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ABSTRACT

Programs within the jurisdiction of the Subcommittee on Postsecondary Education are reviewed, and the impact of the fiscal year 1984 budget recommendations is analyzed. Conclusions include the following: the Administration's student aid recommendations represent major policy recommendations rather than budgetary changes; the proposed elimination of funding for most of the discretionary programs, including a major reduction in funding for the TRIO programs, are unwise and ill-timed; the proposed elimination of funding for college and public libraries would substantially erode the country's effort to encourage academic pursuit and expand the availability of knowledge; and the funding recommendations for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services, are unacceptable. Specific topics include: accreditation of postsecondary institutions, College Assistance Migrant Program and Higher Education Equivalency Program, cooperative education, the Fund for the Improvement of Postsecondary Education, graduate education, international education and foreign language, the Fulbright-Hays Act, institutional aid, and various student aid programs. (SW)

[COMMITTEE PRINT]

STAFF REPORT AND FISCAL YEAR 1984 BUDGET ANALYSIS OF PROGRAMS UNDER THE JURISDICTION OF THE SUBCOMMITTEE ON POSTSECONDARY EDUCATION

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

NINETY-EIGHTH CONGRESS

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LETTER OF TRANSMITTAL

COMMITTEE ON EDUCATION AND LABOR,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., March 15, 1983.

Hon. CARL PERKINS,
Chairman, Committee on Education and Labor,
Washington, D.C.

DEAR MR. CHAIRMAN. The staff of the Subcommittee on Postsecondary Education recently reviewed all of the programs within the Subcommittee's jurisdiction and analyzed the impact of the President's fiscal year 1984 budget recommendations on those programs. That report and analysis is enclosed.

The report comes to several conclusions regarding the Administration's recommendations affecting higher education, arts, humanities and museum programs and library funding:

The Administration's student aid recommendations represent major policy recommendations, not budgetary changes, which are more appropriately considered in the Higher Education Act reauthorization process; and the proposed elimination of funding for most of the discretionary programs, including a major reduction in funding for the TRIO programs, are both unwise and ill-timed;

The funding recommendations for the National Endownment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services, while not as draconian as the fiscal 1981 and 1982 proposals, are still unacceptable; and

The proposed elimination of funding for college and public libraries would substantially erode this Nation's effort to encourage academic pursuit and expand the availability of knowledge to all our citizens.

I believe the report and analysis will be very helpful to new members of the Committee on Education and Labor, new members of Congress in general, and those members who are less familiar with the Subcommittee's programs. I would like to have the enclosed report and budget analysis printed for distribution to Committee members and our colleagues in the House. I hope it will be useful to the Committee as we consider the President's budget recommendation and establish priorities for allocating the Federal government's limited resources.

Cordially,

PAUL SIMON, *Chairman*

STAFF REPORT AND FISCAL YEAR 1984 BUDGET ANALYSIS OF PROGRAMS UNDER THE JURISDICTION OF THE SUBCOMMITTEE ON POSTSECONDARY EDUCATION

JURISDICTION

The Subcommittee on Postsecondary Education has general jurisdiction over legislation relating to education beyond the high school level and arts and humanities and related legislation. Specifically, the jurisdiction covers the Higher Education Act, Title VI of the National Defense Education Act, the National Foundation on the Arts and the Humanities Act, the Museum Services Act, the Arts and Artifacts Indemnity Act, Library Services and Construction Act, the Harry S. Truman Memorial Scholarship Act, legislation dealing with Howard University, and (concurrently with other subcommittees) the General Education Provisions Act, Title XI of the Education Amendments of 1972, and other legislation within the jurisdiction of the Committee on Education and Labor which has implications for postsecondary education. Under the provisions of clause 2(b) and Rule X, the subcommittee has special oversight responsibility with regard to domestic educational programs and student financial assistance within the jurisdiction of other committees, including, but not limited to, the operations of various veterans' educational programs, health professions education programs and Law Enforcement Assistance Administration (LEAA) education programs.

ACCREDITATION

The process of institutional accreditation at the postsecondary level is largely handled by regional accrediting associations and specialized accrediting bodies. The specialized accrediting bodies cover a broad range of academic disciplines (law, medicine and architecture), trades (cosmetology, mortuary science and secretarial science) and miscellaneous types of institutions beyond high school, e.g. home study, bible colleges, etc. In many cases, accreditation is tied to state licensure, receipt of Federal student aid funds, etc.

The Carnegie Foundation for the Advancement of Teaching's recent study "The Control of the Campus—A Report on the Governance of Higher Education" contains several findings with respect to accreditation. Although the word is familiar to most people, the mean, import and process are largely unknown beyond the halls of academe. Importantly, what most people outside of academe think accreditation is, and what it really is may be two entirely different things!

The accreditation issue has been reviewed twice in the recent past by House subcommittees, most recently in 1974 and 1979, in connection with the 1980 Higher Education Act reauthorization.

Two issues are of special concern: (1) the role of the Federal government in recognizing accrediting agencies and the impact of this "recognition" on postsecondary institutions; and (2) the relationship between accreditation and institutional eligiblity for Federal funds, especially student aid.

Issues in the 98th Congress

The Subcommittee held hearings on February 8 and 10, 1983 and received testimony from the Secretary of Education, Dr. Ernest Boyer, President of the Carnegie Foundation (and former Commissioner of Education), the American Council on Education and the Council on Postsecondary Accreditation. The subcommittee also heard from two regional associations, one specialized accrediting body and the New York State Commissioner of Education which is the only state which accredits its own postsecondary institutions.

