of fiscal 1970, and this constitutes notice to the States—which did not exist before—that action on their part is expected.

Interest subsidy on insured loans after graduation:

This committee has expressed concern over the eventual high cost to the Federal Treasury of the interest subsidies provided under the insured student loan program. We share this concern.

At the same time, we are mindful of the fact that the insured loan program was proposed, in part at least, as alternative to other more costly and highly inequitable proposals for assisting middle-income families in meeting higher education costs, such as the tuition tax-credit plan.

The interest-subsidy provision applies only to students from families with adjusted gross incomes of less than $15,000 anually.

We favor its retention for such students while the student is in college, and for 1 year after graduation. In the interest of reducing the longrun cost to the Federal Treasury substantially, and making funds available for other important Federal educational programs, we recommend termination of the interest subsidy under this program, 1 year after graduation from college. This would not work an undue hardship on those whom this program is intended to serve.

Special services for disadvantaged students:

Part C of title IV, starting on page 74, proposes a new Federal program of project grants to post high school institutions, to provide special services to disadvantaged students to help them succeed in college. Provision of such services is highly desirable, and it is also expensive.

Many colleges and universities have, through the use of foundation funds, funds contributed by students, alumni, and others, and through donated time on the part of thousands of faculty members and students, been able to provide varying degrees of special services to disadvantaged students.

The demand on colleges and universities for special services to individuals, and the need for them, is great and it is increasing. The economically and culturally disadvantaged student the physically handicapped student, the foreign student, and the veteran student, are all subjects of special national concern and of special national policies to encourage their college attendance. But funds to provide needed special services once these students are in college have been limited or nonexistent, so far as the Federal Government is concerned.

As in many, many other instances, the term "Federal aid" in such programs is a misnomer. When the success of a declared national program or policy depends on educational institutions providing from their own resources a high percentage of the costs of making it successful, this is reverse Federal aid.

This is a preface to saying that (1) We support the proposed authorization for a new program of helping finance special services to disadvantaged students. We believe such services are essential and very much in the national interest.

(2) At the same time, we emphasize again the need for recognition of the financial burden on institutions caused by the initiation of new programs on a project-grant basis, without the assurance of continuing support to keep them going.

Part D. Amendments to the national defense fellowship programs:

We favor the proposed amendments of section 461 through 463 with the reservation, expressed above, that the number of fellowships awarded should not be reduced as a result of the proposed increases in accompanying grants to institutions.

Title V—Education Profession Development Act:

This title proposes certain amendments to the Education Professions Development Act. While we have no comments on the technical amendments proposed, we would like to take this opportunity to comment on the act itself.

It has the potential for a major step forward in strengthening the partnership between the Federal Government and institutions of higher learning toward the solution of educational manpower problems. We have enthusiastically supported this act.

We are concerned, however, that the preliminary guidelines have been developed with little consultation with the institutions themselves and that the partnership may be reduced, as in some other Federal programs, to having the administrators of the program identify what they regard as problems of national concern and then invite submission of proposals.

The purposes of EDPA will best be served by a genuine partnership both in the developmental stages and in administration. We would like to think that institutions know at least as much as Federal agencies about what they need to do their jobs.

Title VI—Instructional Equipment and Materials:

We support the proposed extension and amendments, including specifically the elimination of subject limitations and extension of assistance to graduate schools.

Title IX—Network for Knowledge:

We support the purpose of this title, which would insert a new title VIII in the Higher Education Act of 1965, authorizing project grants which could be used in a wide variety of ways to demonstrate what institutions can do in sharing their resources. A great deal has been done in this area, but it is of course only a small beginning on what can and should be done.

Shared use of library facilities, computer facilities, instructional television, faculty exchanges, and student exchanges, all are ways in which specialized and costly resources can be shared.

This proposed title would support additional and innovative demonstrations of what can be done. The major problems in the longer run, however, is how the continuing costs of sharing can be supported.

Title XI—Amendments to Higher Education Facilities Act of 1963:

We strongly support the extension of the Higher Education Facilities Act for a 5-year period.

We urge that the Federal proportion of matching authorized be increased to at least up to 50 percent in all facilities grant programs under this title, and preferably to up to 75 percent.

We are emphatically opposed to the proposal in section 1102 to raise the interest rate on academic facilities loans from the present 3-percent limit.

The proposed rate would be determined by the average market yield on current outstanding Federal marketable obligations of comparable maturity, and the Commissioner of Education would be authorized to reduce these rates by not more than 1 percent.

The idea behind this proposal is said to be to raise the Federal rate to a level which will make the private market, rather than the Federal loan program, attractive to institutions or authorities whose bonds are tax exempt and therefore command a lower interest rate in the private market.

At present interest rate levels, the proposal would not accomplish this last objective, and its only effect would be to force the interest rate and therefore the annual carrying charges on academic facilities loans up, and provide an additional drain on revenues which otherwise could be used for institutional operating support.

There is another and much more effective way to accomplish the stated objective of bringing substantial amounts of private capital into academic facilities construction, without raising institutional carrying charges, and at little annual cost to the Treasury. It is to provide, in addition to the present direct loan program at the present 3-percent rates, a Federal interest subsidy of the difference between the Federal 3-percent rate and the interest cost in the private market, for institutions would pay the same net effective interest rate. Those whose bonds are less attractive in the private market would use the direct Federal program.

This proposal is embodied in section 218 of S. 2500 with respect to the college housing loan program, and also with respect to the same program, in H.R. 8647, by Representative Mink, of Hawaii.

The academic facilities grant program, supplemented by the facilities loan program is the one major, noncategorical program which is directed at helping colleges and universities accommodate increased numbers of students, including veteran students and economically disadvantaged students, and at the same time reducing the burden on institutional revenues which has forced colleges to charge students more and more.

We are greatly distressed at the budgetary recommendation to cut new obligational authority for the undergraduate facilities program to $67 million for the coming year, and for the graduate program to $88 million. It has been indicated that this decision was in part based on the neecssity of controlling inflation.

However, because of the time lag between appropriation of new funds, processing applications, making awards, and letting contracts, we are talking about the inflationary effect 2 or 3 years from now, and not in the current situation.

A report issued by the Division of College Facilities, Bureau of Higher Education, U.S. Office of Education, early last November stated that academic space per student in U.S. colleges and universities is definitely the lowest since 1952 and probably the lowest at any time in U.S. history.

The report was hopeful that we would start gaining on the situation if the Federal program was kept at the levels of recent years.

Following the issuance of that report, funds available for the current year were cut by one-third (they were already substantially below the previous year's levels), and the 1969 level slashed far below that.

Title XII—Education for the Public Service:

The State and land-grant colleges and universities of the United States are deeply interested and heavily involved in training for the public service in a wide variety of ways. We favor the enactment of this title.

General comments:

1. Forward funding: H.R. 15067 provides the forward funding authorizations in future years for many of the programs involved. Such authorizations are greatly to be desired, for reasons with which members of this committee are familiar. We support these proposals.

2. Authorization ceilings: H.R. 15067, in general, follows the policy of specific authorization ceilings for the first year of the extended and new programs, with indefinite authorization ceilings for the following years.

While a case can be made for indefinite authorization ceilings, under present circumstances the setting of specific authorization amounts has a certain value as a measure of the amounts considered by this committee, with its long experience and background in the problems of higher education, to be essential to carry out the objectives of nationnally established educational programs.

In conclusion: Our associations appreciate greatly the opportunity to present their views before this committee. We also appreciate, more than I can possibly express, the devotion of members of this subcommittee, and of the full committee, to the cause of education, and thus to the greatest of our national interests.

Finally, I want again to emphasize that while our associations support the new initiatives represented in the legislation before you—with the modifications suggested—we believe that first priority must go to the extension and adequate support of existing programs, and that the first priority in major new initiatives should be given to some form of continuing institutional support which will make it possible for our colleges and universities to do the things national policy expects of them, without engaging in the self-defeating process of throwing more and more of the cost of education on the student and his family.

Mrs. GREEN. Thank you very much, Dr. Oswald, for your excellent testimony. It has been most informative and helpful to the committee with your specific suggestions for change.

I am going to turn to the distinguished chairman of the full committee first for questions that he may have. Mr. Perkins.

Chairman PERKINS. I regret that I must leave at 11 o'clock to go before the House Committee on Rules. We have the school lunch amendment up for consideration. I will address my questions to all three gentlemen.

Mrs. GREEN. Please go ahead.

Chairman PERKINS. I take it, that you gentlemen are in favor of the major features of the bill and you are all concerned about improving various programs and you are all supporting the student aid consolidation.

You feel that this will relieve you of much work and improve the administration of the program.

Mr. OSWALD. This will be very, very helpful, sir, in putting these three together and the possibility of a single administration of this and also the opportunity for summary allocation up to this limit that is proposed.

Chairman PERKINS. First, let me state that I agree with Mrs. Green that the educational programs, in general, are not adequately funded, but considering world conditions today, insofar as the Office of Education's recommendations on the guaranteed student loan program is concerned, it has been brought out here that in the long run it will cost more to operate the program through the commercial banks than through the NDEA.

But be that as it may, considering world conditions, do you feel that we should go along with the recommendations of the Office of Education inasmuch as we do have a tight money market and it is most difficult to obtain large appropriations until world conditions improve?

Or do you feel we should go to a national defense student loan and not provide the subsidy to the commercial banks?

Mr. OSWALD. The one specific suggestion on the guaranteed student loan which we feel would not work an undue hardship on the individuals from these middle-income families—you see, at the moment now, the statute allows the Federal Government to pay 3-percent interest for a period as long as 10 years after graduation.

We are suggesting that there be no Federal subsidy on the interest of these loans following 1 year after graduation of these individuals which will substantially reduce the cost of this program.

As far as response to your earlier question, of course in the evaluation of the funds available for the national interest, of course education recognizes the very tight situation and the heavy demands on needs for the Government at this point in the area of national defense.

We are, however, making suggestions here as this does ease, as we all pray that it will, that education has its positions clearly before them, and the committee and the Congress, of the continuing needs of financial aids to this type, but at the same time recognizing that this must be in balance with some kind of support to the institutions themselves to keep the costs down so that more loans per individual and more loans to individuals won't be such a necessity.

Chairman PERKINS. To what extent now are your students participating in these programs and how has the commercial program worked down there?

Mr. OSWALD. I think it has worked fairly well, although the State guarantee at this moment is now used up. I think the banks have varied in their participation in it. I believe that the administrative cost part that is suggested for the banks to process the loans is probably a necessity in order to get them more actively involved in these loans.

Chairman PERKINS. Dr. Martin, what is your view?

Mr. MARTIN. I would confirm that, Congressman Perkins. I think it varies with the bank and with the locality. We find many places where they are getting money with ease and other places where the bankers do not fully understand or some who even think the loans ought to be handled in our own hometown which, of course, is not the intention of the Congress, I am sure.

Mr. OSWALD. Mr. Perkins, may I take the opportunity to introduce Vice President Curley of the University of Kentucky who is our principal financial officer and whom I asked to join us at the table.

Chairman PERKINS. I am sorry I overlooked you Dr. Curley. We are all deeply concerned with the wide disparity in the authorizations for our educational programs and the appropriation requests.

As I see it, the most important parts of this legislation are student assistance and support program and services and facilities and equipment support.

My principal interest is whether or not we should establish priorities because of the very tight budget situation. With a limited amount of money, should we fund programs at a reduced level in all categories or should we make our investments more heavily in some and not in others?

And if the latter is the case, would you care to give us your priorities?

Mr. OSWALD. I would say to the extent that there are needy students who cannot go to college other than through some kind of assistance, we must try to keep that at a level to meet these needs. But I think in a sense if we put all of our support, our highest priority entirely in that area, and reduce such things as the Educational Facilities Act not only in appropriations but by proposing to raise the interest of what would be paid on loans, that this may well end up in increasing cost to the students at the institutions which then gets you into the situation of having to have more aid per student and for more students.

So, some kind of balance is necessary to go—and I guess in a sense, Mr. Perkins, that is the background of my suggested statement of purpose of this student assistance, that it does not imply that we can meet really the needs of higher education in full or even partly just by going the student assistance route.

I will say we must try to keep a balance and certainly to keep the Higher Facilities Act as an example as high as we can, recognizing that if we don't, we cannot take the students who will get the aid or we may have to raise the cost of them in order to finance the buildings that we need to build for them.

So, it is a matter of balance and I can't say specifically as to exactly what the balance is.

Chairman PERKINS. Dr. Martin.

Mr. MARTIN. I would say student aid is the most important thing because it is really disheartening when you come to a situation when you finally just have to say to the student we have no assistance for you because our funds are exhausted.

I think the comprehensive aid and all other forms of aid will be helpful because generally you have had more work-study money than you can use because they can't get the other basic needs to come there. That I assume will be corrected if these programs are placed together.

Now I have to say in all candor to the committee that college housing for all practical purposes has evaporated. I do not know where it has gone. We built 14 or 15 dormitories but 2 years ago or thereabouts it just became impossible to build and the amount was cut.

The same thing has happened to higher education facilities. There was a one-third reduction this year. Of course you cannot overlook these programs that you have, I think they are important too, but I would place it in these areas to assist students to attend college because it is probably the only opportunity they will have to attend and they cannot very well wait if we are going to give them education.

Chairman PERKINS. Dr. Johns.

Dr. JOHNS. I would say in the light of the world situation and the problem of funding if you had to pick for a period of time and I am making this condition, for a period of time, I would say the student assistance program should receive the priority.

We can hold off a building, we can make innovations on utilization of facilities, we can pick up that loss. But you cannot pick up the loss of an education of a young person between 18 and 22. He cannot back up. We can adjust brick and mortar.

Life is not affected then. At our institution which is, as you know, in one of the real poverty sections of this country, 75 percent of our students rely on some form of financial assistance to even go to college.

I would say that if we did not have these programs that we would be in trouble. We can hold off a new facility.

Chairman PERKINS. One final question.

This legislation as you all know, involves the extension of several programs. We have so many varying matching formulas, 95–5, 90–10, one-third, two-thirds. Has this brought about a problem to you gentlemen?

Is there some way we can simplify it?

Mr. MARTIN. My own opinion is, Congressman Perkins, that there are certain elements of difficulty in a program in which you start out with 95, 90, 75, 50, because you hold the idea down the line here to the point where you are going to have to find substantial institutional resources elsewhere when the truth of the matter is that I do not think that the crisis will ever pass.

You will need in the future these programs at about the same level as you do at present. Generally the Congress has been good in that they have changed this scale once it has been adopted in the light of the realities of time. But it has always caused this kind of situation and an uncertainty with the institution.

Chairman PERKINS. Are there any further comments, Dr. Johns?

Mr. JOHNS. No, Mr. Chairman.

Chairman PERKINS. I hope I will see you gentlemen and we will be able to get together during the noon hour.

Mr. OSWALD. Thank you.

Mrs. GREEN. Thank you very much, Mr. Chairman.

Congressman Quie, do you have questions?

Mr. QUIE. Yes, I do; Madam Chairman.

On page 5 you speak of the fact that there is going to be an increase in payments to the institution which should not be at the expense of the number of fellowships granted, and I buy that. That is good judgment.

But then over on page 15, you say that on the higher education facilities that we ought to be increasing the percentage of Federal grants to 50 percent and maybe even up to 75 percent on top of a reduction of one-third and then a reduction to $75 million.

It seems a bit inconsistent.

Mr. OSWALD. I will respond by stating that under present level of appropriation where it is so far below the authorization that I would say that it should remain where it is in order to get the maximum number of projects.

This is a longer range position if the appropriations anywhere came near the authorizations.

Mr. QUIE. I could remind my colleagues that would not be $75 million as proposed in the budget this year but something over a billion dollars. That would throw it in an altogether different light.

Do you think that we ought to continue requiring some local matching? You say perhaps even 75 percent. Then I begin to wonder, you know, someone would say if he could really have his "druthers," the Federal Government should pay 100 percent.

Mr. OSWALD. I think there should always be; yes.

Mr. QUIE. In your estimation you think it might even be better to have a 25 percent rather than 50 percent local share?

Mr. OSWALD. Yes, 25 percent local, yes; this is the position of the two associations on this.

Mr. QUIE. For all institutions or just a few——

Mr. OSWALD. No; all of this. This is a program administered by the different State commissions underneath the Federal general regulations. Of course, this would be for all institutions.

Mr. QUIE. Every institution would be able to secure eventually 75 percent of the cost from the Federal Government?

Mr. OSWALD. Yes.

Mr. QUIE. You do feel there ought to be a local matching. Then, also, in your testimony you spoke of the undesirable trend if we followed the Fourth of July speech of the purpose section of 400; that is, if we would provide enough assistance to all students so that none of them would be in need and that this would be unwise.

It seems to me what you are moving toward would be an institutional grant, that is, the Federal Government would make an institutional grant.

Mr. OSWALD. In fact in this document, Mr. Congressman, the major proposal of both associations is a proposal of some form of institutional grant to all types of institutions, public, private, large and small, on some kind of equitable formula basis.

Mr. QUIE. It would be my hope that we could move these categorical programs toward that as well. But if we did, would you want also a matching program, a requirement of the institution to match the grant as is now required? Should they be continued at least at some level for the facility, or do you think that the institutional grant—which would be for current expenses—should be without matching?

Mr. OSWALD. In a sense, it would be institutional in nature and used throughout the institution for supporting the various parts as the institution deems necessary to me the quality and quantity level, that in a sense it is already matched by virtue of the State and private and the other sources of funds that are coming into this.

The proposal is that this would be a grant direct to the institution much as is proposed in a smaller way by part B of the developing institutions whereby graduate schools would be helped generally and there is no suggestion in there of a matching grant.

Mr. QUIE. I recognize there is no matching grant in there but I have noticed on the facilities grants that holding out the possibility of one-third Federal participation has induced private groups and State legislatures to contribute more freely to college buildings in the last few years than previously had been the case.

I was wondering if the institutional grant would have the same inducement for private donors or State legislatures to contribute more for the current expenses as well which you say are two of the three ways that colleges receive their assistance?

Would there be any benefit, by the same token, to have matching of current expenses as you do for facilities?

Mr. OSWALD. I think there has to be an indication in any proposal that certainly the moneys that would be coming in the form of an institutional grant could clearly not be in lieu of, say, State support or in lieu of other forms of support. We would have to make it quite clear that this was administered in such a way that it would be in addition to or on top of, because I think you would be defeating your purpose if an institutional grant should come in such a manner that you would feel that a State had less responsibility.

I think some mechanism would have to be developed in any institutional program to obviate that problem that I think you are working toward.

Mr. QUIE. Whether or not we should have matching has been one of the considerations in the legislation.

In the elementary and secondary education sphere, I have come to the conclusion that perhaps we ought to drop the matching. For, if the needs are so great that they will see them on the local and State end—these needs will be taken care of at their end—the Federal Government should make the grants as necessary.

Mr. OSWALD. I think this should be true in higher education but it should be true that as they came they were an enhancement rather than in lieu of.

Mr. QUIE. On page 12, you suggested that we terminate the interest on the insured loan program 1 year after graduation. I think this is a good idea. It would help the Federal Government in its cost of running the program. Having the subsidy program only a subsidy while they were in college, or as you mentioned 1 year after, it would then compare favorably, the college to the Federal Government, as is the case in the national defense education student program.

When it comes to the loans for academic facilities and dormitories, this applies only to academic facilities, there you suggest we not require the institution to pay any more interest but leave it at 3 percent even though this was kind of a short duration and the Federal Government found itself running into severe financial difficulties, and they have not been able to agree to do that in the last couple of years.

Mr. OSWALD. The problem in the latter instance is that to the extent you increase the interest rate you increase the cost of financing a particular building and it may well find its way back into an increased charge to the students to come to the institution, as opposed to the other manner which is the relationship between that student from a middle-income family and the lending agency, whereas the other is an institutional matter and to the extent that you have a higher interest rate you can either get less facilities for your money or you have to increase the student costs in order to finance it.

Mr. QUIE. It could also be that the State legislature would find it necessary to appropriate a little more money because the interest rate was a little bit higher now. They would have the choice of having their own tax-free bonds.

What help would it be to the Federal Government if it subsidized the private funds? It seems to me the cost would be the same or even higher for the Federal Government than the present arrangement or the previous arrangement where it charged the cost of money to the Federal Government.

Mr. OSWALD. May I ask Mr. Curley to answer that?

Mr. CURLEY. Are you talking about the interest subsidy?

Mr. QUIE. Yes, the interest subsidy on private bonds.

Mr. CURLEY. One of the principal purposes of suggesting the interest subsidy is to broaden the availability of capital at 3 percent beyond the value of the direct loan program.

