

Our second suggestion involves exactly the same concept and would make it applicable to the institutional grants provided for in Section 770(a) on page six of the bill. Here, again, we would propose a simple amendment separating into two items, for purposes of authorizations and appropriations, the two groupings of health professional schools which are characterized by markedly different cost factors. This amendment, too, would cost no additional funds.

We have appended to our statement a draft, "Amendment Number Two", which perhaps might accomplish this.

Our third suggested amendment has to do with the provisions of Part A, Sections 103, 104, and 105 of the bill which appear on pages 3, 4, and 5. These are eminently worthwhile and can provide considerable savings of money, time, and effort to both the government and to our institutions by making it possible to combine into a single application requests for funds for a multi-purpose building which might combine such things from differing financial resources as educational, laboratory and library facilities.

This is so obviously worthwhile a proposal that we urge the Committee to make it immediately effective rather than for "fiscal years ending after June 30, 1969" (Page 5, line 3).

Lines 11 to 16 on page 39 of the bill permit federal grants up to 66 $\frac{2}{3}$ percentum of costs in the case of projects which "The Secretary determines have such special national or regional significance as to warrant a larger grant than is permitted under paragraph (1)" (i.e., 50 percentum).

We submit that many medical schools which might be ideally suited and will-ing to undertake special projects of great national or regional significance do not have the matching funds for such undertakings. Moreover, they cannot justify to their local constituents the raising of funds to be used for purposes of no special relevancy to the people of that locality no matter how beneficial the project might be to the nation as a whole or to a particular broad region. We would also point out that the sheer impossibility of raising matching funds in some areas makes impossible the optimum geographic distribution of federal funds which members of this Committee and the Congress in general have long urged upon the Administration.

We would urge, therefore, as our fourth suggestion, that this Committee strike "66 $\frac{2}{3}$ " from line 11 of page 39 of the bill and substitute "100%" therefor. Since the funds for any such grant would have to come from the total appropriated for the overall purpose, this would not result in additional expenditures. Since the Secretary would have to determine the existence of an overriding regional or national interest before making any such 100% grant—and we can assure you that any such would be matters of keen interest to other applicants—we have no fear that such an authorization would be used without serious consideration and full justification.

Our last two suggestions have to do with matter of clarification of intent which might, perhaps, be as well expressed in the Committee's report as amendments to the bill. We believe their objectives are within the intent of the bill but hope that such intent will be made crystal clear.

Our fifth concern is with Section 746 on page 16 of the bill which authorizes the transfer of not more than 20% of loan funds to scholarships. We thoroughly approve the provision. It can be most helpful in allowing schools to cope with such changes in circumstances as may occur between the time funds are applied for and individual student needs become realities.

However, we are not sure that the bill makes it clear that an institution transferring loan funds to scholarships in accordance with that provision will automatically be relieved of any responsibility it may have incurred for the return of those loan funds. We hope that this, too, will be spelled out in the bill or in the Committee's report.

That, Mr. Chairman, concludes our suggestions for amendment or clarification of the bill.

We have but one final point to make. It is one we consider all important. It is one to which we urgently request you give full consideration. It involves the question of authorizations to be set forth in the Act.