The Subcommittee may consider legislation, during the Higher Education Act reauthorization process, which would modify the current law. Options which might be considered include: (1) adoption of the Carnegie Foundation recommendation regarding the current responsibility of the Secretary of Education to approve certain accrediting bodies: (2) clarification of the current law as suggested during hearings before the Subcommittee on Postsecondary Education in 1979 (see Reauthorization of the Higher Education Act and Related Measures, Part 8, 96th Congress, 1st Session at 300); and (3) repeal of the current law and removal of the Federal government from the accreditation process entirely.

Arts, Humanities, Museums

The National Endowment for the Arts (NEA), and the National Endowment for the Humanities (NEH) were established as independent agencies in 1965 by the National Foundation on Arts and Humanities Act. During reauthorization of the Act in 1976, the Institute of Museum Services (IMS) was created by the Museum Services Act. In fiscal year 1982, the Institute was transferred (in the Interior Appropriations Act) from the Department of Education to the National Foundation as the third independent agency under Foundation statutes. All three agencies have a mandate to advance and disseminate the nation's artistic and humanities resources.

Recognition and appreciation of the arts community has developed quite measurably since the establishment of NEA in 1965. At that time business support of the arts was $21 million annually. Because most NEA grants must be matched by private funds, arts organizations turned to businesses and individuals to meet the matching requirements. Each year that the Endowment budget has increased, so too have business and private contributions to the arts. By last year, United States businesses contributed over $469 million to arts organizations nationwide. There are dozens of professional opera companies and hundreds of community opera companies from coast to coast, a direct result of interest and support to the arts community as a whole from NEA and private sources. The numbers of museums and arts centers have increased dramatically in the past fifteen years. All of this, in large part, because the National Endowment for the Arts was there providing the catalytic funds for community support.

Many institutional grants are awarded on the basis of the organization attracting private dollars through Challenge Grants—usually on a ratio of $3 private to $1 public. The leverage provided by these public funds has resulted in greater community involvement and a substantial increase over the last 15 years in corporate, private foundation and individual contributions in the area of arts and humanities.

The National Endowment for the Humanities has a lower profile, but as significant an impact as the NEA. Scholarship and translations, public broadcasting specials on American history and other disciplines in the humanities, as well as touring exhibitions such as Tutankhomen are supported by NEH.

The smallest of the agencies, IMS is charged with filling a gap in areas less attractive to private donors. The Institute is responsible for operations and maintenance funding for museums—from temperature control facilities to increased security.

FUNDING

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
NEA	$158.56	$143.04	$143.87	$125.00	$150.7	$166.5
NEH	151.29	130.56	130.56	112.20	142.0	158.5
IMS	12.85	11.52	[1] 10.80	11.52	11.4	13.49

[1] Transfer of unused fiscal 1982 funding brings available funds for fiscal 1983 to $11.52 for IMS.

In the last three fiscal years the Administration has proposed substantial reductions in arts and humanities funding (including a proposed 50% reduction in fiscal 1982) and the elimination of IMS. These proposals were all rejected by Congress.

The fiscal 1984 proposal for the Endowments reflects a reduction from current funding, but less of a cut than in previous years. NEA's proposed reduction is 13%; NEH's proposed reduction is 14%. IMS funding would remain level under the President's budget.

While this proposal is a change in direction in Administration policy, the dollar amounts for these agencies is still small for the role they play.

The amount of program funds available for NEA will drop from $101 million in fiscal 1983 to $86 million in fiscal 1984. The reductions are fairly evenly spread among NEA programs. To have a clear idea of what $15 million can mean to the Arts Endowment and the communities it serves, that $15 million represents more than all NEA programs to bring performances to rural areas and the inner city. It represents 240 City Arts grants for cultural events planned by, and reflecting the character and resources of cities. It represents 1200 literature fellowships which in the past have included writers such as Maxine Hong Kingston (*Woman Warrior*, *China Men*). It represents more than all literature programs which support small presses and the publication of books such as *Confederacy of Dunces*. The $15 million represents all media arts programs, including support for the American Film Institute and the entire museum program combined. The impact of such a sum is immense in the arts world.

The $18 million drop in programs for NEH is most heavily earmarked for General Programs and state-based programs. While the dollar amount is in itself a large proportion of NEH funds, the concentration on these two divisions will disproportionately withdraw funding for programs in museums, the media and special programs such as Youthgrants.

State-based programs, which rely on Federal funding for making grants which reflect state interests, resources and priorities would be cut by 25%. Unlike state arts councils, the state humanities councils rarely receive state revenues and are more dependent on support from NEH. The fiscal plight of most states make it highly unlikely that support can be made up through state appropriations.

Matching programs, especially Challenge Grants will continue to be fully funded at both NEA and NEH. This program requires matching funds and has been extremely successful in leveraging private support for performing companies, libraries and even universities. It is the smaller programs where private support is not feasible which will feel the impact of the reductions the most strongly.

Federal participation in arts and humanities programs has always been a small part of the total national investment. However, with support from the NEA and NEH, the amount of private giving, the interest of states and communities, and access and interest in the arts and humanities have flourished.

The reductions in arts and humanities funds are not significant within the total Federal budget. But they make a statement about national interest and priorities which will have a ripple effect in state, community and private support. NEA and NEH grants, while furthering the quality and accessibility of the arts and humanities, are also good business. It has been estimated that for every $1 spent on the arts, for example, that $4 is spent on other businesses such as transportation, restaurants and lodging.

The most recent study available was released in February 1983 and examined cultural spending in the New York area. Cultural activities in New York pump $5.6 billion into the economy and generate over 100,000 jobs. This includes a wide range of elements in the economy from cab drivers to the makers of ballet shoes. So many states rank tourism among their top industries, from Massachusetts to Hawaii, that the impact of cultural spending is far from minimal. But with even minimal cuts in Federal support, state, local and private spending will retrench and the repercussions in a recession economy can only be negative.

CIVIL RIGHTS ENFORCEMENT

The Subcommittee has direct legislative and oversight responsibility for Title IX of the Education Amendments of 1972 and oversight responsibility with the House Judiciary Subcommittee on Civil and Constitutional Rights with respect to those civil rights laws which impact on higher education institutions. Of special concern to the Subcommittee are the Department of Education's enforcement responsibilities under Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973. The Department's Office for Civil Rights (and its predecessor in the Department of Health, Education and Welfare) have been defendants in litigation since 1970 (*Adams* v. *Richardson* now *Adams* v. *Bell*). The litigation focuses on the Department's failure to timely process complaints and to carry out its enforcement responsibility under the law.

On Friday, March 11, 1983 U.S. District Judge John Pratt rejected attempts by the Education and Labor Departments to abolish the five-year-old Adams time frames governing investigation of civil rights complaints against colleges and universities. Although he failed to find the departments in contempt, as requested by the plaintiffs, he did adopt their recommendations that: (1) investigations be completed ninety days after receiving a complaint; (2) settlement negotiations with postsecondary institutions be completed within 180 days; (3) and enforcement action be taken, if necessary, within the next thirty days. The judge's order, for all practical purposes, halts any attempt on the part of the Department to eliminate or reduce staffing in the Office for Civil Rights.

Coordination for Section 504 enforcement has been under the jurisdiction of the Justice Department since it was transferred from the Department of Education by Presidential Order in November 1980. The Justice Department is in the process of rewriting the regulation. Drafts of a proposal circulated last summer met with wide criticism from the public and the Congress because civil rights protections for handicapped children and adults in the area of education were weakened significantly. A new proposal is expected to be released within the next month.

The Subcommittee held hearings during the 97th Congress on March 12, 13 and 19 on the enforcement policies of the Department of Education and the Department of Justice concerning Title IX. Title IX assures equal opportunity for students regardless of gender in schools receiving Federal financial aid. The impetus for the Subcommittee hearings on Title IX was the Department of Justice's decision not to appeal in *Grove City College* v. *Bell* on the basis that the federal program of Guaranteed Student Loans did not constitute Federal financial aid for the purpose of enforcing Title IX. While the topic focuses on the policy of enforcement based on the redefinition of Federal financial aid, the entire policy of civil rights enforcement by the Department of Education through the Justice Department was brought into question.

COLLEGE ASSISTANCE MIGRANT PROGRAM (CAMP) HIGHER EDUCATION EQUIVALENCY PROGRAM (HEP)

The HEP and CAMP programs began in 1967 and were transferred to the Department of Education from the Department of Labor in 1980 under the Department of Education Organization Act (P.L. 96-88). The programs address the educational needs of migrant worker children and young adults. The HEP portion of the program offers residential high school equivalency training as well as motivation and counseling for further studies at the college level.

Most migrant children are early school drop outs and often face language barriers that an immersion-type, residential remedial program is uniquely structured to address. The CAMP program is campus-based and offers remedial, tutorial, counseling and financial support in the critical first year of college to migrant and seasonal farmworkers. Although small, these programs contribute to economic growth by increasing the earnings capacity and tax paying ability of its participants. Both programs have been extremely successful in graduating migrant students with a high school equivalency degrees and in motivating these students to further their education. Those who do enter postsecondary institutions have achieved both undergraduate degrees and certificates and have been able to continue through graduate training. For example, one of the first CAMP students at the St. Edwards University program in Texas is currently in medical school, an opportunity which would have been unavailable without special programs aimed at children of migrant families.

A 1980 study of the HEP and CAMP programs concluded that both programs were highly successful in their educational goals and in breaking the cycle of migrant children themselves becoming migrant workers at low income levels, in poor health conditions and with little chance of seeing improved opportunities for their children. Fully 80% of HEP participants complete their equivalency training successfully. This compares with estimates that 90% of migrant children do not complete high school. CAMP programs have also been rated as very successful, with drop out rates reported from various participating institutions between 12 and 33 percent, with the average closer to the 12% rate. Grade point averages for CAMP students are reported at about a C+ or B− in the first year with students taking a full course load. Graduation rates vary by institution, but St. Edwards University, a good example of a long-term CAMP program, has a graduation rate of CAMP participants of 50%.

FUNDING FOR HEP/CAMP

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy	1984 committee recommendation
Amount	$7.3	$7.1	[1] $7.5	0	$7.9	$7.9
Programs	23	25	(2)	(2)	(2)	(2)
Participants	2,664	2,776	[3] 2,800	....	[3] 2,800	[3] 2,800

[1] Rescission of all $7.5 requested.
[2] Not available
[3] Awards are going to smaller budget grantees, therefore, the cost per project and cost per student served is decreasing under current Administration policy. Current services would be expanded even without increased dollars over fiscal 1983.

The President has requested no FY 1984 funding for HEP and CAMP and rescission of the $7.3 million which Congress appropriated in FY 1983. The Committee opposes both recommendations as counterproductive and injurious to the economy. The impact of the elimination of HEP/CAMP would mean over 2,800 migrant youth would not be served. The impact often goes far beyond the individual student served by acting as a catalyst to other family members to participate in traditional GED programs, or to continue school. The probability of migrant youth returning to the cycle of seasonal farm work and below poverty incomes without the education opportunities provided by HEP/CAMP is overwhelming.

COLLEGE HOUSING LOAN PROGRAM

The President's FY 1984 budget proposes that no new loans should be made in the upcoming fiscal year. Instead monies currently available for the program would be transferred to the Government National Mortgage Association to be used for the retirement of outstanding participation certificates. The Congress, through the appropriations process, simply recycles the funds obtained through loan repayment. Since no direct appropriations are necessary to keep the program in operation, it would appear that the Administration is attempting to balance the budget on the back of one very small program that the government operates without providing a direct appropriation or committing new funds.

As Congress realized in the 1970s, many institutions do need continuing help in constructing and renovating college facilities. Much of the money that has been allocated in the past few years has gone to such uses as installing safety features and energy saving devices in older buildings that were deteriorating. The more than 1,500 institutions that have applied for loans under the program indicate the seriousness of the need that currently exists.

Considering the fact that funds for loans come from a revolving fund of previously repaid loans and that the government collects $160 to $180 million annually in repaid loans compared to allocating only $40 million in FY 1983, the rationale for eliminating the program does not withstand careful scrutiny. If campus facilities are not properly maintained now, the result will be even greater costs in the future—with the potential for new direct appropriations for Title VII, Facilities and Construction.

FUNDING FOR THE COLLEGE HOUSING LOAN PROGRAM

[Dollar amounts in millions, fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate [1]	1984 committee recommendation
College housing appropriations	$75.0	$40.0	$40.0	0	[illegible]	$75.00
Amount in revolving fund	$265.8	$232.7	$162.2	0	$150.00	$150.00
Number of recipients	120.0	234.0	[2] 27.0	0	([3])	([3])

[1] This program is not subject to a direct appropriation. Funds repaid from existing loans are annually recycled under authority provided in the appropriations process.
[2] To date.
[3] Not available.

COOPERATIVE EDUCATION

The Reagan budget for FY 1984 proposes that funding for the cooperative education program be rescinded for FY 1983 and that no new funding be made available for FY 1984. The Department of Education budget document makes no mention of the fact that his is an employment-related program which permits students to work their way through school while obtaining valuable private sector work experience. Although no rationale is given for the rescission and elimination of funding, a similar proposal was put forth last year. At that time, the Administration said that private sources would replace the reduced Federal aid. There was no basis in fact for that conclusion, and there is none apparent now. While the program is a successful and popular one, with reduced budgets and ever shrinking education dollars available to institutions—in most cases it would be impossible for the program to continue without Federal support. If Federal monies were to be removed, most of the programs would cease to exist and over 200,000 students who currently pay for their education through the program would be denied both a source of income and a valuable learning experience.

The purpose of the program—stimulating the development of programs where postsecondary students alternate periods of employment with periods of academic study—appears to be totally consistent with the Administration's goals of increasing opportunities for students to earn their way through college. Elimination of the program seems antithetical to other statements from the Administration and to the dramatic increase in College Work Study monies which the Administration is proposing because the program encourages students to work. As Roy Wooldridge, Vice President for Cooperative Education at Northeastern University, recently expressed during the Subcommittee on Postsecondary Education's FY 1984 Budget Impact Hearings:

"Mr. Chairman, I believe the Administration is pursuing the correct course, in seeking to make Americans more independent, more self-sufficient, and less dependent upon the federal government; and in striving for reduced government spending and greater private sector involvement. However, in eliminating support for cooperative education the Administration is acting contrary to this course of action since cooperative education is one educational program that embraces the basic elements desired by the Administration.

My belief is based on the following facts:

"In a time of growing concern over the preparation of our workforce and the quality of our education system, cooperative education produces experienced, relevantly trained, highly employable college graduates for industry . . .

In the process of obtaining this practical and timely college education, cooperative education students can use their own earnings to finance most of their college expenses. Unlike other means of student financial assistance, cooperative education is neither a loan, a dole, nor a make-work program . . .

The 200,000 cooperative education students in postsecondary education earn $1 billion per year. Through federal income taxes and social security contributions, approximately 10% or $100 million is returned to the federal treasury each year by these students. Obviously, this more than offsets the current appropriation of $14.4 million in the fiscal 1983 budget.

Beyond its important financial aid aspect, cooperative education gives young people direction and purpose in the pursuit of their education . . .

Employers find that hiring cooperative education students significantly lowers recruiting costs, improves the retention rates of college graduates, and assists in accomplishing affirmative action goals . . .

Of significant importance are the benefits of cooperative education to society. Cooperative education is the reinforcement of the American work ethic. It builds in young people a respect for work and for the value of money earned through work.

FUNDING FOR COOPERATIVE EDUCATION

[Dollar amounts in millions, fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
Funding	$23	$13.3	$14.4	0	$15.1	$20.0
Programs	235	140	(1)	0		
Participants	70,000	65,000	(1)	0	(1)	(1)

1 Not available

The Administration's FY 1983 rescission and request for no funding in FY 1984 are strongly opposed by the Committee. Rather than eliminating Federal funding for this valuable work-related, employment building and revenue generating program—it should be restored to the FY 1981 level and expanded.

FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION

The Fund for the Improvement of Postsecondary Education (FIPSE), authorized in 1972, functions as a grant-making agency within the Department of Education to improve postsecondary educational opportunities. The Fund was modeled after the National Science Foundation to encourage innovation in postsecondary education. The Fund has eight legislatively-mandated purposes including encouraging reform and innovation and providing equal opportunity; the creation of institutions and programs leading to new paths of career and professional training; the establishment of institutions and programs based on the technology of communication; internal structural and operational changes in institutions of higher education; the design and introduction of cost-effective methods of institution and operation; the introduction of reforms to expand opportunities for entering and reentering postsecondary institutions; reform in graduate education; and creation of programs to examine the awarding of credentials at institutions.

A September 1982 evaluation of FIPSE cites that agency as "uniquely responsive and nonbureaucratic". The same study concluded that the Fund has been very successful in making itself known, in attracting proposals, in selecting grantees, in meeting its Congressional mandate, in creating lasting change in institutions and, most important, in stimulating improvements at other institutions not receiving FIPSE funding.

FUNDING FOR FIPSE

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
Amount	$13.5	$11.52	[1] $11.7	$6.0	$12.3	$13.5
Projects	200	205	110	205	(²)	

[1] Rescission request of $5.7 million, allowing only continuation grants.
[2] Not available.

It is important to note that each year FIPSE turns down 97% of its applications because not enough funds are available. In 1983, 392 proposals relating to mathematics and science faculty development and curriculum improvement were rejected because of insufficient funds. In international education, 132 proposals were received, but only three could be funded. The President's FY 1983 rescission request would reduce FIPSE funding by $5.7 million and the FY 1984 request would provide only $6 million in funding. The proposed FY 1984 budget would virtually eliminate funding for any new grants. Approximately half of FIPSE grants each year are continuation grants, therefore, with $6 million in fiscal 1984, FIPSE would be able to support continuation grants, but would not be able to support new programs and initiatives.

GRADUATE EDUCATION

There are a number of Federal programs aimed at graduate education including provisions of the College Work Study, National Direct Student Loan and the Guaranteed Student Loan (GSL) program. GSLs, in combination with other grants and loans such as the Health Professions Loan Program (under the jurisdiction of the House Committee on Energy and Commerce) account for the largest dollar volume of Federal support for graduate and professional students. However, there are a number of smaller programs under Title IX of the Higher Education Act which support graduate students, particularly women and minorities who have been traditionally underrepresented in professions requiring advanced degrees.

Graduate and professional opportunities program (GPOP)

GPOP provides graduate fellowships to minorities and women to study in graduate programs for both the masters and doctoral degree in concentrations where they have been and are underrepresented. The program has been in operation for the last five fiscal years and has awarded fellowships in these approximate proportions: 50% Black, 20% Hispanic, 5% Asian-American, 3% Native American and 20% White Female.

Public service and mining fellowships

Within graduate training provisions specific areas of study are delineated, such as public service, but have not always been funded. Mining and mineral fellowships have not been awarded since 1980. All other concentrations are funded but at lower levels.

Legal training for the disadvantaged (CLEO)

The Legal Training for the Disadvantaged program provides access and preparation for minorities who seek to enter the legal profession. CLEO involves summer pre-enrollment counseling, evaluations and curriculum-related courses for minority students who are about to enter the first year of law school. CLEO students who receive their professional degrees have success rates (74%) measured by passing of a bar examination, equivalent to their counterparts who pursue law school through traditional admissions and support processes.

Law school clinical experience

The Law School Clinical Experience program provides grants to accredited law schools to provide actual experience to their students through legal work involving advocacy, counseling, negotiating for an actual client (in compliance with state laws) or the simulation of cases and legal situations.

FUNDING FOR GRADUATE EDUCATION

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 Current policy estimate	1984 committee recommendation
GPOP:						
Funding	$12	$10.5	$11.9	0	$12.5	$14.0
Participating institutions	115	115	(1)			(1)
Fellowships	1,185	1,039	(1)			1,185
Public service fellowships			1.920			
CLEO:						
Participants	550	550	(1)			550
Clinical experience projects	74	40	(1)			74
Funding	$4.0	$1.92	$1.6		$2.0	$2.0

[1] Not available.

The Committee opposes any reduction in these programs below the FY 1983 funding levels. Modest increases would contribute significantly to the achievement of parity by women and racial and national origin minority groups who continue to be underrepresented in the professions, and unrepresented in many graduate disciplines.

The President's FY 1984 budget request affects a number of programs that benefit graduate students. The most important among these are the Guaranteed Student Loan Program (GSL), the National Direct Student Loan Program (NDSL), and the programs provided under Title IX of the Higher Education Act—the Graduate and Professional Opportunities Program (GPOP), public service and mining fellowships, and the legal training for the disadvantaged. Graduate students would have their GSLs reduced by five percent under the proposed FY 1984 budget because of an increase in the origination fee which is charged students when they borrow under the program. The GSL origination fee, conceived in 1981 as a budget savings item during the reconciliation process, was included in the Omnibus Budget Reconciliation Act of 1981 as a temporary cost-saving vehicle. The Administration's budget would also eliminate new Federal dollars for the NDSL program which is currently available to both graduate and undergraduate students. Funding for programs under Title IX of the Higher Education Act would be rescinded in FY 1983 and no new funding would be allowed in FY 1984.

The impact of the reduction in Federal student aid programs cannot be underestimated. Graduate students will be especially affected by the Administration's proposals because they reduce or eliminate both need-based programs and loan programs which in the past have aided as many as 50 percent of all graduate students. For the 1982–83 academic year approximately 525,000 graduate students borrow under the GSL program; 51,000 participate in the NDSL program and 1200 students receive awards under GPOP. Reducing and eliminating these programs not only affects those graduate students in need of them for the upcoming school year but also raises broader social question such as:

The impact of reduced minority enrollment in graduate level programs;

The effect on graduate academic quality and the choice of postgraduate careers; and

The access to graduate school for students from low-income families.

The proposed reductions in undergraduate assistance programs also has the potential of negatively affecting graduate schools. Without the existing programs, minority students and students from low income families, will never have the opportunity to attend graduate or professional school. Only the affluent will be able to afford higher education. For the 1981–1982 academic year, 65% of the Black and Hispanic students applying for need-based aid to attend graduate school had received grants in their senior year of college. This was true for only 35% of White applicants. Further, 20 to 25 percent of the Black and Hispanic applicants had also received Supplemental Educational Opportunity Grants (SEOG) as compared to 10 percent of the White students.

The President's proposal to eliminate support for these successful graduate student programs translates into close to 1,600 students directly affected. Changes in the Guaranteed Student Loan program would widen this number, although it is difficult to estimate the number of students who would not attend graduate school, or who would attend a graduate school on a part-time basis. Further, the retrenchment of new Federal funds for National Direct Student Loans would make it less likely that graduate students could participate in this program. Over half a million students will be impacted by changes in these two loan programs. Retrenchment in other Federal programs such as health research grants and grants through agencies such as the National Endowment for the Humanities will reduce the opportunity for graduate students to work on research projects as paid assistants which provides a needed self-help component in many graduate students' budgets. Dr. Anne Pruitt of Ohio State University, summed up the higher education community's reaction to the proposed elimination of graduate education programs very well:

"GPOP is an important federal investment in the belief that our nation is best served by enabling all of its people to achieve educational levels that can serve the needs of society. If we wish to implement this belief, we will need to continue programs such as GPOP."

HIGHER EDUCATION FACILITIES LOANS AND INSURANCE

Authorized under the Higher Education Act of 1965, Title VII assists in the construction, reconstruction and renovation of academic facilities and in the acquisition of special research equipment, this program provides low-cost loans and loan insurance to institutions of higher education. The Secretary is authorized, when specified in an appropriations act, to make direct loans to institutions of higher education. The primary purposes of such assistance are to aid institutions in: conserving energy; conforming with health, safety, and environmental protection requirements; removing architectural barriers to the physically handicapped; detecting and removing asbestos hazards; provding for unusual increases in enrollment; and maintaining and expanding the Nation's research facilities. Direct construction loans may cover up to 80 percent of a project's total development costs. The Education Amendments of 1980 increased the interest rate charged to institutions from three to four percent.

FUNDING FOR HIGHER EDUCATION FACILITIES LOANS AND INSURANCE

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
Funding	$27.8	$48.9	$20.143	0	$20	$20
Projects[1]	2	0	0	0		

[1] Since 1975, only 4 new loans have been made under this program and those were initiated by the Congress. In 1978, Congress authorized 2 loans totalling $7,200,000 to Georgetown University and Tufts University. In 1981, Congress authorized 2 additional loans totalling $25,000,000 to Boston University and Georgetown University.

INTERNATIONAL EDUCATION (TITLE VI) AND FOREIGN LANGUAGE

National resource centers

Authorized in 1957 under the National Defense Education Act, this program provides grants to colleges, universities or consortia of such institutions to establish and operate centers that focus study on one world region or on general worldwide topics.

The centers that concentrate on one region offer language instruction in two or more of the principal languages of the region. In addition, instruction is offered in other disciplines which assist in the development of expertise in that particular world area.

These centers receive the bulk of the international education budget. However, the centers do not depend solely on Federal funds for their operations. University funds and outside money from other sources are used to supplement the Federal portion, which amounts to roughly nine percent of the average center's budget.

The centers are used to develop the national expertise necessary for government and business to deal effectively with other nations and cultures.

The Federal money, which is granted for two-year periods is used by the centers primarily for library collections and faculty salaries.

Funding for national resource centers

Fiscal year:	*Millions*
1981	[1] $8.12
1982	[2] 10.2
1983	[3] 10.6

[1] 80 centers.
[2] 90 centers.
[3] Not available.

Undergraduate international studies

Authorized in 1957 under the National Defense Education Act, this program provides grants to institutions of higher education, or consortia, to develop international or global studies programs at the undergraduate level.

The grants, which average around $40,000, are essentially seed money to help smaller two-year and four-year schools upgrade or initiate international education and foreign language programs. Most of these institutions would not have an international program without the money from this program.

The grants are for two year periods. The schools receiving the funds generally have a high retention rate for the programs the Federal funds help initiate. Roughly 45% of the schools continue these international and language programs after the Federal funding ends.

Funding for undergraduate international studies

Fiscal year:	*Millions*
1981	[1] $1.01
1982	[2] 1.9
1983	[3] 2.3

[1] 23 awards.
[2] 50 awards.
[3] Not available.

Foreign language and area studies fellowships

Authorized in 1957 under the National Defense Education Act, this program offers awards to graduate foreign language and area studies. The awards are made for an entire academic year or for summer sessions.

The grants are made to selected U.S. higher education institutions. Programs may be interdisciplinary or multi-disciplinary, including fields in the humanities, the social sciences, or other professional studies. Programs receiving grants must include the study of the languages of the geographic area of specialization.

Most of the grants tend to go to the National Resource Centers to assist graduate students who are working on language competency and area studies expertise at the Centers. The fellowships are for nine months or summer and cover tuition and fees at the institution the graduate student is attending.

Funding for foreign language and area studies fellowships

Fiscal year:	Millions
1981	[1] $5.5
1982	[2] 5.9
1983	[3] 6.0

[1] 925 awards. [2] 800 to 900 awards. [3] Not available.

Research

Authorized in 1957 under the National Defense Education Act, the research program provides grants to institutions of higher education and to organizations and individuals to support surveys and studies in foreign language and international education.

The studies are used to determine the need for increased or improved instruction in: modern foreign languages, area studies, international studies; or they are used to develop more effective methods or specialized materials for such training.

This program provides research opportunities for individual researchers separate from the National Centers. Money is used largely for material acquisition and development; e.g., an Indonesian/English dictionary; Arabic language materials; practical research for language teaching. Other projects include reports on the educational systems of other nations. Materials produced as a result of this program are made available to educators through education clearinghouses.

Funding for research

Fiscal year:	Amount
1981	[1] $885,000
1982	[2] 1,100,000
1983	[3] 1,100,000

[1] 25 awards.
[2] 30 awards.
[3] Not available.

Part B—Business and international education

Authorized under the Education Amendments of 1980, this program requires the Secretary of Education to make grants to colleges and universities to help pay for the cost of programs designed to promote linkages between colleges and that portion of the American business community engaged in international economic activity.

The purpose of making those linkages is to enhance the international academic programs at the colleges and universities and to provide services to the business community which will thus be able to expand its capacity to engage in commerce abroad.

Schools submit applications for these funds to the Secretary and must include with the application a copy of the agreement the school will have entered into with a business for the purpose of establishing or expanding any of a number of activities including: improving curricula to meet international business needs; increasing public awareness of worldwide economic interdependence, internationalization of curricula at the community college level; establishment of export education programs; research for development of specialized teaching materials for business-oriented students; student and faculty fellowships for training in international business activities; development of opportunities for junior business faculty to acquire or strengthen international skills or perspectives.

This program, until fiscal year 1983, remained unfunded.

Funding for business and international education

Fiscal year:	*Millions*
1981	
1982	
1983	$1.0

FULBRIGHT-HAYS ACT

Foreign curriculum consultant program

This program brings experts from other countries to the U.S. for an academic year. These experts assist selected American education institutions in planning and developing their curricula in foreign language and area studies.

Priority in securing the services of the consultants is given to state departments of education, large school systems, smaller four-year colleges with teacher education programs and groups of community colleges.

The consultants are recognized experts in education and curriculum development in their own countries. They help give the institutions they visit an idea how to bring an international flavor to their educational operation by meeting with faculty, students and administrators over the course of an academic year.

The program is very cost effective in that it yields significant results and is very low cost. The institutions which participate in bringing a consultant contribute significant amounts of their own funds for such items as insurance, salary and transportation.

Funding for foreign curriculum consultant program

Fiscal year:	*Amount*
1981	[1] $155,000
1982	[2] 211,000
1983	[3] 211,000

[1] 10 awards.
[2] 12 to 15 awards.
[3] Not available.

Faculty research abroad

This program assists higher education institutions to strengthen their international studies programs by providing awards to key faculty members to do research in other countries.

The awards are used to maintain expertise, update curricula, and improve materials and teaching methods in foreign language and area studies.

These faculty members are usually instructors and assistant professors who are in key positions at the National Resource Centers. Applications are received from and awards are granted to individuals.

The demand for this type of research is generally five to six times the number of available awards.

Funding for faculty research abroad

Fiscal year:	Amount
1981	[1] $295,000
1982	[2] 604,000
1983	[3] 723,000

[1] 20 awards.
[2] 50 awards.
[3] Not available.

Doctoral dissertation research abroad

This program provides assistance for graduate students to engage in full-time dissertation research abroad in modern foreign language and area studies.

It is designed to aid prospective teachers and scholars in improving their research knowledge and capability in world areas not widely included in American curricula, to enhance their understanding of the areas and their people and languages.

In order to be considered for such an award, the doctoral candidate must be proficient in the language of the country she or he will visit and the research project to be conducted must be deemed as worthwhile by the Department of Education.

Funding for doctoral dissertation research abroad

Fiscal year:	Millions
1981	[1] $1.2
1982	[2] 1.7
1983	[3] 1.66

[1] 73 awards.
[2] 100 awards.
[3] Not available.

Group projects abroad

Provides grants to U.S. educational institutions or non-profit educational organizations for training, research, advanced foreign language training, curriculum development, and/or instructional materials acquisition in international and intercultural studies.

Participants may include college and university faculty members, experienced elementary and secondary school teachers, curriculum supervisors and administrators, and selected higher education students who specialize in foreign language and area studies.

The awards, for which there is competition every year, generally go to two categories of groups. The first are associations of universities which operate language centers overseas or conduct ongoing summer sessions in specific countries. The second are individual groups sponsored by schools or educational associations for various short-term group research visits to other countries.

The projects usually consist of 10 to 15 persons who plan to spend a summer in a country studying the social framework, political environment and the arts. First priority tend to go to groups focusing on language study. These projects are very instrumental in helping bring about positive changes in school curricula.

Funding for group projects abroad

Fiscal year:	Amount
1981	[1] $860,000
1982	[2] 1,480,000
1983	[3] 1,600,000

[1] 12 awards. [2] 30 awards. [3] Not available.

Issues in the 98th Congress

Mr. Simon intends to introduce a revision of his previous foreign language assistance bill, H.R. 3231 from the 97th Congress in the 98th Congress. The details of this new legislation have not yet been worked out.

The total authorization will likely be less than $100 million a year for four fiscal years. The bill will also likely provide assistance to local school districts for elementary and secondary foreign language education programs and grants to colleges and universities for similar assistance.

The need for such legislation was documented by the President's Commission on Foreign Language and International Studies in its November 1979 report. At that time, when support for education had not yet deteriorated, the Commission reported they were "profoundly alarmed" at the "serious deterioration" they had found in U.S. language capacity. According to the Joint National Committee for Languages, only 15 percent of all U.S. high school students study a foreign language, down from 24 percent in 1965. And only eight percent of U.S. colleges require a language for admission, while 34 percent of them had such a requirement in 1966.

At hearings in 1981, the Deputy Director of the CIA, Admiral Bobby R. Inman, called for "decisive action at the federal level" to correct U.S. deterioration in language capacity. He called this failure "a major hazard to our national security."

At those same hearings, a Defense Department official reported that 50 percent of the DOD personnel in language-related positions do not have the necessary level of competence in the language. As a direct result of language training in schools and colleges, the nation is forced to waste valuable time and money training intelligence personnel in languages they should know already.

While some movement toward language education has taken place in some of our major colleges and city school systems, clearly in times of dwindling local resources this is an area that calls for financial encouragement from Washington. It is in the nation's interest for legislation similar to H.R. 3231 to be adopted.

FUNDING FOR INTERNATIONAL EDUCATION

[In millions]

	Fiscal year—			Fiscal year 1984		
	1981	1982	1983	President's request	Current policy estimate	Committee recommendation
TITLE VI						
Part A:						
Res. Cntrs	$8.12	$10.2	$10.6	0		$10.8
Centers	(80)	(90)	NA			
UGS	$1.01	$1.9	$2.3	0		$2.5
Awards	(23)	(50)	NA			

FUNDING FOR INTERNATIONAL EDUCATION—Continued

[In millions]

	Fiscal year—			Fiscal year 1984		
	1981	1982	1983	President's request	Current policy estimate	Committee recommendation
FL/AS Fellow	$5.5	$5.9	$6.0	0		6.0
	(925)	(8-900)	NA			
Research	$0.885	$1.1	$1.1			$1.2
Awards	(25)	(30)	NA			
Reg. Res. Cnt.	0	0	0	0		$1.0
Part B:						
Bus. and Int. Ed.	0	0	$1.0	0		$2.0
Awards			NA			
FULBRIGHT-HAYS ACT						
Curric.	$0.155	$0.211	$0.211	0		$0.250
Awards	(10)	(12-15)	NA			
Fac. Res.		$0.604	$0.723	0		$1.0
Awards		(50)	NA			
Doc. Dis.	$1.2	$1.7	$1.6	0		$2.0
Awards	(73)	(100)	NA			
Group Proj.	$860	$1.48	NA			$2.45
Awards	(12)	(30)	NA			
Total	$28.0	$19.2	$21.0	0	$26.2	$30.0

Soviet and East European Studies Act

Chairman Simon and Representative Lee Hamilton have introduced H.R. 601, the Soviet-East European Research and Training Act of 1983, in response to growing concern over the rapidly declining number of Soviet and East European scholars in the U.S.

This legislation would establish a $50 million trust fund, the interest on which would be used by the National Council for Soviet and East European Research to bolster U.S. research efforts on that area of the world.

The activities to be supported would include: postdoctoral research; graduate, postdoctoral and teaching fellowships in Soviet and East European studies; seminars and conferences to help facilitate Soviet research collaboration between government and private specialists; and reciprocal advanced research programs with the U.S.S.R. and nations of Eastern Europe to help give U.S. specialists access to institutes, personnel, archives, documentation and other research and training sources located in the Soviet Union.

The General Accounting Office reports that throughout the 1980s Federal agencies anticipate increasing difficulties in getting the research they will need on the Soviet Union and Eastern Europe. According to the National Council on Foreign Language and International Studies, the total number of specialists in this area needed by the government, higher education and business is approximately 1,660. However, only 1,074 specialists are currently active in this field. And the number of new persons entering the field is shockingly small.

Slavic Review reports that only 11 doctoral dissertations in Soviet foreign policy were defended in 1974, 5 in 1975, 11 in 1976, 4 in 1977, 7 in 1978 and 9 in 1979. And roughly one-third of these students are from other countries.

Finally, according to the Modern Language Association, U.S. college enrollments in Russian language courses declined by one-third between 1972 and 1980. And secondary school enrollments fell by more than 70%.

Warsaw Pact Exchange Commission

While the details have yet to be worked out, Mr. Simon will introduce legislation that would establish an $80 million trust fund in the Treasury. The interest from the investment of this one-time appropriation would be used by a five-person board to make grants to organizations in support of their exchange activities involving the Soviet Union and Warsaw Pact nations.

INSTITUTIONAL AID (TITLE III)

Title III, Developing Institutions, was part of the original Higher Education Act of 1965 (P.L. 89-329). The origins of this title extend to the early 1960s when former Representative Edith Green first suggested the Domestic Faculty Exchange Act of 1964 (H.R. 11905) which was introduced on July 2, 1964 as part of a larger package of amendments to the National Defense Education Act. Although the 88th Congress took no action on Representative Green's bill, President Lyndon Johnson in his Education Message to the 89th Congress asked for legislation to assist "less developed," "smaller" colleges through such activities as faculty exchanges, national teaching fellowships and the cooperative use of facilities and faculty members.

The Title III program has been plagued by lack of legislative specificity regarding institutional eligibility and how funds may be used by eligible institutions. The program operated with no program regulations from its inception in 1966 until 1974. Attempts by the Department of Education (formerly the Office of Education (OE/HEW)) to administer Title III had mixed success at best. Prior to the 1980 reauthorization, several subcommittees in the House and Senate, and the General Accounting Office (GAO) thoroughly criticized OE/HEW for its failure to effectively administer Title III funds. A 1979 GAO report led, in fact, to a reduction in Title III funding in FY 1980. A complete and thorough history and analysis of Title III is available from the Congressional Research Service (CRS). [See "Federal Institutional Aid for Postsecondary Education: Analysis of Title III of HEA by Jim Stedman (Rpt. No. 82-192 EPW Dec. 1, 1982)].

The Education Amendments of 1980 (P.L. 96-374) completely revised the Title III program, dividing it into three parts. The Strengthening Institutions program (Part A) provides assistance for improving academic quality, institutional management and fiscal stability of eligible institutions. