

strated competency. This would assist schools in maintaining a full enrollment and help to counteract the attrition which inevitably occurs.

New section 771(a)(2).—No school could receive less than it receives in fiscal year 1969 as a basic improvement formula grant.

New section 771(b)(2).—However, without regard to any other provision relating to the new formula, *no school could receive more in any year than it expended from non-Federal sources during the previous year for teaching purposes* (except that this proviso would not apply in the case of a school which has for such year a particular year-class which it did not have for the preceding year.)

New section 771(b)(1).—As in the present law, the bill would require, as a condition for receiving a formula grant, *assurances* from the school that the school would *increase its enrollment* by $2\frac{1}{2}$ percent or five students (whichever is greater) over the average first-year enrollment of full-time students of the school over a 5-year period. However, three changes have been made in this provision.

(a) The 5-year average period would be changed from July 1, 1960, through July 1, 1965, to the period July 1, 1963, through June 30, 1968.

Thus, the 5-year base period against which the expansion of enrollment is to be computed would be moved up to July 1, 1963, through June 30, 1968. The effect of this is to advance the fixed period of time against which the computation is made 3 years beyond that provided for in the present law.

(b) The expansion would relate to the *average* first-year enrollment in lieu of the existing law's highest first-year enrollment.

The number of additional students which a school can reasonably be expected to enroll is limited. Since the beginning of the improvement grant program in fiscal year 1966, most schools have already increased their number of first-year students by at least five. To make the increase cumulative, i.e., to require that the school take five more students in addition to the five which it had so recently taken, would constitute an unreasonable burden: for example, a medical school which enrolled 100 first-year students each year during the period July 1, 1960 through July 1, 1965, made the effort and expanded to 105 students during fiscal year 1968. If the bill were to require the *highest* enrollment to be used as the base, the cumulative impact would mean a 10-percent increase in enrollment, i.e., an additional five first-year students with the responsibility on the school to assure that places are available for these students in each of their succeeding years—second, third, and fourth, as well as the first, or the equivalent of 20 school places. If the formula were structured so that the school received approximately the full cost of education for such students, such as required increase might be justifiable. However, it is not reasonable to place such a cumulative requirement of this nature on all schools. The requirement has therefore been changed so that the increases which schools have already made can be *averaged* over the new 5-year period. This will retain the stimulus for increase without undue, or even unjust, burdens on the schools.

Effective in fiscal year 1970, the bill would authorize the Secretary to waive the required first-year enrollment if he determines, after consultation with the Advisory Council, that it cannot be accomplished without lowering the quality and training provided or that a waiver