The direct loan program is proposed at $150 million for next year and by adding approximately $10 million you could probably increase the availability of capital at 3 percent for higher education several fold.

This is what we are proposing.

Mr. QUIE. But the increase in availability of that kind of capital is going to cost the Federal Government that much more.

Mr. CURLEY. Yes, it will.

Mr. QUIE. If we accepted the administration proposal, we probably would increase the availability of capital and reduce the cost to the Federal Government because now there is no reason why any of the private concerns should compete with 3-percent interest loans—but they may be willing to compete with the ones at the cost to the Government.

Mr. CURLEY. We are suggesting that the interest subsidy program for capital facilities be in addition to the direct loan program so that, when the direct loan program is exhausted, institutions will not have to delay facilities but can generate a capital source in the private market subsidized by the Federal Government down to 3 percent.

That is the nature of the suggestion.

Mr. QUIE. My last question then would be in a way referring to the chairman's questioning about setting priorities.

Why do you set such a high priority on title I of the Higher Education Act?

As I listened to your testimony, you did not really criticize the lack of funding of other programs other than the Academic Facilities Act which, of course, was a reduction each year.

Under title I of the Higher Education Act, there is no reduction, it is the same, it will continue at the same level, so nobody should be hurt. They can't, however, expand as much as they want to.

Mr. OSWALD. If I intimated in my testimony that it was a very high priority, I was misunderstood. I indicated that some very worthwhile programs have gotten underway in this and that a lot more could be done if we could get this up to the level of funding.

But as far as contrasting that one with the title I of the Higher Education Facilities Act, in my judgment they are in a quite different area of priority.

Mr. QUIE. Thank you.

Mrs. GREEN. Dr. Oswald and Dr. Curley, I want to turn to student aid proposals. You have recommended that the interest subsidy be terminated 1 year after graduation. How do you feel about the interest on NDEA loans? Would you raise that up to the cost to the Government or would you put it up to 6 percent, the same as the guaranteed student loan, a year after graduation?

Mr. OSWALD. I would comment briefly. I think we have a different situation in that there is not a need factor in the guaranteed student loan. This is aimed at the middle-income families of up to $15,000.

On the other hand, in the NDEA loans there is quite a need factor involved in the application and the selection for a loan.

Mrs. GREEN. But at what point is the need after graduation? Is there a difference in need upon graduation from a university between a student who comes from a $4,000 income family and one that comes from a family with a $10,000 income? Isn't the need the same at the time of graduation?

Mr. OSWALD. It is if you disregard the potential of the family in the process of helping launch a young man into a graduate school or into a professional or productive work status.

Mr. CURLEY. I think that is basically the feeling of the associations, that the student receiving the NDEA loan is from a different strata.

Mrs. GREEN. The capacity to earn is the same.

Mr. CURLEY. I beg your pardon?

Mrs. GREEN. Is their capacity to earn upon graduation theoretically the same?

Mr. CURLEY. I think basically it is.

Mrs. GREEN. Let me ask you the next question.

Would you put greater involvement of the financial aid officer at the college or university in the guaranteed student loan program?

Mr. OSWALD. I think I would answer the last part, yes.

I think there should be a greater involvement of the financial aid officer so that the banks can clearly have a mechanism whereby they are in touch with the college in relationship to this individual and so forth.

As far as the strict needs test, I think probably that might get away from the purpose, as I understand it, Mrs. Green, of this particular program, of meeting a somewhat different level of students as far as their ability to pay and yet ones for which college is in a sense a hardship on the parents.

Mrs. GREEN. I would not suggest the same kind of needs test that we have under NDEA but it seems to me we could devise the needs test to decrease the chances of abuse. An example was given me yesterday, of a student who turned in his 1968 Firebird and bought a 1969 Firebird with his GSLP.

With the budget tight as it is, it seems to me it would be bad for this committee to recommend legislation whereby we create the possibility of families making money on the program instead of really helping students go to college.

Dr. Curley, under NDEA, at what time does the loan become delinquent?

Mr. CURLEY. I would say after about a year. I am not sure, Mrs. Green.

Mrs. GREEN. What do you do then? What is your procedure?

Mr. CURLEY. We run a very husky pursuit of the student. We have not and do not engage a collection agency but we do put forth a very detailed effort within the institution.

Mrs. GREEN. Is this a real problem to the institution?

Mr. CURLEY. I would not say it is a major problem in our institution, Mrs. Green. I think we have a very small percentage of delinquencies. Our major problem really is maintaining proper location and address of the student, the name of female students that change when they get married, this kind of thing, is really a very difficult record keeping problem.

Mrs. GREEN. One of the major arguments for going into a guaranteed student loan program is the presently increasing burden we place on the university. If we expand the number of loans, both the paperwork to make the loan and the collection increase, especially the collection and its cost.

As I understand it, under the guaranteed student loan program a bank makes the loan. However, yesterday I was told by someone, I must say I have no quarrel with his critique, that 90 or 120 days after the loan is due it would be delinquent and they would go to the guarantee agency and turn it over to them for payment, because the bank will not pursue the delinquent student in an active sort of way.

So they really are turning over to the Government the problem of collecting as well as its cost. So we still must deal with it.

Mr. CURLEY. You are relocating the problem.

Mr. GIBBONS. May I point out there that the borrower pays the fee for that at the time of borrowing. That is one of the principles involved in the guarantee program as I understand it.

Every borrower puts up a quarter of 1 percent or something like that. Of course, the Federal Government has a lot better chance to collect it because they can go to the person's income tax return or the person's social security return, they can locate a person like that. They can cross State lines and it makes it much easier.

Mrs. GREEN. If we wanted to follow the procedure, though, we could do the same thing under NDEA.

Mr. GIBBONS. I think we ought to. I am not rebutting you. I am trying to add onto what you are saying.

Mrs. GREEN. Dr. Oswald, this committee has asked General Hershey and he has agreed to come tomorrow to discuss the impact of current draft policy on graduate education.

Would you comment on the current draft policy as you see it, not only its impact on your own institution but on other graduate schools across the country?

Mr. OSWALD. Yes, Mrs. Green.

The National Association of State Universities and Land-Grant Colleges this past week, the executive committee which is made up of mostly presidents of some of the major land-grant colleges around the country, spent a great deal of time on this matter.

They adopted a statement including four very simple statements of principle. I subscribe completely to these as far as my own institution.

If I might read these four points:

(1) The recently announced Selective Service regulation will have their major impact on the oldest eligible young men. We consider this impractical.

(2) If these regulations prevail, universities will be unable to fill their responsibilities to the Nation. This is not in the national interest.

(3) In other than medical, dental and applied specialties, blanket deferments for graduate students are not now necessary.

(4) Universities can perform the services the Nation expects of them if the selection falls equitably on all ages in the eligible pool. This we recommend. The statement is consistent with the Statement of Policy adopted by the full association at its last annual meeting and subsequently transmitted to President Johnson.

Information before the committee was to the effect that implementation of this recommendation can be carried out administratively within existing law. Although the law requires that within designated age groups the order of call be the oldest first, the law also authorizes designation of age groups from which monthly inductions calls shall be filled and spreading the impact of induction falls variously among the age groups designated.

In other words, we in the universities, certainly represented by our association, are not proposing blanket deferments for graduate students, and particularly this class which has now become eligible, the graduating seniors and those finishing the first year.

However, we recognize that under the present administrative regulations that this age group, 22, 23, 24, the major impact of the subsequent draft calls will fall on that particular group.

What we are urging is that the group that is now eligible, 19 to 26, all of these people who are eligible in that group be pooled and be considered for the purpose of the pooling as one age and then they can be drafted according to monthly birthdays so that a great number of graduate students and graduating seniors will be called but it will not be the only group or the principal group at that age which is called and, therefore, it would spread this out over the group.

This is generally, Mrs. Green, the position that we have taken, not for blanket deferments but so that it can fall equitably in this whole age group.

We recognize clearly that random selection is not permissible under the present law and that that would require a change in the law. But we feel that administratively this step that we urge could be taken.

Mrs. GREEN. To clarify one point, you would continue college deferments for undergraduates?

Mr. OSWALD. Of course, that is in the present law.

Mrs. GREEN. You would continue that, you would not recommend a change?

Mr. OSWALD. Now the association, Mrs. Green, has not taken a position on this. I think my own personal position would be that if there is to be random selection, as changed by a new law, that all ought to be included, including the undergraduates, if this change were made to a random selection.

Mrs. GREEN. Thank you very much.

Congressman Brademas, do you have any questions?

Mr. BRADEMAS. Thank you, Madam Chairman. Thank you very much, Dr. Oswald, and your colleagues.

Madam Chairman, I came in late so I don't know if my question is relevant, but I would like to ask unanimous consent that this document entitled "Recommendations for National Action Affecting Higher Education," produced by the associations Dr. Oswald represents, be included at some point in our hearing.

Mrs. GREEN. In the record or in the files?

Mr. BRADEMAS. It is not very long. I should think it would be useful to have it in the record.

Mrs. GREEN. Without objection, it is so ordered.

(The document referred to follows:)

Recommendations for National Action affecting Higher Education

A JOINT STATEMENT

American Association of State Colleges and Universities

National Association of State Universities and Land-Grant Colleges

JANUARY 1968

THIS STATEMENT OF POLICY

POSITIONS CONCERNING

Recommendations for National Action affecting Higher Education

WAS JOINTLY ADOPTED BY

THE NATIONAL ASSOCIATION OF STATE

UNIVERSITIES AND LAND-GRANT COLLEGES

AND

THE AMERICAN ASSOCIATION OF STATE

COLLEGES AND UNIVERSITIES

IN SESSIONS HELD

NOVEMBER 12-15, 1967

IN COLUMBUS, OHIO

THE NATIONAL ASSOCIATION OF STATE UNIVERSITIES AND LAND-GRANT COLLEGES

consists of 99 state and land-grant universities and colleges located in each of the 50 states and Puerto Rico. Together, these institutions grant more than one-fourth of all baccalaureate degrees and almost three-fifths of all the doctoral degrees awarded by American institutions of higher education.

Founded in 1887, the Association is the oldest organization of institutions of higher education in this country. It is a completely independent organization that determines its own policies and procedures by action of delegates representing all member institutions in annual convention.

Officers:

Chairman of the Executive Committee

President James H. Jensen
Oregon State University, Corvallis

President of the Association

Chancellor W. Clarke Wescoe
University of Kansas, Lawrence

President-Elect of the Association

President Fred H. Harrington
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Executive Director of the Association

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AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

consists of 235 institutions and eight statewide systems of state colleges located in 44 states, the District of Columbia, and the Island of Guam.

Approximately 1.3 million students – or one out of five college students in the United States – attend the type of institution represented by the Association. These institutions are the fastest growing degree-granting institutions in the nation.

The membership includes comprehensive institutions which have developed from single-purpose teachers colleges, newly-established state colleges and universities, technological institutions, and former municipal and junior colleges which have become state institutions.

Officers:

President of the Association

President G. Tyler Miller
Madison College
Harrisonburg, Virginia

President-Elect of the Association

President George F. Budd
Kansas State College of Pittsburg
Pittsburg, Kansas

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INTRODUCTION

In the pages that follow, the Associations cooperating in this statement outline their views of the needs for national action in the area of higher education, both in the immediate future and for the years ahead. The index provides a ready reference to particular topics.

What We Favor

In broad outline, these Associations favor national action designed:

* **To strengthen the capacity of institutions of higher education to provide quality educational programs at all levels for students with a wide range of backgrounds and interests, and at a cost that most students and their families can afford.**

Such programs include, but are not limited to:

Federal grants for the construction of academic facilities, supplemented by Federal loans.

Federal loans for residential and related facilities, at subsidized interest rates when necessary to keep charges to students within reason.

Operating support for all accredited institutions that can participate, so devised as to stimulate and not to replace other public and private sources of support.

* **To extend the frontiers of knowledge through basic research and to bring the results into use in solving human problems through applied research.**

Such programs include both the support of basic and applied research as such and post-baccalaureate and post-doctoral fellowship and traineeship programs designed to prepare individuals to make their maximum contribution to the advancement of knowledge.

They include the work of the National Science Foundation, the National Institutes of Health, the fellowship and research programs of the U.S. Office of Education, the research and related programs of the U. S. Department of Agriculture, the National Aeronautics and Space Administration, and other Federal agencies.

* **To improve the competence of individuals in their professional and vocational capacities through such programs as the Education Professions Development Act, the wide range of special institutes assisted by various Federal agencies, the proposed Intergovernmental Manpower Act, and many others.**

* **To make the resources of our universities and colleges available beyond the limits of the campus in helping solve the problems of urban and rural poverty, in giving individuals oppor-**

tunity for self-improvement and for the updating of professional and technical competence, and in strengthening the capacity of state and local governments to discharge their increasing responsibilities. Examples include the Community Services and Extension Act, the Cooperative Extension program, the State Technical Services Act, the Regional Medical Programs Act, and urban research, fellowship, and related programs.

* To enrich the quality of human life through the arts and humanities.

* To provide genuine access to educational opportunity and thus, in great measure, to equality of opportunity in life for the economically and culturally deprived, through such programs as educational opportunity grants, work-study programs, aid to developing colleges, and the Upward Bound program.

* To strengthen the capacity of the institutions of this country, public and private, governmental and non-governmental, to assist the developing countries of the world, and to increase the capacity of individual citizens to understand the role and responsibilities of the United States in the world community. Examples include the International Education Act, international technical and cultural assistance and exchange programs, area and language programs, etc.

What We Oppose

These Associations are strongly opposed to proposals that, by intention or not, would have the effect of:

* Throwing substantially more of the cost of higher education on the student, rather than on society, which is the chief beneficiary of higher education.

* Increasing discrimmination against low-income students and their families.

* Reducing the accountability of those who receive public funds for their use, through programs designed to circumvent Congressional legislative responsibility for determining the allocation of public funds and the purposes for which they are used.

Such programs include:

Proposals for tax credits for tuition and required fees.

Loan programs the effect of which would be to force an increase in institutional charges to students and indenture individual future income over long periods of years ("Educational Opportunity Bank").

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Excessive reliance on attempts to finance education through payments to students to meet rising charges, rather than through programs making it possible for institutions to hold down their charges to students.

Budgetary and Financial Considerations (Priorities)

These Associations are mindful, as are all Americans, that implementation of many of these recommendations may not be possible in the light of war demands and pressing needs of other areas of domestic and international concern.

They urge that, if there is no change in budgetary demands associated with war, priority should be given to adequate funding of already established and ongoing Federal programs.

These include, among others, support for research and advanced graduate and professional education, academic and housing facilities, assistance for students from low-income families, aid for developing colleges, public service programs focused on distressed urban and rural communities, and essential international programs.

New Initiatives

If conditions change to permit new initiatives in Federal programs for higher education, first priority should be given to the necessity for general institutional support to colleges and universities, along the lines outlined in this document.

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I. NEEDED: A MAJOR ADVANCE IN AMERICAN HIGHER EDUCATION THROUGH SUPPORT OF COLLEGES AND UNIVERSITIES AS INSTITUTIONS.

At no time in modern history have the opportunity and need for a major American advance through higher education been as great as they are now.

There have been great improvements in primary and secondary education, both in the percentage of young people finishing high school and the quality of their preparation for further education.

It is clear, however, that the American ideal of equality of opportunity for all depends for its realization on making post-high-school educational opportunity a reality for the culturally and economically disadvantaged, who constitute both the greatest untapped human potential of our society and its greatest problem.

Our social and technological development has steadily reduced the necessity for expending human resources on routine work and created an almost unlimited demand for trained intelligence and disciplined, inquiring minds.

The potential of the university as a resource in solving the problems of our society has been dramatically proven. Federally supported university research and extension work in agriculture provide a great example to America and the world of what the marriage of the advancement of knowledge and its application in the lives of the people can do. Similar advances can be cited in other areas. Demands for speeding cultural and industrial advance and for solving the problems of our cities and of the distressed and dispossed whose manual skills are no longer needed in our rural areas are clear and insistent.

Calls for the college and university to help our society find solutions for its multiple problems and to exercise the leadership for which their staffs are uniquely qualified have multiplied.

These, and the need to accommodate increasing numbers of qualified young people seeking higher education, have increased far faster than have the resources available to respond.

Federal aid designed to help the economically deprived gain access to college has, ironically as it may seem, actually reduced the capacity of our colleges and universities to educate these same young people by drawing resources from their instructional budgets to administer and match Federal student-aid programs. Programs in support of research, productive and essential as they have been and are, have, because of their project and mission orientation and cost-participation requirements, served to some extent to draw resources and emphasis away from undergraduate education, rather than to complement and strengthen it as they should.

Measures designed to conserve the operating resources of colleges and universities and to enable them to hold down their charges to students while continuing to provide quality education for greater numbers — such as the academic facilities grant and loan programs and the college housing program — are inadequately funded or have excessive matching requirements, or both.

All Federal programs relevant to higher education have suffered during the past year because of the exigencies of a wartime budget, inflationary pressures, and the urgent needs of other high-priority national programs.

Despite the expansion of Federal assistance in education in various areas, it is upon the states and their tax resources that the major costs have fallen of expanding the wide variety of needed public programs in education at all levels and in other fields. The potential for expansion of support from this source is already limited in many states. Public institutions, which have carried the major initiative for expansion to keep opportunity open, find this responsibility an increasingly difficult one to discharge with distinction. To maintain quality, they have raised student charges substantially, turned away qualified students, limited enrollments, and refused requests for urgently needed public service. Even the strongest private colleges and universities, with already high student charges, report they are faced with the certainty of mounting deficits if present trends continue.

Some see the solution to the problem of financing higher education in shifting more and more of the cost of higher education to the student and his family. But the student, in economic terms, is already paying three-fourths of the cost of his education through various types of required charges and foregone earnings. For the most affluent society in history to deny responsibility for even a minor fraction of the cost of the higher education of its future leaders seems preposterous.

The major advance needed at this point in our history calls for Federal aid in such forms and in such variety as to strengthen all colleges and universities from the weakest to the most prestigious.

The path to great achievement in cultural, social, and economic advance is well established. It is the education of all Americans to their highest potential and the fullest use of the special resources of our higher institutions in research and public service.

It involves continuation and expansion of most programs already under way, particularly in the areas of research, extension and public service, facilities aid, and special aid for both economically deprived individuals and institutions.

But more than that, it requires broad Federal support on an institutional basis: support which will encourage expansion while reducing pressures on student charges; support which will maintain quality in the face of rising costs; support which will recognize that qualitative differences among institutions must be cured by "levelling up" rather than levelling down and that quality lies in the excellence of performance of their different functions by a wide variety of institutions, each according to its own purposes.

There are legitimate grounds for differences of opinion and judgment as to the merits of various plans and formulae for broad institutional support. The century-old experience of the land-grant institutions and the more recent use of the principle of general operating support in certain of the health fields have, however, demonstrated both that acceptable formulae can be found and that broad Federal institutional support, always supplementary and complementary to other established sources, is entirely compatible with the academic integrity and institutional autonomy of our colleges and universities.

The National Association of State Universities and Land-Grant Colleges and the American Association of State Colleges and Universities believe that the field of science offers the best opportunity at present for the initiation of a new program of institutional support, which can, if experience warrants, be broadened to include other fields. By "science," we mean the broad use of the term to include the social sciences, natural sciences, engineering and applied sciences, and mathematics (as they are already defined by the National Science Foundation).

There is now a long-standing precedent of Federal support of scientific research and of institutes for the improvement of instruction in the sciences. The heavy emphasis on mission-oriented and project support in the sciences and the relative concentration of support in the major universities which are staffed to conduct this type of basic and applied research have created widespread public interest in the procedures and processes by which research support is allocated.

These programs have been of great national value and should be continued and expanded. At the same time, we believe broad institutional support is needed, and that its initiation will strengthen support for concurrent expansion of existing programs. The community college, the primarily undergraduate college, and the university would all be strengthened by support in the sciences that could be used to improve instruction, initiate research, and strengthen the preparation of elementary and secondary teachers in the natural and social sciences.

We are mindful of the need for increased support in the humanities and of objections that may be raised to a program initially limited to the natural and social sciences. Nevertheless, we feel that new and comprehensive institutional support may best be initiated in the natural and social sciences, where there is long experience with and wide acceptance of Federal participation and a substantial and experienced Federal administrative staff in being in the National Science Foundation.

Meanwhile, we urge rapid expansion of the National Foundation for the Arts and Humanities and believe that inclusion of these areas on formula support on an institutional basis can best be considered after there has been some body of substantial experience with the sciences.

The National Institutional Grants program proposed by these Associations provides broad support for all types of institutions of higher education to complement, and not to supplant or diminish, present programs, and is based on a three-part formula:

(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 <u>all</u> institutions but, by funding introductory courses equally with advanced undergraduate courses, gives favored treatment in relation to costs to institutions with a large volume of introductory courses, such as community colleges and degree-granting institutions emphasizing broad undergraduate, rather than highly specialized, instruction.

The last part, based on the number of advanced degrees awarded, gives special emphasis to institutions not now participating substantially in existing Federal fellowship and trainee programs by weighting intermediate degrees equally with the doctorate and by including degrees involving teacher preparation in the formula.

While each individual segment of the three-part formula may be criticized separately as being inequitable to various types of institutions, we believe that the proposal taken as a whole and in connection with existing programs in the sciences, presents a balanced, equitable approach and would constitute a major breakthrough toward meeting the problem of strengthening and upgrading all higher education.

Together with other programs discussed below, this program would go far toward making it possible for all of America's colleges and universities to keep the doors of higher education open without sacrificing quality and to free resources needed for response to the many demands for assistance in solving the urgent problems of our time.

II. AID FOR FACILITIES, HOUSING.

In addition to the initiation of a new program of general operating support described above, substantial expansion and modification of existing Federal programs designed to keep educational opportunity open by keeping charges to students down are needed. We regret that during the past year these programs have been sharply curtailed either by appropriations or administrative actions.

(A) Aid for Adademic Facilities.

In the first session of the 90th Congress, authorizations for grants for undergraduate and graduate facilities aid programs were substantially expanded, but funding was — unfortunately — cut below previous levels.

We recommend:

(1) That the Federal proportion of matching grants for both undergraduate and

graduate facilities be increased to up to 75 per cent of the cost of such facilities.

(2) Special attention should be given the need for graduate facilities in the light of substantially increasing enrollments and the clear national interest in advanced education and research.

(3) With respect to undergraduate facilities grants:

(a) While the primary justification for the program continues to be to assist in the substantial expansion of enrollment capacity, special attention should also be given to the need for removal or modernization of obsolete facilities.

(b) Federal law should be modified to permit allocation of funds within each state according to demonstrated needs.

(4) The undergraduate facilities loan program legislation should be amended, and the program expanded, along lines suggested for the College Housing Loan Program (see below), in order that adequate loan funds be made available without excessive pressures on the Federal budget.

(B) College Housing Loan Program.

Since its initiation in 1950, the College Housing Loan Program has been tremendously successful in helping provide living accommodations for a rapidly expanding college population at reasonable charges to students.

Since early in 1966, however, it has been virtually "frozen" by administrative action, despite the existence of a combination of the revolving fund and new lending authority totalling several hundreds of millions of dollars.

A study sponsored by the American Council on Education contains minimum estimates of a Federal program loan need of approximately $1 billion a year for the next 10 years. We accept and support these estimates.

We reiterate our recommendation that present legislation be amended in such a way as to assist higher education in generating a capital funding source of not less than one billion dollars each year for the next 10 years for single and married student housing at an interest cost of not more than 3 per cent and for debt terms of not more than 50 years.

Several alternative methods are available to assist in provision of such a capital source.

Legislation to implement one of these methods was introduced in the 90th Congress by Representative Mink in the House and Senators Javits and Proxmire in the Senate and has been approved by the Senate Banking and Currency Committee. It provides for continuance of the direct Federal lending program and its augmentation through the private capital market at minimum Federal cost through an interest subsidy. This proposal minimizes budgetary pressures and the need for new Treasury borrowing by generating a substantial portion of the new capital needed through the private market. For this reason, the Associations have supported and continue to support its enactment by the 90th Congress.

In the same financial framework suggested above for single, married, and graduate students, the Associations also recommend:

(1) That specific provisions be made for assistance in the rehabilitation of existing college housing.

(2) That specific provision be made to provide for housing of those staff members of medical centers whose services are needed on an "on-call" basis.

(3) That assistance in the provision of student-center facilities be continued.

The Associations recommend that the policies, practices, and regulations of the Department of Housing and Urban Development applicable to the College Housing program be reviewed and revised, particularly with respect to debt-service and maintenance reserve requirements.

III. DIRECT SUPPORT OF GRADUATE EDUCATION AND RESEARCH.

(A) Graduate Fellowships and Traineeships.

(1) Doctoral Programs.

The graduate programs of the National Defense Education Act and those administered by the National Science Foundation and other Federal agencies have done much to remove economic barriers to graduate programs and to help keep our country supplied with its scarcest and most valuable manpower resource. The 1964 amendments to N.D.E.A. also make it possible to assure that present resources in existing graduate schools of high quality are fully used. These Associations strongly urge the restoration of N.D.E.A. Title IV fellowships to the authorized 1967-68 level and the funding of a continuing expansion of this and other Federally supported fellowship programs in keeping with the fundamental nature of their contribution to the continued progress of our Nation.

(2) Master's and Intermediate-level Programs.

There is also need for the support of fellowships and traineeships at the master's and intermediate-degree levels to meet the heavy and increasing demand for college teachers within the broad spectrum of institutions of higher education. The junior and community colleges in particular have critical staffing needs. Passage in the 90th Congress of the Education Professions Development Act provides the necessary statutory authority for the establishment of significant programs to meet these and other needs. The U.S. Office of Education is urged to develop plans for the program flexible and broad enough to permit graduate schools to design a wide range of proposals to meet the varying needs for faculty members in post-high-school institutions.

(B) Federal Support of Research and Education in the Sciences.

(1) Institutional Support in the Sciences

The greatest unmet need in the Federal support of science in this country today is an institutional support program through which flexible, predictable funds can be made available to the institutions of higher education on a continuing basis. To meet this need, these Associations have designed and are supporting the National Institutional Grants Program outlined in the first section of this report. Our Associations commend Representative George P. Miller and others for their sponsorship of this proposal (as H.R. 875 and similar bills) and strongly urge its enactment during the 90th Congress.

(2) Support of Basic Research.

Basic research uniquely provides the building blocks upon which social and economic progress is erected. The need for the expansion of man's knowledge of himself and the world in which he lives accelerates as he himself becomes increasingly responsible for his own environment, creating along the way difficult and complex problems such as those related to air and water pollution, urban congestion, over-population, and actual physical survival in an age in which man has the ability to destroy himself absolutely. The need for basic information cannot be met on a crash basis when a crisis arises, but can only be met through the continued, dedicated support of those equipped through training to explore the unknown. Because this is true, the fiscal demands of the war effort must not be permitted to disrupt support programs in this area. We urge upon the Congress and the Executive Branch of the government expansion of support for basic research consistent with its fundamental role in the continued progress of our country. We urge this especially in connection with the funding of the programs of the National Science Foundation and the National Institutes of Health, which have primary responsibilities for the support of the unique capability of institutions of higher education for the conduct of basic research.

(3) Indirect Costs of Federally Sponsored Activities.

The Associations commend the Congress for its recognition that the indirect costs of research are real costs that, unless fully reimbursed, constitute a serious drain on the resources of the university — resources that are required for carrying out their primary instructional function and for conducting research in areas where Federal support is limited or lacking. Because this is true, the Associations strenuously object to the mandatory cost-sharing concept introduced in recent Federal legislation. Simple equity dictates that institutions making available their physical and human resources to assist in the attainment of national objectives receive the full costs for doing so, especially when the cost sharing reduces their ability to contribute to the attainment of other, and equally important, national objectives. The Associations consequently urge the Congress to eliminate the cost-sharing requirement and provide additional funding to implement the policy of full reimbursement of indirect costs to make it possible for Federal agencies to fully apply the principles of Bureau of the Budget Circular A-21 in the research relationships between the Federal government and institutions of higher education.

IV. FEDERAL ACTION FOR OTHER EDUCATIONAL PURPOSES.

(A) Education in Health-Related Fields.

The Associations commend the 90th Congress for its recognition of the need for substantial programs of support for education, extension activities, and library services in health-related fields through the enactment of the Health Professions Educational Assistance Act, the Allied Health Professions Educational Assistance Act, the Regional Medical Programs Act, and significant expansions of existing legislation. Legislation providing aid for the operation of instructional programs, for library services, for scholarship support, for expansion of educational facilities, and for regional efforts for continuing education and the dissemination of the most advanced medical knowledge will make substantial contributions toward the expansion of professional education in these areas.

Because of its demonstrated effectiveness in increasing the supply of badly needed nurses and in improving the quality of nursing education, the Associations recommend the continuation of the Nurses Training Act of 1964 and urge, additionally, that scholarship assistance be made available for undergraduate students in collegiate schools of nursing and that direct operational support be authorized and made available to schools of nursing conducting collegiate programs for increasing enrollments.

We are gratified that schools of pharmacy and veterinary medicine are now eligible, under the Health Professions Educational Assistance Act, for aid in the construction of educational facilities. We urge that both authorizations and appropriations for construction assistance be increased substantially to cover adequately the needs in the newly eligible fields. Further, we note with concern that eligibility for assistance for the schools of pharmacy and veterinary science is limited to construction aid. We urge corrective legislation to end this discrimination to major health-related fields, especially as concerns eligibility for basic and special improvement grants for support of the instructional function at schools of pharmacy and veterinary science.

(B) Increased Support for the Humanities and Arts.

We thank the 90th Congress for their increased support of the programs included in the National Foundation for the Arts and Humanities. The need to correct the imbalance between Federal support in these important areas with those for science and related fields calls for sharp expansion of funding of these Foundations in the years ahead. We reiterate our belief that, while maintaining active programs of individual and project grants, the new foundation should give major emphasis to the support of institutional programs.

(C) R.O.T.C. Programs and Facilities.

The Reserve Officers' Training Corps programs conducted by the Armed Services, in cooperation with our colleges and universities, have long been the chief source of officer personnel. No other method of officer procurement approaches these in terms of low cost to the Federal government and of the high quality of officers furnished to the Armed Services. In view of the fact that the colleges and universities are making a very significant contribution to the national security through the R.O.T.C. programs, the Department of Defense is urged to give further consideration to a provision for reimbursement of some part of the total costs for operating programs that have, as their primary objective, the production of military personnel. Further, these Associations support the Army and Air Force in their efforts to maintain efficient R.O.T.C. programs and to discontinue those that are clearly inefficient. The effect of present Selective Service deferment policies on R.O.T.C. enrollments is a matter of serious concern.

(D) Educational Research and Development Program.

The relatively modest Federal expenditures for educational research and development have produced useful results despite some lack of clarity in the Federal structures for their administration. Consultation with knowledgeable persons outside the Federal government, coordination of overlapping programs of Federal support, and continuity of program objectives and planning would all improve

Federally assisted educational research. An important missing ingredient may be supplied by the Education Professions Development Act for the support of programs to meet the critical shortage of qualified researchers in the field of education.

Federal support of research and development centers, regional laboratories, and other research and development efforts have made possible significant contributions to the advancement of knowledge concerning the education of children and youth. To date, however, there has been no comprehensive assessment of these activities, nor has there been a definitive statement by the profession of reasonable goals and priorities for educational research and development in the national interest. These Associations therefore recommend that extensive discussions and deliberations involving appropriate representatives of these and other national educational associations be initiated to 1) identify the categories of educational research and development needed to meet the educational requirements of the nation; 2) establish goals and priorities within these categories that should be reached within the next decade; 3) make an inventory of the research and development currently underway within these categories; and 4) estimate the commitments in personnel and other resources that must be made to attain the established goals.

(E) The Education Professions Development Act

All levels of education — from pre-school through graduate school and including vocational and adult education — need a greatly expanded supply of teachers and other professionals. The Education Professions Development Act passed by the 90th Congress should help our colleges and universities meet this critical need. It should also permit identification of those areas most in need of support and provide that support without the imposition of specific categorical legislation to fund it. New, improved, or markedly expanded programs of pre-service and inservice teacher education should be supported at both undergraduate and graduate levels. Congress is urged to fund the Act at the authorized level for fiscal years 1969 and 1970.

Adequate provision for consultation and advice with a broad base of school and university

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personnel will be an important factor in the effectiveness of the program. Since the member institutions of these Associations prepare about half of all elementary and secondary school teachers certified each year, it is urged that their central role be recognized through appropriate representation on the advisory bodies concerned with the implementation of the programs under the Act.

(F) Research and Extension in Agriculture and Related Fields

The cooperative programs of research and extension in agriculture and related fields between the Federal government and land-grant institutions has been conspicuously successful both in its results and in the absence from the relationship of many of the problems that characterize government-university relationships in other areas, where the emphasis is on project rather than university orientation. However, Federal support for the programs has in recent years lagged substantially behind rising costs, requiring the states to carry an increasing proportion of the cost of maintaining the programs and restricting needed expansion. There is strong evidence of a changing public attitude toward agricultural research and extension, as the public becomes aware that our situation is no longer one of a surplus problem but one of inadequate supplies of many agricultural products to meet both domestic needs and urgent international commitments. Rising prices have brought greater public understanding of the fact that the chief beneficiaries of efficient agricultural production are the consuming public, now heavily concentrated in large urban areas.

A major long-range cooperative study of agricultural research needs by the Department of Agriculture and the National Association of State Universities and Land-Grant Colleges furnishes, we believe, a sound basis for the needed substantial expansion for agricultural research. A similar cooperative study of agricultural extension is now being made and will, we believe, provide an equally sound basis for future support in this vital companion program.

(G) Aid to Developing Colleges.

The Associations strongly support and urge the continuance of the program of aid to developing colleges, which is of special importance in the strengthening of colleges now predominantly attended by Negro students. A high percentage of Negro students enrolled in such colleges attend the public colleges and universities represented in the membership of these Associations. The experience with the limited funds available for this program thus far indicates that the yield on the investment is high indeed and merits continuing support.

(H) Computer Facilities and Programs

It has become clear that computational facilities and services are rapidly becoming an educational and research tool as basic to adequate higher education as the library. We agree with the Panel on Computers in Higher Education which last year reported to the President's Science Advisory Committee "both the individual's opportunities and progress and the progress, well-being, and stature of our society can be increased by adequate computing facilities for our colleges and universities." We are gratified at the importance given this matter by the President and the prompt response of the National Science Foundation within the limited resources at its command. It is clear, however, that institutions will not be able to provide adequate budgets for facilities and programs of research and instruction in this area without greatly increased assistance from Federal sources. We therefore urge that existing support programs in this area be continued and strengthened and that they be supplemented through the establishment of a broad program of assistance to all institutions of higher education for the acquisition and maintenance of adequate computer facilities and services to provide the basic educational experiences today required of all young men and women for productive careers, whatever their chosen fields. Legislation for this purpose should be broad enough to permit cooperative arrangements among institutions where it is not feasible to maintain this type of capacity on a single-institution basis.

(I) Establishment of New Federal Degree-Granting Authority and Institutions.

In recent years, many efforts have been made, some successfully, to authorize the granting of advanced academic degrees by Federal agencies or establishments. We believe these efforts arise from basic confusion as to the nature of a university, the significance and meaning of the academic degree, and the resources of the non-Federal academic establishment.

The basic characteristic of the university as a center for the advancement of knowledge is one of free inquiry, free exchange of the results of research with other scholars in the field, and free criticism. Another characteristic is the opporutnity offered for educating young men and women in the processes and methods of research. The advanced academic degree is a recognition of educational attainment and research accomplishment under conditions of free inquiry, exchange, and criticism. Its use by agencies or institutions which are not and cannot become universities in this sense of the term is a misuse which is both undesirable and unnecessary. A more comprehensive statement of this position is available on request.

(J) Proposal for Research Centers Independent of Universities.

While our Associations recognize that the problems of research in an extremely limited number of areas may require the establishment of research centers away from the site of a university, we believe that such action by Federal or state governments should be taken only when its necessity is unequivocally established. We believe graduate education of high quality is inseparable from basic research, that basic research flourishes best in the atmosphere of an academic institution, and that any national policy of encouraging the establishment of new basic research institutes that are not university-related would be seriously detrimental to both basic research and graduate education.

(K) Land-Grant Teaching Funds, Morrill-Nelson Act.

In the 11 years since the last revision and expansion of the authorization for annual grants for further endowment of instruction in the Land-Grant institutions, there has been continued inflation and substantial population growth. The net result is that the purchasing power represented by these funds has decreased while demands have increased. The

Associations support the expansion of the authorization under this legislation to take account of inflation and population growth over the past decade.

V. INTERGOVERNMENTAL COOPERATION: UNIQUE CHARACTER OF HIGHER EDUCATION.

The Associations strongly support activities designed to improve cooperation between the Federal government and state and local governments and to increase the capacity of state and local governments to provide the quality and variety of public services needed in our complex society.

They emphatically call attention, however, to the unique character of higher education as an instrumentality of society. All the states have, by constitutional or legislative action, placed responsibility for governance of public universities and colleges under the control and direction of governing boards separated from direct channels of state administrative and political control. Private institutions have historically enjoyed this status.

In recent years, national legislative proposals have been made which would have the effect of authorizing the administrative branch of the Federal government to require that staffs of both public and private universities and colleges engaged in Federally assisted programs be placed under state merit systems, channeling Federal funds for higher education through state administrative agencies having no jurisdiction under state constitutions or law, by-passing state legislative authority, and assigning planning responsibility for higher education within the states to agencies created for entirely different purposes.

Since inadvertance or lack of awareness of the issues and relationships involved apparently have been responsible for violation in proposed legislation of this sound principle, the Associations respectfully call it to the attention of Congressional committees and Federal agencies dealing with educational legislation and of the Advisory Committee on Intergovernmental Relations.

VI. IMPROVING THE CONDITIONS OF URBAN LIFE.

The traditional role of member institutions of these Associations — the role of concern for and action related to the conditions of the citizenry — is now intensified and expanded by the tremendous urban problems facing our nation. Member institutions of these Associations are heavily involved in research, educational, and public service programs designed to improve the conditions of urban life. As indicated elsewhere, a chief limitation on their ability to respond to urgent requests for expert assistance is lack of resources for this purpose. The Federal government, through the Demonstration Cities and other programs, is engaged in a major effort to assist in rebuilding slums and blighted areas, and provide public facilities and services essential to solving the problems of the people in our cities. The Associations recommend that adequate provision be made, through amendment of present legislation and in future legislation, for continuing grants for the support of research, demonstration, and educational programs in colleges and universities in professional and subject-matter areas related to the objectives of the legislation. This might be accomplished, for example, by setting aside a percentage of appropriations for this purpose, as is done in Federally aided highway and other legislation.

VII. AID TO INDIVIDUALS IN OBTAINING A COLLEGE EDUCATION.

The most effective and most urgently needed form of aid to individuals in obtaining a college education is a program of support for educational institutions to enable them to keep charges to students low. Much of the present demand and need for individual assistance in financing college costs stems from failure to recognize and act on this fact. The Associations, however, recognizing the necessity of dealing with situations as they exist while working toward more fundamental solutions, have supported expanding access to student loans at reasonable carrying charges, expansion of the work-study program, and provision of economic opportunity grants specifically designed to help the most needy gain access to higher education.

The characteristic of programs designed to help individuals meet the rising costs of college, however, is that they result in pyramiding budgetary costs and administrative complexities without getting at the root of the problem. If student charges are permitted to continue to rise more rapidly than the level of income — which they have done steadily in recent years — more and more students will need special aid and more and more programs must be devised to assist them unless educational opportunity is to be denied. For this reason, our Associations believe that first priority in new programs needs to be given to those which will help keep down the costs of higher education to the students. These are discussed elsewhere. The following comments concern student-aid programs:

(A) N.D.E.A. Student Loan Program.

The National Defense Education Act Student Loan program was established to insure access to low-interest loans to enable students particularly in need of financial assistance to attend college. It is essential that the integrity and identity of this program be maintained. Within this context, the Associations support experimental approaches to the problem of providing the full amount of funds needed while reducing the burden on the Federal administrative budget and on the capital resources of colleges and universities involved in the 1/9 matching requirement.

(B) Guaranteed Student Loan Program.

The Guaranteed Student Loan program was adopted in recognition of the fact that the rising level of student charges in our colleges and universities has caused undue financial burdens on many families in the middle-income level. This program and its purposes should not be confused with those of the N.D.E.A. loan program. Under present credit conditions, the Guaranteed Loan program has been less successful than anticipated because of the lack of availability both of loan guarantee funds and of loans.

We continue to support the central purpose of this program, but observation of the program by our member institutions strongly indicates need for changes in the law. Therefore, we recommend that the law be amended to provide (1) that any Federally guaranteed loan and any loan requiring Federal funds to subsidize interest cost be made only after lenders have secured pertinent information about the borrower from the educational institution involved; (2) that the interest subsidy be terminated one year after the student borrower has completed his formal education; and (3) that an appropriate fee be established and paid to lenders to cover administrative costs of such loans until money-market conditions are such that an administrative fee is unwarranted.

(C) Work Study.

These Associations, which for many years urged adoption of an experimental work-study program, have previously expressed their continued support of this legislation as an important element in a flexible program of helping worthy students meet college costs. We note, however, that, in this as in many other programs designed to help more students attend college, the institutional matching requirement tends to be counter-productive. That is, in order to get matching funds, institutions must charge students more, increasing the need for additional student aid. We commend the Congress for its emergency action in holding the Federal level of contributions at 85 per cent and recommend that it be restored to at least 90 per cent.

(D) Opportunity Grants, Federal Scholarships, Veterans Education.

The Associations continue to support the educational opportunity grants program as one specifically designed to make college attendance possible for needy students who could not otherwise attend. In connection with other Federal programs (such as Upward Bound), it has become a major means of providing genuine access to higher education for the economically and educationally disadvantaged. The Associations continue to oppose a general Federal scholarship program in the absence of evidence that it would in fact assure college attendance for a substantial number of the highly talented who cannot now attend under existing public and private programs and in view of higher-priority needs for other forms of Federal aid to education.

We express appreciation to the 90th Congress for amending the Veterans Educational Program law to provide for payment of a portion of the cost for special record-keeping, reporting, and counseling services required for veteran, as contrasted to non-veteran, students.

(E) Tax-Credit and Student Loan Indenture Proposals.

Proposals for a direct deduction from income taxes owed the Federal government because of tuition and required fees paid colleges and universities have attracted substantial support because of several assumptions, all incorrect. More recently, widespread publicity has been given a proposal to solve the fiscal problems of higher education by a sharp increase in charges to students coupled with the privilege of borrowing from the Federal government the increasingly substantial sums required, with repayment by the borrower in the form of a special added income tax over 30 to 40 years. Both these proposals are unsound from the standpoint of public policy, educational policy, and fiscal policy. They are discussed separately below.

(1) Tax Credit for Tuition and Fees.

Three assumptions, the first two contradictory and the third untrue, are made in advancing such proposals:

The first is that they will provide relief to hard-pressed parents. A second is that they provide a way around the problems related to direct Federal aid to non-public institutions and would therefore provide for a substantial flow of Federal tax dollars to these and other institutions. A third is that they are so devised as sharply to limit or eliminate aid to the most affluent and give the greatest aid to those in lower income brackets (though admittedly none at all to those who pay no income tax). The first two assumptions are obviously contradictory. If institutions raise fees to collect tax dollars, parents will get no relief. If parents get substantial relief, institutions will not be aided. The third assumption is untrue. Despite limitations on benefits in terms of gross taxable income, the chief bill advanced to date before Congress allows families with taxable incomes in excess of $50,000 to receive some benefits, those with capital-gains incomes well in excess of that amount to receive some benefits, and those with incomes chiefly from tax-exempt sources to benefit without limitation as to total, as compared to taxable, income.

Although percentage benefits are higher for lower-income families, dollar benefits are clearly higher as incomes rise up to

$25,000, while benefits to those with lower incomes steadily decrease to the vanishing point. The Associations have consistently recognized the desirability of participation in various types of Federally-aided programs by both nonpublic and public institutions. They view the tax-credit proposal as inequitable from every standpoint and unsound from the standpoints of fiscal policy, educational policy, and national policy in general. The Treasury Department has ably stated the objections from the standpoint of national fiscal policy. Proponents of this legislation have made it clear that its essential purpose is to give tax support to educational institutions proportional, to some extent at least, to the fees charged students. Since the fees would have to be raised to provide the additional income desired, the benefit would flow to the college, not the taxpayer. To the extent that fees are raised, students from low-income families would find their educational costs increased rather than decreased. Institutions with low tuition charges would be placed under pressure to increase them in order to collect Federal aid by this route. Institutions which wish to engage in discriminatory practices and still enjoy Federal support would be encouraged to do so.

These Associations take the position that, to the extent that Congress finds it in the national interest to provide either general specific-purpose support from public funds for institutions of higher education, ways can and should be found for doing this which retain the principles of public accountability for the expenditure of public funds, which are fiscally and educationally sound, and which do not in their operation discriminate against large groups of students and institutions. The tax-credit approach does not meet these standards.

(2) Student Loan Indenture Proposal (Educational Opportunity Bank).

The proposal described by its proponents as an "Educational Opportunity Bank" can in fact be more accurately described as one through which the student is asked to enter into a special Federal income-tax indenture for most of his working life in order to permit colleges and universities to recapture approximately the full cost of educational services provided through sharp increases in required charges. Its most glaring defect from the standpoint of public policy is that it proposes to shift to the student virtually all the cost, at an escalating rate, of higher education. Whatever the allocation between the individual and society of the benefits of higher education, it is clear that the primary benefit is to society and that the student is already paying a disproportionally large share, regardless of the type of institution attended or the level of its charges. The argument that the privilege of borrowing large sums with deferred repayment will somehow increase educational opportunity for the economically and educationally disadvantaged will not bear analysis for several reasons; rather, it would, under the name of equality of opportunity, enable a low-income student to start life with a heavy added Federal claim on his income, while freeing the more affluent from any responsibility.

The policy of escalating student charges in all types of institutions would raise economic barriers against low-income and educationally disadvantaged students in institutions which will now admit them and which they can attend at relatively low cost. It would not, however, permit them to attend high-prestige and highly selective institutions, which are neither prepared to relax their admissions standards nor to expand their enrollments in any substantial degree. The highly qualified student from a low-income family can, in general, already attend college through a variety of scholarship programs for the talented. The problem of the educationally disadvantaged student involves a variety of factors. High admissions standards, reluctance to borrow, need of his family for income, and lack of motivation are all elements in his disproportionately low participation in post-high-school education. These problems will not be solved by extending the privilege of borrowing to theoretically enable the student to shop around for a college which will grant admission, in competition with other students with fewer academic and other handicaps.

The Educational Opportunity Bank proposal poses many other major questions, to which answers have not been forthcoming. Its fiscal solvency is clearly dependent on attracting an equal balance between those whose future incomes will be high and those entering low-income professions to permit continued lendings to those whose repayments will be less than their loans. Yet, to be fiscally attractive to those entering high-income occupations or with family resources which assure high incomes, terms must be such that a large fiscal outlay by the Federal government seems a pre-requisite. If the charges of all colleges are escalated sharply, present ability of the vast majority of students to finance their own education through family aid and earnings will disappear, and heavy borrowing will become for increasing numbers the only avenue of access to higher education. The Educational Opportunity Bank particularly belies its title with respect to young women seeking higher education. To keep the proposal on a sound fiscal basis, proponents point out, women would have to pay back a much higher percentage of income than men, because their incomes are lower. Marriage would involve a substantial reverse dowry. No solutions are suggested in the proposal for either of these problems.

Higher education in the United States has been the means of providing genuine equality of opportunity for increasing numbers of young men and women, because the American people have recognized that education is primarily a social responsibility. They have supported our colleges and universities both directly through public channels and indirectly through voluntary support encouraged by special tax treatment, thus keeping down the financial barriers to education. The philosophy that financing education is primarily the responsibility of the student is directly contrary to this great and sound tradition.

VIII. DISCRIMINATION IN THE USE OF PUBLIC FUNDS FOR EDUCATIONAL PURPOSES.

Member institutions of the Associations believe that public policies against discrimination in the use of public funds for educational purposes should apply equally in their use by all types of educational institutions, public and private. They note with regret that the Civil Rights Act of 1964 does not uniformly apply this standard because of the failure to include a provision against discrimination because of religion in Title VI of this Act, which applies to non-public as well as public colleges and universities. They also note that Title IV of the Act, which requires a survey of the extent of discrimination in education to be made by the U.S. Commissioner of Education, applies only to public institutions at all levels and not to discrimination in the use of public funds by other institutions receiving them.

It is, therefore, our position that the Civil Rights Act should be amended to ban the use of public funds by institutions which discriminate in the admission of students or employment of staff because of religion, and that, pending such amendment or new educational legislation, the use of tax funds should be barred to institutions which discriminate because of religion. If there is reasonable ground for exception to this rule, such as might be involved in programs of a public welfare rather than of an essentially educational character — such as the school lunch program — such exceptions should be made by explicit exemption from the general rule.

IX. "DISCLAIMER" AFFIDAVITS.

Member institutions of the Associations have consistently opposed the requirement of negative "disclaimer" affidavits, or certificates of non-subversion as a requirement for individuals taking part in non-sensitive Federal programs. Such requirements should not be confused, as they often are, with affirmative statements of loyalty to the United States and its institutions, which may be properly required of those entering posts of public trust. The Associations welcome the relaxation or elimination of such negative requirements. Experience has shown that, while they involve extensive paperwork and record keeping and are a constant source of friction and controversy, they have no affirmative value.

X. EXTENDING THE RESOURCES OF HIGHER EDUCATION BEYOND THE CAMPUS.

The Congress has recognized the great need for Federal aid to make available beyond the confines of the campus the resources of our colleges and universities toward the solution of problems of national and international concern. This is exemplified in such legislation as Title I of the Higher Education Act of 1965, the State Technical Services Act, the Regional Medical Programs Act, legislation affecting the Department of Housing and Urban Affairs, the Law Enforcement Assistance Act, and the Smith-Lever Act establishing the

Cooperative Extension Service, which has furnished the example inspiring many of the more recent programs. Through the implementation of programs of continuing education and extension, authorized by these and later acts, the Congress enables universities to bring their unique resources to bear on the needs of communities and individuals for assistance in solving the multiple problems associated with rapid urbanization, technological change, social change, and the needs of the professions, agriculture, labor, business, industry, and the Federal government.

We call attention to the need for:

(A) Full funding of Title I of the Higher Education Act of 1965 in order to fulfill the Congressional intent to provide comprehensive, coordinated, state-wide programs of continuing education and community service. We support steps to make available a portion of the funds for interstate and regional projects.

(B) Extension of the State Technical Services Act indefinitely, if possible, and certainly for a minimum of five years; for substantial increases in authorizations over present funding levels; and for recognition in the regulations for administering the Act to permit assistance to business and industry in the science of management, as well as in technology.

(C) Early funding of the Public Broadcasting Act of 1967 in order that the long-recognized educational potential of telecommunications be fully realized.

(D) Maximum effective funding of other established programs, and for continuity of funding in order that the national needs for continuing education, clearly identified by Congress, may begin to be met.

(E) Increased support for problem-oriented research as related to the development of the full potential of extension and public-service programs.

The experience and special competence of the institutions represented in these Associations in the administration of problem-oriented, off-campus programs should be recognized in the allocation of responsibility for administering Federally-aided programs in these areas.

XI. COLLEGES AND UNIVERSITIES AND VOCATIONAL-TECHNICAL EDUCATION.

State colleges and universities make important contributions to vocational-technical education in two ways:

(1) Through Occupational Education. Many of these institutions prepare individuals for a variety of technical occupations requiring less than a baccalaureate degree. State and land-grant institutions, for example, conduct some of the nation's most successful associate-degree programs in such fields as engineering, agriculture, the allied health professions, and industrial technology. Those with strong technical-education departments provide training in a manner difficult to duplicate in other types of institutions.

(2) Through the Training of Teachers. Collegiate programs for the preparation of teachers of vocational, technical, and industrial subjects in junior colleges, vocational schools, and technical institutions should be greatly expanded. One of the most pressing needs today is effective teaching of the technical content and skills required for entrance into and advancement in occupations in which manpower is in critically short supply. Technological advancements make it imperative that greatly expanded in-service training opportunities be provided for those currently teaching vocational, industrial, and technical subjects. Shortage of adequately prepared teachers is hampering development and expansion of vocational-technical education.

These Associations therefore, support:

(A) Necessary amendments to and increase in authorizations for the Vocational Education Act of 1963 to permit colleges and universities, including junior colleges and 4-year colleges, to participate more adequately in vocational and technical education programs.

(B) In-service training programs, fellowships for prospective and experienced vocational-education instructors and administrators, and adequate financing of teacher education programs in vocational and technical education.

XII. HUMANE TREATMENT OF EXPERIMENTAL ANIMALS.

During the past decade, much progress has been made by all scientific personnel in providing adequate care of experimental animals. Federal legislation has now been passed to regulate the sale and transportation of research animals and to insure humane treatment for such animals during transportation, sale, and non-experimental periods at research laboratories. We continue to believe this legislation was unnecessary but hope it will prove to be helpful in correcting the isolated difficulties that may exist at research installations and pledge the support of our Associations toward this end. We believe it would be unwise and unnecessary to consider additional legislation regarding the care and handling of laboratory animals.

XIII. NATURAL RESOURCES AND ENVIRONMENT.

(A) Water Resource Research.

The Associations have been gratified by the authorization and appropriation to implement Title II of the Water Resource Research Act that make it possible to enlist the competencies of academic and non-academic scientists in seeking solutions of pressing national water problems and to provide for the establishment of the Water Science Information service. We urge, however, that appropriations for the funding of both Title I and Title II programs be increased to the full authorized level.

(B) Sea Grant Colleges

These Associations welcome the Sea Grant Colleges and Program Act to provide for the systematic exploration of the marine environment. We urge continuing appropriations for the program consistent with the importance of vastly expanded knowledge of this up-to-now largely neglected area. Further, we urge continuing emphasis in the administration of the program on the importance of broad, flexible institutional awards, in keeping with the basic Federal government-university relationship underlying the outstanding success of the land-grant programs for agricultural research and extension.

(C) Air and Water Pollution.

We commend the national recognition of the importance of our natural environment through programs that have been established in the Department of the Interior, the Public Health Service, and the Environmental Sciences Service Administration aimed at the understanding and abatement of air and water pollution. We urge that greater emphasis be given in these programs to arrangements that make it possible to enlist the unique competencies of the universities and their faculty members in this national effort.

XIV. INTERNATIONAL PROGRAMS

The Associations regret that the constructive legislative steps taken by the 89th Congress to expand and improve both educational and technical assistance programs in the international field have not been subsequently implemented. These include Section 211 (d) of the Foreign Assistance Act and the International Education Act. Also, no action has been taken on proposals to provide for Federal assistance, through publicly identified channels, in the participation of American voluntary organizations in international activities.

The Associations are concerned not only with failure to implement the new initiatives authorized, but also with the substantial reductions in support of ongoing international educational and technical assistance programs made by the first session, 90th Congress, at a time when their substantial expansion is clearly called for. Because of this concern, establishment of a Task Force to study and make recommendations particularly with reference to international technical and developmental assistance programs — in cooperation with other educational organizations — has been authorized.

The following actions are clearly needed:

(A) Funding for international technical assistance, educational and cultural exchange, and related activities should be substantially increased beyond the levels provided for fiscal 1969.

(B) Funds to support the planning activities required by law under the International Education Act should be provided at the earliest possible opportunity; and, for its substantive implementation as authorized, funds must be provided for the 1969 fiscal year.

(C) Since the total authorization of $10 million under Section 211(d) of the Foreign Assistance Act is small in proportion to the need and reductions in technical-assistance appropriations have made even this modest funding impossible, the authorization should be expanded substantially and fully funded.

(D) Authority to conduct technical assistance programs should be extended to at least a five-year period to reduce the uncertainty which has from the beginning hampered the effectiveness in this area.

(E) Provision of funds should be made to colleges and universities to help meet the special costs of giving foreign students an appropriate educational experience in this country, commensurate with the emphasis placed on such efforts as a matter of public policy.

(F) Without specifically endorsing the provisions of any particular legislation pending at this time, these Associations encourage members of the Congress to continue their search for more effective and adequate means for this country to assist in the solution of the world's food problem.

Member Institutions of

The National Association of State Universities and Land-Grant Colleges

and

American Association of State Colleges and Universities

ALABAMA
Alabama A & M College *
Alabama College
Alabama State College
Auburn University
Florence State College
Jacksonville State University
Livingston State College
Troy State University
University of Alabama
University of South Alabama

ALASKA
University of Alaska

ARIZONA
Arizona State University
Northern Arizona University
University of Arizona

ARKANSAS
Agricultural, Mechanical, and Normal College
Arkansas A & M College
Arkansas Polytechnic College
Arkansas State University
Henderson State College
Southern State College
State College of Arkansas
University of Arkansas

CALIFORNIA
Chico State College
Fresno State College
California State College at Fullerton
California State College at Hayward
Humboldt State College
California State College Kern County
California State College at Long Beach
California State College at Los Angeles
California State Polytechnic College, Pomona
California State Polytechnic College-San Luis Obispo
Sacramento State College
California State College at San Bernadino
San Diego State College
San Francisco State College
San Jose State College
Sonoma State College

CALIFORNIA *(cont'd.)*
Stanislaus State College
University of California

COLORADO
Adams State College
Colorado State College
Colorado State University
Metropolitan State College
Southern Colorado State College
University of Colorado
Western State College of Colorado

CONNECTICUT
Central Connecticut State College
Eastern Connecticut State College
Southern Connecticut State College
University of Connecticut
Western Connecticut State College

DELAWARE
Delaware State College
University of Delaware

D. C.
District of Columbia Teachers College
Federal City College

FLORIDA
Florida A & M University *
Florida Atlantic University
Florida State University
Florida Technological University
University of Florida
University of West Florida

GEORGIA
Albany State College
Armstrong State College
Augusta College
Columbus College
Fort Valley State College
Georgia College at Milledgeville
Georgia Institute of Technology
Georgia Southern College
Savannah State College
University of Georgia
Valdosta State College

GUAM
College of Guam

HAWAII
University of Hawaii

IDAHO
University of Idaho

ILLINOIS
Chicago State College
Eastern Illinois University
Illinois State University
Northeastern Illinois State College
Northern Illinois University
Southern Illinois University
University of Illinois

INDIANA
Ball State University
Indiana State University
Indiana University
Purdue University

IOWA
Iowa State University
University of Iowa
University of Northern Iowa

KANSAS
Fort Hays Kansas State College
Kansas State College of Pittsburg
Kansas State Teachers College
Kansas State University
University of Kansas
Wichita State University

KENTUCKY
Eastern Kentucky University
Kentucky State College
Morehead State University
Murray State University
University of Kentucky
Western Kentucky University

LOUISIANA
Gambling College
Louisiana Polytechnic Institute
Louisiana State University
McNeese State College
Francis T. Nicholls State College
Northeast Louisiana State College
Northwestern State College
Southern University

MAINE
Aroostook State College
Farmington State College
Fort Kent State College

MAINE *(cont'd.)*
Gorham State College
Maine Maritime Academy
University of Maine
Washington State College

MARYLAND
Bowie State College
Coppin State College
Frostburg State College
Maryland State College
Morgan State College
St. Mary's College of Maryland
Salisbury State College
Towson State College
University of Maryland

MASSACHUSETTS
Massachusetts College of Art
Massachusetts Institute of Technology
Massachusetts Maritime Academy
State College at Boston
State College at Bridgewater
State College at Fitchburg
State College at Framingham
State College at Lowell
State College at North Adams
State College at Salem
State College at Westfield
State College at Worchester
University of Massachusetts

MICHIGAN
Central Michigan University
Eastern Michigan University
Ferris State College
Grand Valley State College
Lake Superior State College
Michigan State University
Northern Michigan University
University of Michigan
Wayne State University

MINNESOTA
Bemidji State College
Mankato State College
Moorhead State College
St. Cloud State College
Southwest State College
University of Minnesota
Winona State College

MISSISSIPPI
Alcorn A & M College *
Delta State College
Jackson State College
Mississippi State College for Women
Mississippi State University
Mississippi Valley State College
University of Mississippi
University of Southern Mississippi

MISSOURI
- Central Missouri State College
- Harris Teachers College
- *Lincoln University*
- Missouri Southern College
- Missouri Western College
- Northeast Missouri State Teachers College
- Northwest Missouri State College
- Southeast Missouri State College
- Southwest Missouri State College
- *University of Missouri*

MONTANA
- Eastern Montana College
- *Montana State University*
- Northern Montana College
- *University of Montana*
- Western Montana College

NEBRASKA
- Chadron State College
- Kearney State College
- Peru State College
- *University of Nebraska*
- Wayne State College

NEVADA
- *University of Nevada*

NEW HAMPSHIRE
- Keene State College
- Plymouth State College
- *University of New Hampshire*

NEW JERSEY
- Glassboro State College
- Jersey City State College
- Montclair State College
- Newark State College
- Paterson State College
- *Rutgers, The State University*
- Trenton State College

NEW MEXICO
- Eastern New Mexico University
- *New Mexico State University*
- *University of New Mexico*
- Western New Mexico University

NEW YORK
- *Cornell University*
- State University College at Brockport
- State University College at Buffalo
- State University College at Cortland
- State University College at Fredonia
- State University College at Geneseo
- State University College at New Paltz

NEW YORK *(cont'd.)*
- State University College at Oneonta
- State University College at Oswego
- State University College at Plattsburgh
- State University College at Potsdam
- *State University of New York*
- State University of New York at Albany
- State University of New York at Buffalo

NORTH CAROLINA
- *North Carolina Agricultural and Technical State University*
- Appalachian State University
- Asheville-Biltmore College
- East Carolina University
- Elizabeth City State College
- Fayetteville State College
- North Carolina College at Durham
- *North Carolina State University*
- Pembroke State College
- *University of North Carolina*
- Winston-Salem State College

NORTH DAKOTA
- Dickinson State College
- Ellendale State College
- Mayville State College
- Minot State College
- *North Dakota State University*
- *University of North Dakota*
- Valley City State College

OHIO
- Bowling Green State University
- Central State University
- *Kent State University*
- *Miami University*
- *Ohio State University*
- *Ohio University*
- University of Akron
- Wright State University
- Youngstown State University

OKLAHOMA
- *Langston University*
- Northeastern State College
- *Oklahoma State University*
- Southeastern State College
- *University of Oklahoma*

OREGON
- Eastern Oregon College
- *Oregon State University*
- Southern Oregon College
- *University of Oregon*

PENNSYLVANIA
- Bloomsburg State College
- California State College

PENNSYLVANIA *(cont'd.)*
Cheyney State College
Clairon State College
East Stroudsburg State College
Edinboro State College
Indiana University
of Pennsylvania
Kutztown State College
Lock Haven State College
Mansfield State College
Millersville State College
Pennsylvania State University
Shippensburg State College
Slippery Rock State College
West Chester State College

PUERTO RICO
University of Puerto Rico

RHODE ISLAND
Rhode Island College
University of Rhode Island

SOUTH CAROLINA
Clemson University
South Carolina State College
University of South Carolina

SOUTH DAKOTA
Black Hills State College
General Beadle State College
Northern State College
Southern State College
South Dakota State University
University of South Dakota

TENNESSEE
Austin Peay State College
East Tennessee State
University
Memphis State University
Middle Tennessee State
University
Tennessee Agricultural and
Industrial University
Tennessee Technological
University
University of Tennessee

TEXAS
East Texas State University
Midwestern University
North Texas State University
Prairie View Agricultural and
Mechanical College
Sam Houston State College
Southwest Texas State College
Stephen F. Austin
State College
Sul Ross State College
Texas A & I University
Texas A & M University
Texas Southern University
Texas Technological College
Texas Woman's University
University of Houston

TEXAS *(cont'd.)*
University of Texas
West Texas State University

UTAH
College of Southern Utah
Utah State University
University of Utah
Weber State College

VERMONT
Castleton State College
Johnson State College
Lyndon State College
University of Vermont

VIRGINIA
Longwood College
Madison College
Radford College
Richmond Professional
Institute
University of Virginia
Virginia Polytechnic Institute
Virginia State College

WASHINGTON
Central Washington
State College
Eastern Washington
State College
University of Washington
Washington State University
Western Washington
State College

WEST VIRGINIA
Concord College
Shepherd College
West Virginia University

WISCONSIN
Stout State University
University of Wisconsin
Wisconsin State University -
Eau Claire
Wisconsin State University -
La Crosse
Wisconsin State University -
Oshkosh
Wisconsin State University -
Platteville
Wisconsin State University -
River Falls
Wisconsin State University -
Stevens Point
Wisconsin State University -
Superior
Wisconsin State University
Whitewater

WYOMING
University of Wyoming

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* *Member of both Associations.*

A Note On "Federal Aid"

The term "Federal aid" is commonly used, and is used in this document, as a general term covering all the multiplicity of purposes for which Federal funds flow to institutions of higher education or those attending them. The reader should keep in mind, however, that the term "Federal aid" is inaccurate and misleading as applied to many of these programs. Where the Federal Government, in fulfillment of a clearly defined and asserted national responsibility, uses the services, facilities and personnel of colleges and universities to accomplish this purpose, the term "Federal aid" is not applicable. Indeed when the payment for this use is inadequate to cover its cost, as it frequently is, colleges and universities are supplying fiscal aid to the national government rather than the reverse. Colleges and universities have a responsibility for the national welfare which exceeds that of most other institutions in our society, and on which they are uniquely able to discharge. Willingness to give whole-hearted cooperation in programs of national importance should not, however, obscure the fact that the flow of "aid," both in terms of accomplishment and in fiscal terms, is a two-way flow. Cooperation in the national interest is a better word for it.

Mr. BRADEMAS. I have two or three questions, Dr. Oswald.

You talked about the guaranteed loan program and the role of the States. I wonder if you could tell us, from your own observations of the States represented by the associations for whom you speak today, to what extent the State Governments have been moving in the direction of establishing effective State programs?

Mr. OSWALD. I am under the impression, Congressman, it is now about 35 of the States that have now actively through their legislature or otherwise formally established some type of a State guarantee program, but the fact that there would be some 12 or 15 that have not, there is needed a provision for a direct Federal guarantee but with notice to the States that in this 2-year period this would have to fall on them.

Mr. BRADEMAS. I see that a number of State programs have been established, but to what extent are these really effective programs reaching a number of students or to what extent are they simply on paper, reaching only a small number of students?

Mr. OSWALD. Will you comment on the Kentucky one specifically, Dr. Curley?

Mr. CURLEY. I think there has been a limited response. A lot of the problems of the States have been that that the appropriations made for the guaranteed fund have been inadequate and, therefore, applications have oversubscribed it.

It did not move as rapidly at the outset as was apparently anticipated because the banks were not informed about the program and; secondly, that the interest rate was not an attractive situation. But I think it has moved reasonably well recently.

I think there is something in the order of two-thirds of a billion dollars outstanding in guaranteed loans. I don't really know what the market is so you can't say whether this is high, low, or what it is.

Mr. BRADEMAS. Do you think that the passage of some such proposal as contained in the bill before us that would provide a conversion fee to the private lender would make a substantial difference in encouraging private lenders to get into this field?

Mr. CURLEY. I think it would, based on conversations with individual bankers in Kentucky.

Mr. BRADEMAS. Let me turn to a second related problem. You spoke of the failure of your State government to appropriate very much money to make the State guarantee program more effective, and Dr. Oswald urged that we increase the Federal share of the facilities program.

Why can't there be a greater contribution on the part of the State governments rather than going in the direction you suggest?

Mr. OSWALD. I think, of course, all of us are making every effort to maximize, of course, the State appropriation which is, of course, the backbone of our institutions.

I think to the extent that we can achieve a higher level of matching, to that extent there are more funds for operation of the basic programs in the institution and the least likelihood of having to increase fees as a part of the means to meet the building program.

Mr. BRADEMAS. Maybe I am not getting my point across clearly enough. What I am really asking is why you, in view of the fact that you represent State-supported institutions, a greater effort is not being made on the part of State governments to provide funds for facilities to match the Federal dollars?

Mr. CURLEY. I think basically it is the absence of a revenue base or the willingness by legislatures to increase the tax income.

Mr. BRADEMAS. Why isn't there a greater willingness on the part of State legislatures? Why do you want us to put up the money rather than your State legislatures?

Mr. CURLEY. I think we want, frankly, both, which is the best of all worlds. I think there is a constant effort to make the needs of public higher education known to each legislature.

Mr. OSWALD. I think another thing is that more and more with the limited tax bases in some of the States, Congressman, whereas they formerly were appropriating a part of their moneys for capital outlay as well as for operating support, I think we are finding when they make their choices within their limited tax base, we are finding more and more States appropriating almost entirely for the operating support.

Mr. BRADEMAS. Now you have spoken twice of a limited tax base. Is it unconstitutional in the State of Kentucky, for example, to have a progressive income tax?

Mr. OSWALD. No, sir.

Mr. BRADEMAS. Why don't you have one?

Mr. MARTIN. We do have one.

Mr. BRADEMAS. How progressive is it?

Mr. MARTIN. It is not too progressive but it is the second source of income, the sales tax being the only one that produces more revenue.

I might say in answer to your question that in Kentucky it is no problem because we always have, through the use of revenue bonds, more than enough money to match any appropriation that we have ever received from the Congress.

So, we are standing in line. After you get it, you know, you have to get them first to give you the grant and then the bid date and all that type of thing. So you have a great slowdown.

In our own instance we are always standing there in line with enough revenue bonds to match anything that the Congress has ever appropriated.

Mr. BRADEMAS. So the testimony of Dr. Oswald is not so much based on the Kentucky experience as the experience of other States?

Mr. OSWALD. This is correct.

Mr. BRADEMAS. Do you provide State aid in the State of Kentucky to private colleges for facilities?

Mr. OSWALD. No, sir.

Mr. BRADEMAS. Is that a question of your constitution?

Mr. MARTIN. A constitutional question, a very strong prohibition in the constitution.

Mr. BRADEMAS. To what extent are the constituents whom you represent, Dr. Oswald, making an effort more efficiently to use the facilities you now have?

I am addressing myself chiefly to facilities in these questions. I speak, for instance, of the possibility of using some of your academic facilities, laboratories, classrooms, on a year-round basis and/or working out interinstitutional patterns of cooperation.

Mr. OSWALD. I would say this is one of the greatest efforts in the institution, both in the area of either moving in some direction toward a beefed-up summer session or a broader offering through a summer program, although, frankly, the institutions that have formalized these have been disappointed in the actual enrollment in the summer programs, which don't really indicate that you save as much as you think you would.

I think in the area of interinstitutional cooperation on programs, there is great progress being made in many of the institutions.

This is not only related to savings in capital, but savings in operation, whereby courses of any unique nature that are given in one institution may suffice for a network of institutions.

Mr. BRADEMAS. I just have one observation and one final question, Madam Chairman.

You are obviously concerned, and I think you ought to be, as all of us on this subcommittee are, about the shortage of funds for academic facilities for colleges and universities, and you are distressed about the cutback in the President's budget request, as most of us on this subcommittee are also.

But at the same time, sharing your view on that matter, I am distressed that we don't see more vigorous action on the part of State legislatures and Governors to press for a change in the tax structure in the several States.

There are all these cries of distress that go up and people turn to Washington, D.C., to solve their problems, but I would like to see a few State politicians get out and show a little leadership and fight for progressive income taxes in the State legislatures if they are really serious about States' responsibilities and States' rights.

It may well be that the pressure on you college and university fellows has to become so intense and your lives made so immensely unpleasant that you have to scream so loudly and we have to cut back your money here in Washington so drastically that somebody may decide to bring the State governments into the 20th century in terms of your tax structures.

When, therefore, you say to me that you have a limited tax base, I say that you are only describing the problem. I know that. The real question is, Why do you have a limited tax base?

Mr. MARTIN. I will say to you our legislature at this hour is considering an increase of from 3 to 5 cents in the State sales tax to support about a $200 million increase over the biennium in the State budget.

Mr. BRADEMAS. I understand it is relatively easy to get an increase in the State sales tax because that hits everybody, but it hits everybody in a different way, depending on your income.

Obviously, it is a regressive tax. The tax I want to ask you about has to do with the student aid feature of this bill.

I read with interest the statement in the document representing the legislative policies of your two institutions in higher education about your hostility to the tuition tax credit proposal.

There is increasing support, I sense, in Congress, for some such proposal. I confess I have been somewhat skeptical about this being the way to resolve the problem of facilities because I fear the money may end up in the pockets of the parents of some wealth and not the institutions or the students. Have you any comment on that?

Mr. OSWALD. Very much, not only in the pockets of parents but also what we are concerned about is that you are going to end up in the situation of an institution feeling that once a parent is relieved to a certain extent by a tax credit, that then they feel they can justifiably raise their tuition to help meet the greater needs.

You are in a situation there where you begin a spiraling of the tuitions charged the students which is really getting into the situation of where you need more aid in order to help some of those that aren't even affected materially at all by this tax credit. This would be primarily by far the students with which many of our land-grant institutions don't even deal with.

Mr. JOHNS. 43.5 percent of the population of Pike, Ky., have incomes of less than $3,000 a year. Those are our students. What help would that be. We fund 75 percent of them now. They don't have any money.

Mr. BRADEMAS. Any other comment on this?

Thank you very much, Dr. Oswald. Thank you, Madam Chairman.

Mrs. GREEN. If Congressman Carey will allow me I will say that Oregon has the second or third highest State income tax in the Nation. All of the institutions of higher education in Oregon, both private and public, are suffering.

May I suggest, Congressman Brademas, perhaps we should have a panel of the presidents of several State senates and the speaker of the houses of representatives from several of the States to whom you could address your question.

Mr. BRADEMAS. That is an excellent idea.

Mrs. GREEN. Congressman Carey.

Mr. CAREY. Thank you, Madam Chairman. Just a brief set of questions mainly addressed to the alarm that I feel in the underlying statement on page 17 where you state that the report issued by our own Office of Education showed that the academic space per student is definitely the lowest since 1952 and probably the lowest at any time in U.S. history.

This wipes out the notion that we have had that there are ample seats around the country for the students who have the means or who will be able to borrow the means to go to college either now or when they return from the service, is that correct?

Mr. OSWALD. That is correct.

Mr. CAREY. It is true that the administration announced a policy in which it said we would go two ways, seek a partnership with the States and private institutions and land-grant colleges and so forth, to amplify their facilities to provide the seats that should be there for the burgeoning number of qualified students seeking higher education.

We said the second part of our policy was to provide the wherewithal through loans—a three-legged stool—grants, work-study and so forth, to enable the student to get the wherewithal to go to college.

Isn't it true we are sort of short-sheeting that present policy now? We are going to try to continue to expand the base of fund support and loan money available for the student to gain admission and pay tuition but we are not any longer willing to go the full measure of our way in making certain that there will be seats there for him.

Aren't we in a sense throwing a great deal of the responsibility on the back of the institution to accommodate the increase numbers of students who will borrow or otherwise arrange to get their moneys for tuition but in no way insuring there will be a place for him?

Mr. OSWALD. Mr. Carey, this is the reason that when one is asked about priorities in student assistance versus the academic facilities, that I urge that whatever is done we must have some balance within this because whereas it is true we have had tremendous building programs on many of the campuses which I represent in both associations, the facts are that the rising expectations among our people, which is a very great thing as far as the opportunity and the expectation for college and the resulting enrollment, has far outstripped even the very substantial building program on many of our campuses.

This is what concerns us. At the same time, we are most anxious to have more opportunities through financial assistance to students that can't afford it to be sure they get there, we have to be sure that we are not going to be in the situation that when they come to enroll we say there is no space.

This is why, of course, we express our concern about this particular part. Both the level of appropriation and also the proposal to raise the interest at this stage in this particular program.

Mr. CAREY. I concur in your apprehension on this. I do think we are changing the thrust of the program just about the time it was supposed to have moved up on the graph to accommodate increasing numbers.

I know the chairman has said on other occasions that there seems to be a want of logic in priorities in the way we are proceeding. This may be far from your field but can you find any consistency in what I would call a dichotomy in the stimulation of effort in the economy and educational sector where we continue to support the 7-percent investment credit, we continue to give accelerated depreciation to businessmen at a time when all indicators show that the business cycle is moving in terms of greater inflation and greater expansion of facilities perhaps than we need, at the same time, we are giving no such encouragement to the private sector or universities themselves to do more in investing in higher education.

Is there any real incentive for the huge capital resources, the union welfare and pension funds, the capital acquisitions and holdings of the insurance industry, or others, to take an active role in the support of higher education facilities construction?

Mr. CURLEY. There has been a substantial interest in the provision of housing facilities from private sources but there are no real incentives for them to do it as you mentioned, in other Federal programs.

I personally, for the University of Kentucky, have been very interested in trying to feel out the private sector in attracting them toward the construction, leaseback arrangement of academic facilities.

This is not easy to do. I am going to make a substantial effort on a building that is pretty well along in plans, about $10 million, to see if we can get somebody interested to do it, largely because we can see the day in our own university when our revenue bond authority will be fully utilized, without substantial increase in charges to the students because our revenue bonds are based on the fees we assess the student.

Consequently, I have a limit to the bonding capacity from that source. So, some other way of providing a capital facility in higher education is very much needed.

Mr. CAREY. You can detect no leadership or encouragement from the Federal Government at this time as we can see it happening in the housing field?

Mr. CURLEY. Yes. I read with great interest the housing message and the incentives that are being provided there through Federal legislation.

I do not speak against it. Certainly it is a necessary thing. But no such set of incentives exists to attract private capital here.

We have talked with insurance companies. I have talked with many of them attempting to get them interested in a leaseback arrangement in higher education. I think we will elicit some interest but with some incentives or stimulation or some break in some way we could shift some of the capital that is available to higher education and greatly alleviate the problem of capital construction.

Mr. CAREY. My last question is on, for want of a better term, the Kentucky brain drain.

I know that our chairman has exerted great leadership, the chairman of the full committee, in seeking assistance in education professions for the teachers in Kentucky, and so forth, in the hope that you would have an adequate number of good instructors for the Kentucky public schools. But I am also aware that he has great concern that increasing numbers of Kentucky graduates go elsewhere to take advantage of better pay schedules, and so forth. This is one thing.

Is it not true in the wealthier States such as my own where we have burgeoning universities increasing their size and expanding their facili ties at a tremendously unprecedented rate, that there will be an increased tendency on the part of students who have the means, say, under the NDEA, or can get the means under NDEA, or the guaranteed student loan program, not only to go outside Kentucky after graduation but to seek undergraduate education and postgraduate education in some of the States that are expanding the base of their universities with State funds at a far greater rate than you can expand it?

Don't you see the brain drain increasing in Kentucky if this continues to happen?

Mr. MARTIN. Yes; I would like to comment on that, if I may.

To begin with, I think you have some misapprehension about the extent to which we are expanding our facilities. I represent an institution that 8 years ago had 2,900 enrolled. During those same 8 years, we spent $60 million in capital construction on campuses. From the grant program only about $2½ million has come from the Congress.

A great deal came from public housing. As I have said, that has evaporated in the last 2 years. We sold, the other day, $7 million notes for dormitories without any assistance from the Federal Government.

I also think that perhaps the information you had concerning the outmigration of teachers has been somewhat allayed since 1960 with the expansion of our program.

I will say, also, we do have a graduated income tax going back to 1935 and it is a substantial income tax.

I mention also that before the legislature in the form of a budget today we have provisions which will bring our teachers' salaries to the national average, some additional $90 million in the next biennium.

So I don't think our situation is as bad as it appears. I do not think that the situation that you mentioned will occur. I think for a great many low-income families we need all the financial assistance we can get for the student. Certainly we need the other, but in 1960, our Government said to us that we could take the fees and use them for the financing of construction, and room rents, of course, in dormitories, that those would be replaced for us in the State budgets and that has been done since that time.

So, to the extent that we have additional enrollments, we have additional bonding capacity. I notice the last bond issue we sold we needed 1.25 coverage, we had 2.25 coverage. So we still have considerable ability there.

We are going to provide these facilities whether we do get assistance from you or not.

Mr. CAREY. Madam Chairman, I will not have any more questions because it may reduce my sympathetic ears to the pleas of our chairman.

Mrs. GREEN. I am surprised that the panel did not ask, after reading the New York City papers recently, why anybody should leave Pikeville to go to New York.

Mr. CAREY. Madam Chairman, there are other parts of New York City that have adequate representation. Therefore, they are a little better off than some other parts.

Mrs. GREEN. Congressman Gibbons.

Mr. GIBBONS. Madam Chairman, they have about exhausted the questions here. I have already interrupted a couple of times. So I will pass my time.

Mrs. GREEN. Congressman Hathaway.

Mr. HATHAWAY. I am glad to see, Doctor, that you support title IX. I do have some questions, though, about one statement you make.

You said, "A great deal has been done in this area already," in interinstitutional cooperation. It has been my suspicion, at least from talking with college presidents, that they guard their fortresses pretty jealously and there has not been anywhere near the cooperation that there could have been at a very small cost.

What evidence do you have to support your statement?

Mr. OSWALD. I think the most progress which has been made has been in the graduate areas where a consortium of institutions have gone together, as I understand they have here in the District, and they have around the bay area in California, and three or four other places, whereby they are giving courses in one that exists for all.

I think there has been much less in the area of tying up institutions together through TV and these kinds of situations.

In our own instance, for example, next year we will have a State educational television network. This will provide a TV closed circuit between the university and each of its community colleges so we can offer courses at one place in the institution that can be simultaneously taken to each of the colleges.

I would say there has been probably more planning in this area than there has been action, but I think there is a very great recognition on the part of institutions, certainly those that have a relationship on to each other, and a geographic relationship, that much, much more can be achieved by pooling rather than each trying to go its own way.

Mr. HATHAWAY. In order to spur this effort, would you support a proposal that we require in any application for loan or grant that the maximum use of interinstitutional cooperation be employed in the geographic area?

Mr. OSWALD. I think this would be most appropriate.

Mr. HATHAWAY. Thank you.

Thank you, Madam Chairman.

Mrs. GREEN. My thanks to Dr. Oswald, Dr. Martin, Dr. Johns, and Dr. Curley for your appearance here this morning.

I think, Dr. Oswald, that you more than any other witness have made it abundantly clear that our present policy of just giving more and more student assistance is going to be self-defeating unless we give more help to institutions so that they can keep their costs down.

I am sorry. Dr. Martin, you have a statement. Do you want to summarize that?

Mr. MARTIN. Yes, I will, Madam Chairman.

To begin with, I want to compliment Mrs. Green. As a formal chief State school officer, I know the high regard that our superintendents and commissioners across the Nation hold for Mrs. Green, the school board association, and all the people in education everywhere.

I am pleased to be here today to represent our own institution, I am also a member of the Board of Directors of the American Association of State Colleges and Universities.

The statement here speaks for itself. We have tried to be more specific here, in that President Oswald's figures are for the two associations, we brought this down to our own institution and the experience we have had with the various provisions.

We, of course, strongly believe that this matching of 75–25 ought to be continued because I strongly believe in the maintenance of effort or, if you will, matching, or however you get at it because in working with State foundation programs for the public schools, I know what happens when you don't have some requirement on the part of the local institution or the local district.

So the Congress ought to always keep that in mind, but I think it ought to be realistic and ought to be within the realms of what the institution can do.

For instance, under title I, we have several projects, we could find matching money at 75–25. If it had gone to 50–50, it would have been difficult for us perhaps, since we had not gotten our money specifically for a purpose, to have drained that much money off to it.

As I have said already, the strongest priority ought to be to give the student assistance. I am glad that you propose to consolidate these programs because I think it makes a sounder program in meeting the needs.

We have found in our experience that you end up with work-study money and you don't have the other because you don't have enough to get the person on the campus and the work study tends to help keep him there.

So, serving as we do some two-thirds of our State but in a large matter the Appalachian area, we, of course, find a great need there. We have a tremendous number of students being assisted. I could not emphasize too strongly the point which has been mentioned about the matter of facilities.

I will say to the committee that the needs of higher education facilities has gone far beyond the incentive provided by the Congress because as you look at the overall need it becomes a very small proportion of Federal assistance going into it and most of the institutions or the institutions I am acquainted with, certainly our own institutions in Kentucky, have gone this way.

That is not only indicative of what has gone on at our institution but the same situation has occurred at the five other institutions.

I believe that is all I have to say other than my pleasure to be here. I am sorry Congressman Perkins is not here now. He serves a great many of the youngsters who come to our institution. He is a wonderful person and held in extremely high regard.

I believe in Kentucky that no one who has ever lived in our State has done as much for education as your distinguished chairman.

Thank you.

Mrs. GREEN. Thank you very much, Dr. Martin.

(The document referred to follows:)

STATEMENT OF ROBERT R. MARTIN, PRESIDENT, EASTERN KENTUCKY UNIVERSITY, RICHMOND, KY., AND MEMBER, BOARD OF DIRECTORS, AMERICAN ASSOCIATION OF STATE COLLEGES AND UNIVERSITIES

Madam Chairman and members of the Subcommittee on Education, my name is Robert R. Martin and I am President of Eastern Kentucky University and a member of the Board of Directors of the American Association of State Colleges and Universities. This institution is housed on a campus that has served as a center for higher education for almost a century. The institution's heritage is rich as may be attested by its evolutionary development: normal school, state teachers college, state college, and now a multipurpose university. We are proud of this heritage for at every stage of our development it has kept us close to the people we serve. We are ever mindful of the fact that we must be so organized that we may respond to the needs of our people with a directness of effective action, a characteristic that is part and parcel of a viable institution. It is from this vantage point, then, as president of a university that is poised and organized to offer a wide range of programs for both youth and adults that I respond to certain of the proposed Higher Education Amendments of 1968. I would emphasize that I am being *selective* in responding to those amendments that are *particularly* relevant to the institution which I represent.

I strongly support the proposed amendments to Title I of the Higher Education Act of 1965, the Title that provides for Community Service and Continuing Education Programs. In my introductory remarks I emphasized the closeness which we feel to the people in the larger community which we serve and our long-standing commitment to making our resources available, to the extent possible, in assisting communities to develop action programs to focus on their persistent problems. Title I formalizes and encourages this conjoint effort. Unfortunately, it has been grossly underfinanced. The amount of money appropriated to support Title I activities has borne little relationship to the needs of communities and cities to utilize university personnel in cooperatve undertakings to focus on the compelling problems that are everywhere visible. The proposed amendment which removes the ceiling on appropriations (p. 6) "and such sums as may be necessary for the next five fiscal years" should be viewed as an opportunity to provide a level of support consistent with the magnitude of the problems to which Title I activities may be directed. Even with the limited funds that have been available, however, a number of modest projects have been conducted in all sections of the country. At Eastern Kentucky University, for example, we have been involved with the following Title I activities:

1. Consultation Services for the Development of Community Recreation Programs.
2. A Project to Promote Cooperative Effort of all Persons Engaged in Education at the Local Level.
3. A Pilot Project to Establish a Regional Center for the Purpose of Developing Community Leadership, Coordinating Community Activities, and Expanding Opportunities for Cultural Enrichment.
4. Consultant Services and Workshops for Local Officials.
5. Consultant Services for the Development of High School Driver Education Programs and Community Safety.
6. Consultant Services and Workshops for Law Enforcement Officials, Attorneys and Judges in Central and Eastern Kentucky.
7. Recreation Consultant Services and Workshops for Community Leaders.
8. Traffic Safety Programs for Local Communities.

These projects are suggestive of the scope of our activities under Title I. It should be pointed out that the projects which I have enumerated, involving less than $60,000 in federal funds, have made it possible for our staff members to work with several thousand Kentuckians in the communities of our region. Expanded funds under Title I would obviously put us in a position to increase both the depth and breadth of such programs and to develop new programs.

I strongly support the amendment to extend the 75–25 matching principle for the next fiscal year. I hope that the provision, effective at the beginning of the 1970 fiscal year to change the matching ratio to 50–50, will be reconsidered and that the 75–25 ratio will be continued. I am fearful that many colleges and universities will find it difficult to participate in Title I programs if they must share half of the costs of such projects. In my judgment the proposed 50–50 cost sharing will impede the growth of Title I projects and will functionally restrict participation to the larger and more affluent universities.

The proposed amendment that authorizes the Commissioner of Education to "make grants to or contracts with institutions of higher education to pay all or part of the cost of experimental or pilot projects in the field of community service or continuing education, with emphasis on innovative approaches and on the promotion of comprehensiveness and coordination in these fields" is sound and badly needed. This will permit the institution with an alert and resourceful faculty to move ahead with the testing of new and ceative techniques as these relate to community services and continuing education.

The amendments affecting Title II, (college libraries, etc.) particularly the extensions requested and the revision of maintenance-of-effort requirement for special purpose grants, are desirable from my viewpoint. Liberalizing the matching provision for special purpose grants will enable institutions such as Eastern to more readily participate in this program.

I support the proposed five year extension of Title III to provide for continuing effort in the strengthening of developing institutions. Although we are not formally involved, as yet, in working with developing institutions under this Title, we are engaged in a project with a number of smaller institutions to strengthen staff research capabilities. Such projects have the potential to be of benefit to all institutions that are involved.

I support the "Increase in Cost-Of-Education Allowance" provided for in Section 303 of Title III. We have recently received six of the twenty-nine fellowships awarded under Title V–C of the Higher Education Act for graduate instruction for prospective industrial education teachers. Graduate instruction, by its nature, is expensive. This amendment provides for a more realistic assessment of the institutional costs associated with graduate programs. I am concerned however, that added institutional support is not followed by a reduction in fellowships.

My next comments are related to Title IV—Student Assistance: "The Educational Opportunity Act of 1968." The Statement of Purpose for this Title has profound implications for those of us who are engaged in higher education as well as those who seek it: "The Congress hereby finds and declares that it is in the national interest to provide educational opportunities beyond secondary school to all our youth that desire such opportunities and can benefit from them. The strength and vigor of our economy and indeed the future of our society of free people demand that our youth, who represent the best of all our hopes, be given a chance to do their best. It is therefore the purpose of this title to provide substantial assistance to students in order that no student of ability will be denied an opportunity to develop his talents because of financial inability to meet basic higher education costs."

We all know that there are insufficient funds, currently, to provide financial assistance for all of the needy and deserving youngsters who seek higher education. Certainly it is to the best interest of this nation that these young people be provided with assistance. It seems perfectly obvious to me that such an implied massive student financial aid program should be coupled, and soon, with *a program that provides basic support to institutions* including increased support for academic facilities and dormitories. If this does not follow, we are apt to be caught in a web of ever-spiraling costs to be passed on to the students who are the recipients of finanical aid. In substance I have endorsed the statement of purpose of the Educational Opportunity Act of 1968 with the proviso that a prerequisite for its full realization is directly related to the commitments that Congress may make to the institutions that will house and provide instruction for the students.

The proposal to provide a consolidated framework for the three college-based student aid programs: Educational Opportunity Grants, National Defense Student Loans, and Work-Study is both reasonable and administratively sound. The provision to permit an institution to transfer during any year up to twenty percent of the federal funds earmarked for one program to another program establishes a degree of flexibility that is encouraging. In addition, the proposed administrative overhead allowance that provides for a maximum of three percent of the total federal funds granted to an institution for student aid programs appears equitable.

Madam Chairman, we are deeply interested in the expansion of the student financial aid programs as they make the difference, for many of our students, in having an opportunity to share in the benefits of a higher education. The following data show the extent to which students at Eastern Kentucky University have participated in these programs:

	Work-study		NDSL		EOG	
	Number	Amount	Number	Amount	Number	Amount
Fiscal year 1966	531	$175,822	1,180	$403,600		
Fiscal year 1967	1,116	242,042	1,230	460,625	573	$140,576
Fall semester, 1967–68	1,025	164,875	1,157	215,100	652	145,790
Spring semester, 1968	1,120	180,000	[1] 1,131	201,775	[2] 659	146,000

[1] 162 new recipients who did not have a loan during the fall semester.
[2] 118 new recipients who did not have a grant during the fall semester.

	Repayment period		
	6 years	8 years	10 years
Amount advanced each year:			
$750 .... percent	7.11	6.99	6.90
$900 .... do	6.92	6.83	6.74
$1,000 .... do	6.83	6.74	6.66

In summary, I would point out that during the current academic year 1319 students have received National Defense Student Loans, 770 have received Economic Opportunity Grants, and 1120 are employed in the federal work-study program.

I strongly support the amendment to the Higher Education Act that provides for "Special Services for Disadvantaged Students." This amendment clearly recognizes that for the disadvantaged student we must extend our efforts beyond *Talent Search, Upward Bound*, and financial aid programs. We must be in a position to provide the necessary but expensive special programs for these students or many will not, as has been the tragic case related at institutions all across the breadth of this country, survive beyond the first semester. In many cases we are talking about the first generation college student, and I would urge that we not forget, in these days of concern for urban problems, that these youngsters may be found in large numbers in rural America.

Special projects or programs (p. 75) provided for in the amendment indicate a keen awareness for the kinds of problems faced by the disadvantaged youngster:

A. Counseling, tutorial, or other educational services, including special summer programs, to remedy such students' academic deficiencies.

B. Career guidance, placement, or other student personnel services to encourage or facilate such students' entrance, continuance, or reentrance in higher education programs

C. Identification, encouragement, and counseling of any such students with a view to their undertaking a program of graduate or professional education

Many institutions, including the one I represent, have attempted to provide special assistance for disadvantaged students but we recognize that our efforts have been small in relationship to the need. The proposed amendment authorizes $15,000,000 to support special programs for the fiscal year ending June 30, 1969. While this amount will provide for a beginning, I feel that much larger amounts will be needed in the fiscal years that follow if we are to make a functional and realistic interpretation of the "statement of purpose" of the proposed Educational Opportunity Act of 1968.

Without delving into the technical amendments to the Educational Professions Development Act, I would comment that this Act provides for a great breadth of programs important to those in the field of education. The positive impact of the NDEA Institute program, now provided for in EPDA, has been generally recognized. Five NDEA institutes in Reading, Industrial Arts, English, History, and Geography will be conducted on our campus this summer in addition to an Institute for librarians. We have observed the enthusiasm of the teachers who have enrolled in institutes conducted in previous summer terms, and we believe that we have returned them to their school systems better equipped to discharge their responsibilities.

The Education Professions Development Act encourages educational institutions to develop new programs that are related to present and emerging needs, and that are far less restrictive when contrasted with previous NDEA type programs. The Act, for example, reflects an awareness for the needs of the teachers who staff the rapidly expanding vocational-technical secondary and post-secondary programs. Eastern Kentucky University has a strong commitment to technical education programs including the preparation of technical subjects. In September of 1966 Eastern became the first institution in Kentucky to offer university-based programs at both the associate and baccalaureate degree levels to prepare vocational-industrial and technical teachers. We look forward to the opportunities provided under the Education Professions Development Act to better serve these and other educational personnel.

I endorse the amendment to Title VI of the Higher Education Act to provide for a five year extension of support for instructional equipment and materials, the elimination of subject restrictions, and the provision to extend assistance to graduate instruction. Although funding levels have been limited, this Title has enabled us to move ahead with critical equipment purchases in a manner that would not have been possible with our institutional resources.

The new Title VIII, "Networks for Knowledge," should offer an incentive for colleges and universities to join together on a multi-institutional basis to share educational and other related resources. As I mentioned earlier in my testimony, we are presently involved in a project with a number of nearby institutions to improve staff research capabilities. This activity is most certainly within the framework of the "Networks for Knowledge," and may serve as the foundation for broader-based cooperative arrangements. Institutions must be encouraged to develop new ways of sharing their resources, and the "Networks for Knowledge" promotes this kind of endeavor.

While I strongly endorse the extension of the Higher Education Facilities Act for a five year period, I am deeply distressed with the proposal contained in Section 1102 that would have the effect of increasing the interest rate on loans for academic facilities beyond the present 3 percent limit. It is a paradox, Madam Chairman, that certain amendments under consideration would provide a package program of financial assistance for those students who are in need, support special compensatory programs for them, and then another amendment opens the door to increase the interest rate on the academic facilities in which they will receive instruction. Institutions need substantial assistance in providing facilities, including dormitories, to care for mounting enrollments. Increasing the interest rate on the facilities loan program, and the current reduction of appropriations for the academic facilities grant program are factors that are both alarming and impediments to the realization of the purposes of the amendments which have been previously considered.

I am very much in favor of Title VII, "Education for the Public Service." As one who has served in state government in a number of roles, including Commissioner of Finance and Superintendent of Public Instruction, I am very much aware of the shortage of competent, career personnel to fill the diverse positions that are available within the broad area of public service. Institutions must be encouraged to develop appropriate educational programs to prepare such individuals. The graduate programs provided for in this Title should produce a caliber of personnel that is badly needed.

Madam Chairman, the amendments on which I have commented have far reaching implications for higher education. The Educational Opportunity Act, in particular, reflects our concern that students who are both needy and able must be provided with the requisite financial assistance to share in the benefits of higher education. The amendment to provide "Special Services for Disadvantaged Students" logically follows as a companion measure. It also follows that, unless we are to pass on to these students the ever increasing costs of higher education, new programs of direct support to institutions, and more adequate financing of existing programs must be accomplished.

In those few instances where I have taken exception to certain amendments I hope that you, Madam Chairman, and members of the Committee, recognize that I have attempted to point out apparent inconsistencies when the amendments are considered as interrelated rather than as separate entities. I appreciate very much this opportunity to share my observations with you.

Mrs. GREEN. Dr. Johns.

Mr. JOHNS. I will take just a minute here to express some concern. I certainly appreciate the opportunity of speaking here. Our institution is an institution, I don't like to call it private, because I don't think there is such a thing any more, we certainly serve the public.

Ninety percent of the teachers in Pikeville come from graduates of our institution; 70 percent of them in the county are. We are located at a point in Kentucky near Virginia and West Virginia and have done some experimental programs serving Buchanan County, Va., where we introduced a program of institutional cooperation there to upgrade the quality of teacher education and enrolling now 270 students at a branch campus there.

Our enrollment jumped from last year 750 students to this year 1,250 students. This is a 1-year increase largely through some innovative programs and the fuller utilization of our plant, by moving courses at night, that were regular courses, and simply extending our day and our finding that we are going to be able to do more of this and utilize even some of the high school facilities where we need to in order to encourage students to attend institutions in eastern Kentucky.

We are the only 4-year college in a 115-mile radius and as a result have a great demand placed upon us to really do a job now.

I can support Dr. Oswald's concept of broad support for higher education. One of the problems and the real problems that we are going to continually be faced with as we use the project grant approach, is the difficulty in long-range planning and with institutions becoming more complex, even the small ones, we do need to give serious thought to long-range planning.

As we look at this, this is an important facet. For instance, we have a proposal in, under developing institutions, for cooperating with the University of Kentucky for a little over $100,000. We should get word on that sometime this spring. Involved in that are the appointments of several key people in special education which is a real need in eastern Kentucky and developmental reading which is a real need in eastern Kentucky, and to not know that these funds are going to be available until spring and then trying to find the faculty and have them on the job in the fall is almost a virtual impossibility.

So I would certainly urge that some serious thought be given to trying to meet this problem as we look at the approach to forward funding and timing of applications and notifications of granting.

This was mentioned in Mr. Howe's speech which I certainly concur with. I certainly can support the concept of the "networks for knowledge." I don't think we have even started to touch the potential here.

Pikeville College, yesterday, entered into an agreement with the Union for Research and Experimentation in Higher Education at Antioch, which is a consortium of 12 colleges and joint faculty appointment. This is an outstanding man in outdoor recreation and conservation which is a must in eastern Kentucky.

We will pay him half his salary, they will pay half his salary. He is at a salary level that we could not afford to do this alone. I think we can really move here. We are part of the mid-Appalachia program, which was mentioned by Mr. Howe.

I certainly can support the program for the disadvantaged. Again, we are in an area where this is a key program. Last summer, and recognizing this was a problem and that really the students that came to us we took from the low-income families but we had never done a real job in talent search, I hired an admissions man who was a recent graduate of our college. A good case in point. He had been a miner, his daughter came to college. He, at 45, said, "I can do that," so he came back to college and so he and his daughter graduated together.

We then hired him as our director of admissions and he went out in the county and found 50 young people who had the capacity to do college work and yet literally no money.

Now we even go so far as to have to provide money for clothing and developmental programs for these students. And the success with these 50 students this first semester was outstanding. We are really pleased.

The mean score at Pikeville on the ACT test, which is the Iowa test somewhat like the college boards, of the students from the five-county area of mid-Appalachia, the mean score was 56 percentile. Of that group, remember 50 percent of them came from families with incomes of less than $3,000, meaning that probably the only books they saw in their homes were the ones they took there.

You can't say they are dumb at all, they are quite intelligent. They do need some special attention which is a type of program we are putting in under title III.

I am certainly pleased with the direction that you are taking here, the combination of the student loan programs. I think it will really do a lot.

I am disappointed in title I funds, the community service. I see education having a real demand placed upon it to address itself to the problems confronting this country. I think, we have the manpower in our student bodies if we could begin to use some innovative ideas in helping meet the community crisis.

We are directly involved in some experimental programs because Pikeville is a model city and right now we have a hundred students that are using work-study money and any other kind of funds we can get, running recreational programs, starting day care centers, working with the mental health program, starting cultural programs for students in the area, the expansion of this we foresee next year will involve one-half of our regular students.

We will apply for title I moneys but with $10 million and over 2,000 institutions that does not go very far. So I think this needs to be looked at if we are honest about some of the suggestions that institutions really do now take their responsibility for community service seriously.

I think that concludes my statement.

Mrs. GREEN. Thank you very, very much, Dr. Johns. And again, my thanks to the members of the panel.

Even though the hour is late, I am going to ask Keith Spalding and Jack Morse to come up.

Dr. Spalding, representing the Franklin & Marshall College, and the chairman of the Commission on Federal Relations of the American Council on Education, and Jack Morse, of course, with the American Council on Education.

Dr. Spalding, do you want to proceed with your statement?

STATEMENT OF KEITH SPALDING, PRESIDENT, FRANKLIN & MARSHALL COLLEGE, LANCASTER, PA., AND CHAIRMAN, COMMISSION ON FEDERAL RELATIONS OF THE AMERICAN COUNCIL ON EDUCATION; ACCOMPANIED BY JOHN MORSE, DIRECTOR, COMMISSION ON FEDERAL RELATIONS OF THE AMERICAN COUNCIL ON EDUCATION

Mr. SPALDING. Yes, Madam Chairman. Thank you.

I think it would probably be helpful to the committee, particularly since President Oswald's testimony was so completely precise and there are only minor differences in what we have to offer, if I submitted my statement for the record and summarized it orally.

Mrs. GREEN. Yes; without objection, your complete statement will be made a part of the record at this time and the statement of Dr. Martin will also be incorporated in the record.

(The document referred to follows:)

PREPARED STATEMENT OF KEITH SPALDING, PRESIDENT, FRANKLIN AND MARSHALL COLLEGE, REPRESENTING THE AMERICAN COUNCIL ON EDUCATION, THE AMERICAN ASSOCIATION OF JUNIOR COLLEGES, THE ASSOCIATION OF AMERICAN COLLEGES, THE ASSOCIATION OF AMERICAN UNIVERSITIES, AND THE ASSOCIATION FOR HIGHER EDUCATION

Madam Chairman and members of the subcommittee; My name is Keith Spalding. I am president of Franklin and Marshall College at Lancaster, Pennsylvania, and chairman of the Commission on Federal Relations of the American Council on Education. The Council has a membership of 1,538 colleges, universities, and organizations working in or with higher education. I am very happy to tell you that joining the Council in this testimony are the American Association of Junior Colleges, the Association of American Colleges, the Association of American Universities, and the Association for Higher Education.

We are pleased to have the opportunity to voice our support for H.R. 15067, the Higher Education Amendments of 1968. In a bill of such broad scope, there are, naturally, a few provisions which be believe should be changed or eliminated, but generally we support the bill, particularly the five-year extensions proposed for such important and valuable legislation as the Higher Education Facilities Act of 1963, the Higher Education Act of 1965, the National Defense Education Act of 1958, and the National Vocational Student Loan Insurance Act of 1965. We strongly urge this committee to approve the five-year extensions of these Acts. Altogether, they contain many and varied programs of great benefit to students, colleges, and higher education in general. The longer advance notice we have of the continuation of these programs, the better we can plan for their successful implementation.

In this connection, we particularly applaud Section 908 of the bill, which authorizes advance funding of the programs of the Higher Education Act of 1965, the Facilities Act, the NDEA, and other programs in the bill. Due to the way the academic calendar operates, advance funding is especially important for student aid programs, including fellowships. As this committee knows, colleges and universities must make commitments in the spring for scholarships, fellowships, loans, and work-study funds to be used in the academic year starting the next fall. In the past, the appropriation for the Federally-supported student assistance programs often have not been made until well into the fall—after the school year has started. This has created confusion, uncertainties, and difficulties for both the students and colleges which could be avoided if we could be certain in the spring just how much money would be available for student aid the next fall. Advance funding would provide this assurance. We are grateful to this subcommittee for pointing out the problems of late funding of educational programs with such clarity, in your recent report on your study of the U.S. Office of Education.

Also highly desirable, from the standpoint of the colleges as well as Government administrators, are provisions in Section 907 of the bill for advance planning and for evaluation of educational programs. With the magnitude of higher education constantly increasing and the Federal budget tightening, it becomes more essential than ever to have wise planning and wise use of available funds. The higher education community would welcome both the yearly evaluation of programs contemplated in Section 907 and the more comprehensive review required in Section 910(b). Clearly we also would welcome a one-year automatic extension of an expiring program in any case where the Congress has not acted either to extend or terminate the program, as provided in Section 910. This would eliminate any "cliff-hanger" suspense at the start of an academic year as to whether the program would or would not be in operation during that year, it would help us to implement more effectively the intent of Congress in establishing the program.

Now I should like to turn to a provision in the bill which we strongly oppose: Federal assistance for the construction of academic facilities has long been a top priority item with the American Council on Education. While we enthusiastically support the proposed five-year extension of the Higher Education Facilities Act, we must oppose that section (Section 1102) which would have the effect of raising interest rates on facilities loans. The Council believes that the present ceiling of 3 per cent on interest rates for loans made under Title III of the

Higher Education Facilities Act is a wise provision, since it enables the colleges to provide the expansion demanded by increasing enrollments without transferring additional costs to the students. We greatly fear that substitution of the flexible interest rate proposed in Section 1102 would result in higher fees charged to students. We respectfully urge that this section be dropped.

When a Council spokesman testified before this subcommittee last April, he said a similar provision in the 1967 Higher Education bill could mean an immediate rise of more than 50 per cent in the interest charged for facilities loans. This year the increase could be even higher. Just to review—under the proposal in Section 1102, the Secretary of the Treasury would first determine the interest rate for facilities loans, taking into consideration the current average market yield of Government obligations of comparable maturities. Whereas last April this rate was between 4½ and 4¾ per cent, we are informed that it is now 5¼ per cent. Then the Commissioner of Education would have discretionary authority to lower the Treasury Secretary's rate by an amount up to 1 per cent. Thus, at the present, the rate could be anywhere from 4¼ to 5¼ per cent, compared to the existing 3 per cent rate for facilities loans. With such a sharp increase, colleges would have little alternative to raising charges to students to help cover the cost of amortizing the loans.

May I say at this point that we are distressed about the funding cuts for academic facilities grants and loans, both in the current fiscal year and the budget for Fiscal 1969. We believe that in the long run it will be harmful to the national interest to delay the construction which will be needed if we are to make a college education available to increasing numbers of our young people. We intend to go before the appropriations committees to urge, as strongly as we know how, that more money be provided for academic facilities in the coming fiscal year.

There is another, alternative, method of providing additional funds for academic facilities loans by utilizing the private lending market. We would urge this committee to include in the pending bill an additional provision for an interest subsidy on facilities loans obtained through the private market—a subsidy which would make up the difference between 3 per cent and the rate colleges must pay on the commercial loans. This would be similar to the new provision for college housing loans contained in S. 2700, the housing and urban development bill approved by the Senate Banking and Currency Committee last November. It is also similar to the college housing loan proposal in H.R. 8647 introduced last year by Representative Patsy Mink.

The programs providing financial assistance to deserving, needy students have also been of long-standing priority interest to the Council. From the standpoint of good administration, and of assisting needy students most effectively, we enthusiastically endorse the package aid concept in Title IV of H.R. 15067. We move to consolidate the present Work-Study program, Educational Opportunity Grants program, and National Defense Student Loan program into a single Educational Opportunity Act, effective July 1, 1969. This proposal has significant advantages for both the students and the colleges. For the colleges, it would eliminate a considerable amount of complicated costly paperwork by allowing them to file a single application for all three programs. For the individual student, it should be easier to obtain the type or types of financial assistance to meet his particular needs. By permitting institutions to transfer up to 20 per cent of their allocation for one program to one or both of the other programs, the institutions will be able better to work out the most beneficial aid package for each student. We feel that the transfer provision of 20 per cent is a reasonable percentage since it gives the institution some flexibility in distributing student assistance funds while at the same time preserves the underlying character and purposes of each of the three student assistance programs.

Title IV also would remove a certain unfairness now present in the National Defense Student Loan program by eliminating state quotas for loan funds. Although I am sure this was never the intention, the state quota method of allocating funds has resulted in a discrimination against institutions in certain states. The way the allocation formula works, the institutions in some states receive 100 per cent of their approved requests for loan funds, while others get only 75 or 60 cents on their approved dollar requests. We are informed by the Office of Education that only in 11 states and Puerto Rico do institutions now receive 100 per cent of their loan requests. (The 11 states are California, Delaware, Georgia, Hawaii, Idaho, Louisiana, Maryland, Nebraska, Texas, Utah, and Virginia.)

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 understand that there are problems with state usury laws, but even in the Act as it now stands there is a provision for the interest rate to rise to 7 per cent in certain circumstances. No doubt the Treasury considered all this before proposing the fee approach, but we think it may merit further consideration.

Once again, we question the need for subsidizing the interest on a guaranteed loan to a student after he graduates. We can see the justification for an interest subsidy to a student from a middle or upper-middle income family while he is in college and incurring heavy expenses. But to continue the subsidy for up to 11 years after graduation becomes a costly expenditure for the Government. We believe that providing more financial aid to enable needy students to attend college should take priority over a postgraduation interest subsidy to students who are better off financially. While we do not support a "means test" for a guaranteed loan, we believe that the colleges should be involved in the program to the extent of indicating to the lending institutions the approximate cost of attending their college and any other financial aid furnished the applicant.

We support the extension of other existing programs contained in H.R. 15067 and the minor revisions proposed in them. We would urge your support for an increase in cost-of-education allowances to institutions, as proposed in Section 303. This section would eliminate the flat $2,500 allowance to institutions attended by holders of National Defense Education Act fellowships and fellowships for elementary and secondary teachers and permit the Commissioner of Education to set allowances comparable to those under other Federally-supported fellowship programs. It is our understanding that other Federal agencies are moving toward a uniform $3,500 allowance, and we see no reason why the allowance for fellowships administered by the Office of Education should not be the same.

Finally, let me turn to a few brief comments on the new programs proposed in H.R. 15067—namely the improvement of graduate programs, special services for disadvantaged students, the "Networks for Knowledge," and education for the public service. We have assessed each of them and find them all well conceived and desirable. Notably they follow the mainstream of development of Federal activity in support of higher education. They would be helpful in filling in some gaps in the present pattern of Federal programs. It may well be desirable to commit them to legislation now in order to permit sound planning and orderly development of them. But, speaking for the Council, I feel impelled to say that our primary concern continues to be for adequate funding of those existing programs which have been tried and tested. We know through our experience that these existing programs are effective and that they address themselves to some of the most critical needs of higher education. We would hope, therefore, that a desire to institute new programs will not come into competition with the appropriation of funds to strengthen and bring up to projected levels the existing programs. We do support the new programs. Cognizant of the fact that the funds proposed for them in H.R. 15067 are small, we would comment that authorizing them now will permit the responsible agencies to plan well for their implementation and get them established with the prospect that, hopefully, they can grow to full stature when the budget picture brightens.

The proposal in Title III for institutional grants to improve the quality of graduate programs moves in a direction which I believe most of higher education desires—that is, support for general operating expenses. On this point, on behalf of AAC, file a statement. This program in Title IV could lead to significant improvement of graduate education over the long run.

The proposed program to provide counseling, tutoring, and other special services for disadvantaged students is a logical sequel to the present Upward Bound and Talent Search programs to encourage such students to attend college. Since they come from deprived backgrounds, these students often need more help than the usual student to adjust to a college environment and to keep up with a college class schedule. The new program would help colleges give them this extra lift without cutting into their services to their other students.

The "Networks for Knowledge" program, small though it is initially, would give an impetus to colleges to develop ways to share their technical and other resources. In this instance, small grants to get the cooperative arrangements started could lead to significant benefits later through a pooling of resources.

The proposal for fellowships to train personnel for the public service and for research and demonstrations in this area seems to us a desirable program. We know that public administration is becoming increasingly complex and demanding and feel that the fellowship program would encourage more potential administrators to take professional training.

Thank you, Madam chairman and members of the subcommittee, for giving us the opportunity to present our views. I would be pleased to answer questions and to submit later any further information you desire.

Mr. SPALDING. My name is Keith Spalding, president of Franklin and Marshall College in Lancaster, Pa., and chairman of the Commission on Federal Relations of the American Council on Education.

I am accompanied by John F. Morse of the American Council. I am happy to tell you that we are joined in this testimony by the American Association of Junior Colleges, the Association of American Colleges, the Association of American Universities and the American Association for Higher Education.

We do support in general H.R. 15067. In such a broad bill, of course, there are some things about which we don't have full enthusiasm which we think might be changed or eliminated but we do particularly commend to you the 5-year extensions proposed for the Higher Education Facilities Act, the Higher Education Act, National Defense Education Act.

We particularly applaud section 908 of the bill which authorizes advanced funding because by the use of advanced funding we can more accurately implement the intent of Congress.

The committee very well knows that in scholarships and fellowships and loans, colleges have to make their commitments in the spring for what happens in the fall, if we are to make effective use of the money.

One provision of the bill that we do have to strongly oppose is section 1102 which would have the effect of raising the interest rates on facilities loans.

The Federal assistance for construction of academic facilities has for a long time been a top priority with the American Council. We do support the proposed 5-year extension.

We believe that the present ceiling of 3 percent is a wise provision. We fear that if the flexible rate is adopted, and it would be quite high, there is no alternative except to pass those charges along to students.

It is our belief that we should be looking for the means to reduce the burden of cost to students and their families.

I would like to say, also, that we are very distressed about the funding cuts for academic facilities, grants and loans both in the current fiscal year and in fiscal 1969.

In brief, we believe in the long run it will be harmful to the national interest to delay the construction which will be needed if we are to make a college education available to increasing numbers of young people.

We do believe that there is another alternative method that could be explored for providing additional funds. Dr. Curley commented about this; that is, to use the private lending market with an interest subsidy. It looks to us as though that would be effective use of Federal moneys, encouraging the use of the private market, in addition to the present direct program.

In addition to facilities to give balanced weight, as you suggested in your conversations and your questions, we have had a longstanding, high-priority interest in the programs which provide financial assistance to deserving and needy students.

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.

It is clear to us that the banks should be permitted a reasonable profit on the students' loans they handle so that they will join and continue in the program.

We don't have any particular financial expertise so we don't know exactly the effect that these fees would have but we would hope that the committee would look also into the possibility of allowing an increase in interest rates on these loans as an alternative to the fees.

We understand there are problems with State usury laws but even in the act as it now stands there is a provision for the interest rate to rise to 7 percent in certain circumstances.

I have no doubt the Treasury considered all this before proposing the fee approach but we think it may merit further consideration.

We do, too, question the need for subsidizing the interest on the guaranteed loan to a student after he graduates. We can see the justification for an interest subsidy to a student from a middle or upper income family while he is in college and has high expenses but to continue the subsidy for up to 10 or 11 years after graduation, becomes exceedingly costly for the Government.

We believe in the designation of priorities; the providing of financial aid to needy students to attend college should take priority over the postgraduation interest subsidy to students who are better off financially and who indeed may have some family resources to call on.

While we do not support a means test or a needs test as it is called for a guaranteed loan, we do believe it is important that the college financial officers be involved, that this makes for more orderly administration of things the colleges need to know and the banks need to know.

Once again, the abuses that are possible in the program can in part be overcome by this involvement.

I would like to add this comment on behalf of the American Council: We have not had time to check this with our sister associations, so it is identified only with the council's testimony. We have always supported the program, but its potential can be such an enormous drain on Federal resources it might seriously injure more essential programs.

The terms of the loan are so attractive it would be expeditious for anyone to borrow even if he had adequate resources to meet his college bills. It is a program to tide families over. Needs tests in a traditional sense would defeat the purpose of the act. The major drain on the Federal resources would come as a result of the interest subsidy after graduation.

It is now advantageous for every borrower to take the maximum amount of time to repay—the full 11 years. We believe that if the interest subsidy is ended at graduation there will be little incentive to borrow unless a loan is needed, and every incentive to repay the loan as soon as possible.

Very briefly, on the new programs let me say that we support the program for improvement of graduate programs, special service for the disadvantaged, the networks for knowledge, and education for public service.

After assessing each of these we find them well conceived and desirable. It is commendable, as a matter of fact, that there is now a comprehensive pattern of Federal assistance or Federal activity in support of higher education and these programs are in the mainstream. These would be helpful in filling some gaps.

It might be desirable to commit them to legislation now in order to permit some orderly development. Our primary concern continues to be for the adequate funding of those existing programs which have been tried and tested.

We know through our experience that these are effective programs and that they address themselves to some of the most critical needs in higher education. We hope that the desire to institute new programs will not come into competition with the appropriation of funds to strengthen and to bring up to projected levels the existing programs.

We do support these new programs. We noticed or are cognizant of the fact that the funds proposed for them in H.R. 15067 are small. We comment that authorizing them now would permit the responsible agencies to plan well for their implementation and get them established, with the prospect that hopefully they can go to full stature when the budget picture brightens.

Again, it is good forward planning. The proposal in title III for institutional grants to improve the quality of graduate programs moves in the direction which I believe most of the higher education desires; that is, support for general operating expenses.

In that connection, Madam Chairman, the Association of American Colleges would like to file a supplemental statement of views on some of the proposals. It is principally to this point. I ask that that statement be included in your record.

Mrs. GREEN. Without any objection, it will be included.

(The document to be furnished follows:)

SUPPLEMENTARY STATEMENT OF THE ASSOCIATION OF AMERICAN COLLEGES, WASHINGTON, D.C., TO THE JOINT TESTIMONY OF THE AMERICAN COUNCIL ON EDUCATION AND OTHER EDUCATIONAL ORGANIZATIONS

The Association of American Colleges, an organization of nearly 900 liberal arts colleges, including the arts and science colleges of many major universities, is glad to associate itself with the testimony of the American Council on Education in support of the new educational programs proposed in H.R. 15067—improvement of graduate instruction, services to disadvantaged students, "Networks for Knowledge," and education for public service.

Yet we are constrained to remind the Committee that these are but further extensions of the project grant approach of support for special areas of educational need. Even if these new programs are funded at the levels requested by the President, they will not give our colleges and universities the kind of assistance they need most if they are to remain strong and to add to the quality of education they offer.

In a statement of policy approved by the Association's membership in January 1968 we say: "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."

We go on to say: "Federal institutional grants for the support of basic instruction offer the best prospect for sustaining and improving American colleges and universities. While we believe this to be true for both undergraduate and graduate levels of instruction, we believe it bears with special force and applicability upon the undergraduate college and its future." A copy of our policy statement, *Federal Institutional Grants for Instructional Purposes*, is attached to this statement.

The Association realizes that in a time of fiscal stringency such as we are now going through, large-scale federal spending for higher education is almost out of the question. Nevertheless, we respectfully suggest to the Committee that future spending for higher education be directed away from new kinds of project grants and channeled into broad grants for construction of facilities, for student aid, and for support of the undergraduate instructional programs in colleges and universities.

Federal Institutional Grants for Instructional Purposes

A STATEMENT BY
THE ASSOCIATION OF AMERICAN COLLEGES
WASHINGTON, D.C. 1968

ASSOCIATION OF AMERICAN COLLEGES

Richard H. Sullivan, president

This document represents the official views of the Association of American Colleges as determined by its Annual Meeting on January 17, 1968 which adopted the following two resolutions:

VII. *Be it resolved* that the Association of American Colleges, cognizant of the rising costs of higher education, believes that these costs cannot be offset by present methods of public and private funding of colleges and universities. State and local governments and private philanthropy must provide increasing support for higher education; but the federal government must be prepared to make a larger commitment of its resources than it does at present, and it must be prepared to commit these resources to different purposes.

Specifically, the Association urges the federal government (1) to expand its program of grants for academic facilities and to ease the matching requirements for such grants; (2) to establish a comprehensive student aid plan that will emphasize grants toward the cost to the individual of tuition and other fees; and (3) to establish a system of institutional grants for the support of general instruction in colleges and universities.

Be it further resolved that the Association pledges itself to work through its Board of Directors, commissions, officers, and staff, with other concerned associations toward the early development of specific legislative proposals to these ends, to be presented to the Executive Branch and the Congress.

VIII. *Be it resolved* that the Association of American Colleges approve in principle the statement, *Federal Institutional Grants for Instructional Purposes,* as approved by the Board of Directors on 4 November 1967, and that it commend this statement to the attention of Congress and the Executive Branch of the federal government as well as to the concerned general public.

FEDERAL INSTITUTIONAL GRANTS FOR INSTRUCTIONAL PURPOSES

A Statement by THE ASSOCIATION OF AMERICAN COLLEGES

There are three commonly accepted functions of institutions of higher education: research, service, and instruction. Yet, with the exception of the Higher Education Facilities Act of 1963, the bulk of federal funds has gone to the support of research or for the purchase of services.

Through research grants and through contracts for services to be performed the federal government and undergraduate colleges have been brought into many useful relationships which have proved beneficial to both parties concerned. For example, grants from the National Science Foundation for equipment to be used in the undergraduate instruction in science can strengthen the offerings of many of our colleges which could not otherwise compete with the facilities available at larger institutions. Similarly, contracts for Peace Corps training or for teacher institutes make it possible for many of our colleges to undertake educational programs that would otherwise be beyond their capacity.

As useful as these federally funded programs of research and service are, they do not provide funds needed to improve basic instruction. Federal funds for research or for the performance of a contract must be expended for a specific project or for the performance of specific services. Even where they may be spent for books and equipment, they must be spent for books and equipment related to specific areas of instruction. In the case of the Higher Education Facilities Act, federal funds may be spent for the construction of instructional facilities but they must be spent under highly specific conditions and for a specific building project.

Almost inevitably, the institution must decide how much of a commitment it wishes to make to a specific program if it intends to accept federal funds for the support of that program or for the performance of a contract. This in itself is not bad, but it offers a temptation to institutions to distort their programs in order to obtain federal support for them. As a result, some institutions have placed undue emphasis on those areas of instruction for which federal support was available.

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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* 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-

* 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.

tional program by raising faculty salaries, or by funding post-doctoral research by junior members of the faculty, or by developing experimental curricula. For other institutions additional funds for instructional services will make possible the appointment of additional faculty to accommodate expanded enrollments, to improve faculty-student ratios, or to reduce class sizes.

Although support of instructional programs should be on a non-categorical basis, it would be advisable and also consistent with the provisions of section 401 (a) (2) of the Higher Education Facilities Act to exclude by explicit reference support for sectarian instruction and for courses taught in preparation for the ministry or for religious vocation.

3. In terms of purpose, institutional grants should support necessary quantitative expansion of higher education and should encourage, as well, qualitative improvement in instruction. To the maximum extent possible the amount of each institution's grant should be determined through objective formulas. Admittedly, objective formulas which will effectively encourage qualitative improvement in instruction are more subtle to devise than formulas bearing on quantitative expansion with their emphasis on enrollments and degrees granted. Nevertheless we believe the attempt should be made to recognize educational quality in apportioning grants to institutions.

4. To be eligible for an instructional support grant, the institution should be regionally accredited. To insist on accreditation as the minimum standard of qualification will insure, at the very least, that the grants are made to bona fide institutions of higher education. Excluded from eligibility will be a number of institutions that are also bona fide, at least to the extent of being listed in the official directory of the U. S. Office of Education. Many of these institutions are worthy of support, but this support should be of a special kind such as is now available for "developing" institutions. Institutions which have not yet achieved regional accreditation probably need proportionately larger amounts of financial assistance directed to specific needs if they are going to achieve accreditation. Once they have achieved accredited status, they will then be eligible for the general instructional support grants described in this proposal.

The Association suggests the above four points as guidelines rather than as absolute requirements. It believes that institutional grants for the support of instruction are the next logical development of federal support of higher education, though it recognizes that many of the present project grants and other special forms of support need to be continued. In short, institutional grants should supplement rather than supplant many of the kinds of federal support now available to colleges and universities.

Finally, the Association believes that federal institutional grants for the support of basic instruction offer the best prospect for sustaining and improving American colleges and universities. While we believe this to be true for both undergraduate and graduate levels of instruction, we believe it bears with special force and applicability upon the undergraduate college and its future. The Association is ready to cooperate with other educational organizations and with Congress and the executive agencies of the federal government in the development of specific proposals embodying the principles and guidelines set forth in this document.

THE ASSOCIATION OF AMERICAN COLLEGES
1818 R Street, N.W. Washington, D.C. 20009
Published February 1968

Mr. QUIE. By that request do you mean also the brochure?

Mr. SPALDING. Yes; it is intended as a part of this statement, yes, sir.

Except to say then that I could comment specifically on each of the new programs and comment favorably on them, that is a very quick summary of what we have to present to you. If there is even a moment left, if you have any questions we will be delighted to answer them.

Mrs. GREEN. You have summarized your statement in an efficient and forceful way.

Dr. Spalding, you say you do not favor a needs test for the guaranteed student loan program, but you do favor a greater participation by student financial aid officers.

What would you consider their role to be then?

Mr. SPALDING. Principally this: To indicate to the lending institutions the approximate cost of attending that college, and whether or not that student gets support money form any other source, is in effect a kind of assurance to the bank that they are making a loan where it is needed.

Mrs. GREEN. It is a needs test then, is it not?

Mr. SPALDING. No; I don't think so, Madam.

It would not go into a father's income as we view it, except that the father, I guess, has to prove that he has a net income of $15,000 in order to get a subsidy.

Mrs. GREEN. Adjusted gross income?

Mr. SPALDING. Yes. But there is no calculation as there is in other programs to determine stipends on the basis of need and to meet that need.

Mrs. GREEN. Do you have the feeling that everybody will be treated alike in terms of the guaranteed student loan program if there is not somekind of needs test?

Let me give you an example.

One of the representatives of the banking association made the point to me yesterday that if there were no needs test at all and the president of a business in the town had $100,000 deposited in a bank and the student, the son of that man, came to the bank and wanted to take out a loan and qualified under the $15,000 adjusted income, the bank would not have any alternative except to give the loan, the pressure would be very great.

While the student at the very low-income family, not qualifying for NDEA but qualifying for the guaranteed loan, the family has had no relationship with the bank, the future financial status of that family is subject to question, do you think this youngster would be treated the same as the son of the man who has a substantial deposit there as the head of an industry?

Mr. SPALDING. I can't answer, but I think Mr. Morse might well be able to.

Mr. MORSE. I suppose, given a situation like that, the answer to you is "No", they would not be treated alike. I do not imagine that in this program there will always be perfect equity.

The problem of this needs test is that it has come to mean something rather specific, the precise calculations that one goes through in order to determine whether a youngster should get——

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 small amount of money left over. In this case, the institution with the next highest priority would get whatever was left over. However small this amount of money might be, it could still be useful when one considers the fact that same institution could apply the following year for a supplemental grant. On the other hand, if it chose not to accept this small amount of money, that amount would go to the institution with the next highest priority which might find good use for it.

Sincerely yours,

JOHN F. MORSE,
Director of the Commission.

Mrs. GREEN. I would appreciate that very much.

You mentioned, Dr. Spalding, the $200 increment for the upper half of the class and referred to the trend of institutions going to pass-fail rather than rank.

Mr. SPALDING. Yes.

Mrs. GREEN. How many institutions in the country have the pass-fail now?

Mr. SPALDING. I cannot tell you the number. I know it is growing.

Mrs. GREEN. Could you get that for us?

Mr. SPALDING. I think we could get raw information from some sources that are readily available. It would not be a good inventory of those who have gone to pass-fail and other such things. We can, I think, in writing, demonstrate that class ranking is not a valid nor fashionable concept in institutions now. Indeed, it is very hard to figure.

I know of an institution which on a perfectly valid basis has a class ranking in which 60 percent of the students fall in the top half, which is simply a recognition of the errors of human judgment.

(The following information was submitted for the record:)

AMERICAN COUNCIL ON EDUCATION,
Washintgon, 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: You will recall that in the course of President Spalding's testimony on the Higher Education Amendments you asked for further information on the matter of the $200 bonus provision of the Economic Opportunity Grants.

President Spalding has submitted the attached memorandum to me. It is so comprehensive that I should like it to constitute a response to your question. I hope that it may be made a part of the record.

Sincerely yours,

JOHN F. MORSE,
Director of the Commission.

MEMORANDUM, *March 18, 1968.*

To: John F. Morse.
From: Keith Spalding, President, Franklin and Marshall College.
Subject: Rank in Class.

In our testimony before the Subcommittee on February 29, we urged the Congress to eliminate the $200 bonus given to those students receiving EOG grants who rank in the top half of their classes. We argued that it affords colleges and universities very difficult administrative problems, makes difficult the forecasting of financial requirements, and negates the possibility of using those funds which in aggregate would extend the opportunity of the EOG program to additional deserving, needy students, and is of doubtful validity at best in an academic situation since it equates easy courses with hard ones and fails of its intent where local institutional peculiarities are associated with the ranking of students.

I was asked, in particular, for some data and comment about these peculiarities of ranking, including the use of Pass-Fail options.

It was noted then that a number of colleges and universities have given up the use of class-rank statistics, in part under the pressure of Selective Service requirements and in part because of a growing comprehension that there are no absolute standards or criteria as between fields of study or as between professors. This is particularly apparent in the humanities and social sciences, where it is evident that the judgment of a human being's performance by another human being in any non-quantitative field is subject to substantial error. For that reason, it is growing less common to use class-rank statistics in colleges and universities. The exact number of institutions eliminating the use of class rank is not known, but it is known that practices very widely. Some figure such statistical records annually; some semi-annually. Some figure transfer credits in; some exclude them. Some use "pure" statistical approaches, with statements of probable error or standard deviations (which permits the quip that in some institutions as many as 60 per cent may be in the top half.)

A growing number of institutions are revising entire grading systems, using such designations as Honors, Pass, and Fail (which does not permit ranking). Bowdoin College is an example in this general category.

Others using Pass-Fail systems or Pass-Fail options affecting the computation of class rank to some degree are:

Oberlin	Carleton
Mt. Holyoke	Un. of California at Berkeley
Cal Tech	Columbia
Queens (N.Y.)	Muhlenberg
Knox	Juniata
Brown	Franklin and Marshall
Un. of Pennsylvania	Colgate
Stanford	Beloit
Princeton (which started pass-fail)	Florida Presbyterian

While technical arguments are not of great moment in the recommendation that the $200 bonus be eliminated, they do suggest that it is nearly impossible to certify the eligibility of winners with any degree of certainty or equity. Most compelling, perhaps, is the fact that the offer of the bonus abrogates the sound basic philosophy of giving aid to deserving students with intellectual potential, with the amount of that financial aid being related to their financial need.

Mrs. Green. I have one final question.

In the Higher Education Act we have a program called talent search which is designed for the early identification of that student who is very bright and might not otherwise go to college without special assistance.

There is a similar program called upward bound which is not administered by the Office of Education. Does the American Council have any position on combining upward bound with the talent search to bring about a better program?

Mr. Spalding. I have a personal interest in this as Mr. Morse knows and so is being quiet at the moment.

We have a quite unusual upward bound program at Franklin and Marshall College. We see no sense in their not being identified and in line with the talent search program.

The new proposed program, by the way, in counseling and tutoring, and so forth, is a logical sequel to that. The fact is that embedded in the OEO legislation is a requirement for the Office of Economic Opportunity to treat institutions of higher education as though they were municipalities, as though they had some tax base, as though they could call on additional funds.

Therefore, we face increasing need for funds for a program that is outside, or rather, is important but tangential to the mission of the college.

I do not suppose that the Office of Economic Opportunity particularly likes to do this to us but right now in order to accommodate a program for this year we must find $30,000, and it is not fair to take that from the tuition moneys of students.

Therefore, cost-sharing is very difficult for us. We would see it as being logical for upward bound to be with talent search and other related programs in an educational area with an identity of its own.

Mrs. GREEN. Do you consider the goals to be so closely related that they could be combined under one administration, both at the Federal and the institutional level?

Mr. SPALDING. I think so. It has been said that there is some verve and imagination and boldness about the upward bound program arising as it did out of the Office of Economic Opportunity to be admired.

It is, I think, despite the fact it is being criticized, a terribly important and effective program. I do think, however, its goals could continue to be met and that they should be under different kinds of guidelines.

Mrs. GREEN. Are you speaking as an individual, as the president of your own institution, or are you speaking for the American Council?

Mr. SPALDING. I was using the information from Franklin and Marshall as specifics. It is fair to say this has been talked about in the Commission on Federal Relations of the American Council and we are agreed that what I have just expressed is our stand.

Mr. MORSE. When we discussed it at our meeting in January, there was agreement and consensus on the Commission that it would probably be just as logical to see a transfer of upward bound as an entity into the Office of Education programs as was the transfer originally of the work-study which originated in OEO and then eventually became a part of the student aid branch of the Office of Education.

We have no objection to this and we see logic in it.

Mrs. GREEN. Congressman Quie.

Mr. QUIE. If you had your preference, would you want the Federal Government to increase its expenditures for facilities by continuing to subsidize the loans at the level of 3 percent or would you prefer to have the money put into facilities grants?

If we do not accept the administration proposal of increasing the interest from 3 percent up to the cost of money to the Federal Government it will mean an additional amount to the budget.

If we were going to increase the budget to that extent, would you prefer to have the interest rates kept at 3 percent or would you prefer to have it added on to the facilities grants and let the interest rates go up to the cost of money?

Mr. SPALDING. I have not faced it just this way. Can you help me, Mr. Morse?

Mr. MORSE. I don't think we want to make that choice, Mr. Quie. I do not think we should make decisions on programs at the present time in the light of very stringent budget considerations that would alter what those programs ought to be in their ideal state.

This committee well knows from its work in 1961 that we saw this facilities program as a dual one with grants and loans, each one complementing the other, and with special emphasis on those loans being at sufficiently low interest so that we would not have to push up the cost of education.

Mr. QUIE. But they were not up to 3 percent at that time.

Mr. MORSE. At that time, they were not far from 3 percent, Mr. Quie.

Mr. QUIE. Still they were not 3 percent and this is a new innovation.

Mr. MORSE. The amount of money that the Treasury will save on the difference in interest rate in any annual budget is chickenfeed and it would not make that much difference in the amount of money that would be available for grants. Granted, over a period of 20 years it would add up to a considerable sum.

Mr. QUIE. It would add up to as much as the sum to the individual institution?

Mr. MORSE. Right, but not any great amount for a year.

Mr. QUIE. Throughout the years, if we were to keep the Federal expenditure for subsidizing this the same throughout each year, would you want more loans to be made available at this higher interest rate or fewer loans to be made available at the lower interest rate?

Mr. MORSE. Unfortunately, we never get an opportunity to make that decision. The amount of money that is going to be made available is fixed regardless of what the interest rate is. We would not get any more money released by the Bureau of the Budget under a five and a quarter interest rate than we would get under a 3 percent interest rate.

Mr. QUIE. I don't agree that you can't give some reason for it.

Mr. MORSE. It has been stated categorically to us by the Bureau of the Budget that there would be this much money available for the college housing program and this much money available for the academic facilities program, title III, regardless of the interest rate.

Mr. QUIE. Regardless of the interest rate?

Mr. MORSE. Yes

Mr. SPALDING. Yes, this is the way it has worked. We have approached this in the hope that on the loan side there is a fairly well established program there and we would hope it would be stated in legislation in the way that it ought to work, that the money comes to us as it is available, that we also take advantage of the opportunities to involve the commercial lending market to the degree that that is possible.

It is a hard choice that you pose. It may indeed be, sir, that we have to face that choice. We had hoped not to.

These programs are all funded at lower levels than were contemplated. I remember when the interest rate argument came up it was argued that the Federal Government should not lend at less than it can borrow. But those were when the two figures were very much closer together and when there was not such concern for this flow of the burden of cost to students and their families, which is a circular thing, as you know.

Mr. QUIE. We found ourselves in the same dilemma in other areas of Federal participation.

Mr. SPALDING. Yes, of course. I would think, sir, and this extends to something that you were asking about a little earlier—I would think, sir, that probably rather than dealing for instance, with the standard concept of 50 percent Federal matching, that some combination of maintenance of effort and incentive programs would more likely accomplish your purpose than the patchwork of matching programs, each of which requires some new effort on the part of institutions.

I did not mean to usurp your field but it seems to me that what you were asking about was closely related to this concept of encouraging the participation of institutions in private support.

Mr. QUIE. I agree it is related. One of the reasons we set one-third matching for facilities grants was we felt that would be a stimulus enough. It may be that we have to move to 50 percent.

My mind is not closed on that when we get more money. I don't think this is the year to do it.

Mr. MORSE. If I am not mistaken, in each of these programs it says up to 33 percent or up to 40 percent. The level has never reached there. The money has never reached that level.

Mr. QUIE. But in the facilities, isn't there a flat one-third participation? So already they are using what you recommend, the flexibility within the limit.

Mr. MORSE. The flexibility is always down, from the upper level, which is why we prefer the statement of the upper levels as the intent of Congress.

Mr. QUIE. If you increase to the 50 percent or higher, then there would be just a few you would expect who would receive that higher Federal grant?

Mr. MORSE. I see what is in your mind. That is not what was in my mind.

I am suggesting that there is not necessarily any connection between what the legislation says when it says up to 50 percent or up to 75 percent and what actually happens.

It has never reached that level. Saying in the legislation that a grant may be up to 75 percent does not mean that a 75-percent grant will be made.

Mr. QUIE. Thank you.

Mrs. GREEN. Congressman Brademas.

Mr. BRADEMAS. Thank you, Madam Chairman.

I have just one question, President Spalding. Given the facts of increasing college enrollments and increasing costs of providing college education, and give the fact that we are cutting back, apparently, or at least not advancing very rapidly in providing Federal funds for facilities—and recognizing that you represent associations of both public and private institutions—can you give me any comment on my apprehension, in view of these circumstances, about the danger of increasing conflict and strife between the public and private institutions?

Mr. SPALDING. With only the proviso that some who are strident about the idea don't lose their heads.

I do not see any reason for there to be, nor any signs of a growing strife or conflict between the public and private institutions.

There are some private institutions that see great financial difficulties ahead, and you hear their cries of pain. They are real.

It is a fact, though, that there are many public institutions which draw private support. President Oswald, whom I respect very greatly, has a very active program of drawing private money into that State institution.

I know the same thing happens at the Penn State University.

In the same way there are large amounts of tax money coming into private institutions. Ours is a private institution. I would wager that in a $7\frac{1}{2}$ million budget, well over \$500,000 or \$600,000 each year comes from Federal sources to the private institution where I am associated. There is a mix and we have to think in new ways of what these public or private institutions are.

It is important to point out that they all provide public service. I think that the difference is diminishing.

Mr. BRADEMAS. I hope that this networks for knowledge proposal will stimulate increased cooperation between public and private institutions.

Mr. SPALDING. I think there is no doubt that that is growing. I would caution the members of the subcommittee that, as we quickly said to ourselves in the back of the room, when you cooperate you get better things for more money but you do not often through cooperation save money.

Mr. BRADEMAS. Thank you very much.

Mrs. GREEN. Are there any other questions?

Does the American Council on Education have a statement on the current draft policy on graduate education?

I know you testified, Mr. Morse.

Mr. MORSE. Yes, Mrs. Green. We do. I don't have a copy of it with me.

Mrs. GREEN. Could you make that available to me this afternoon?

Mr. MORSE. Yes.

Mrs. GREEN. I have one other question.

The American Council traditionally has opposed the tax deduction for college expenses.

Has the American Council ever made any study on the cost of this to the Federal Government in relationship to the present space that would be available in some of the private colleges, if there were a tax deduction? This would probably encourage more students to attend the private schools rather than the tax-supported schools so that it would be a combination of factors, the tax deduction cost to the Treasury but less funds needed in facilities construction because of the greater reduced space?

Mr. MORSE. No, we have not gone at it that way. It is not quite accurate to say that we have opposed a tax credit. This is, as you know, one of the more devisive issues in higher education. The closest to a statement we have made is that in general our membership has developed a consensus that an increase in direct aid programs to students is a more efficient and better way of providing aid to those who need it and of providing opportunities to fill spaces in the higher cost institutions.

This is in line with the development of State scholarship programs in New Jersey, New York, California, and Illinois, and others.

It is a far more efficient way of achieving the same result at less cost but we have no figures that we could submit to you on what comparison would be.

Mr. SPALDING. Madam Chairman, we made a quick and informal oral survey of institutions in our region from Franklin & Marshall when the tax credit began to be talked about, and discovered we would oppose the idea because each of those presidents and business managers said that the moment that tax credit is given they would feel free to raise their tuition rate.

So it is a false benefit in that it gets taken right back, it seems to us.

Mrs. GREEN. There are a few others though, if we require 3 percent on the loan provision, the interest rate on the loan.

Mr. SPALDING. Yes, ma'am.

Mrs. GREEN. That is rather false, too, because then the next thing we do is devote more money to student assistance because the college passes on the cost. There are a few other places, rather than Mr. "X" being able to deduct $300 if he pays somebody else in the institution in the way of scholarship but not being allowed to deduct for his own child.

My thanks to both of you. We may call on the American Council again as we get closer to the markup period of the bill.

The subcommittee is adjourned until tomorrow morning at 10 o'clock when General Hershey will be here to consider the impact of current draft policy on graduate and undergraduate education.

The meeting is adjourned until that time.

(Whereupon, at 12:35 p.m. the special subcommittee recessed to reconvene at 10 a.m., Friday, March 1, 1968.)

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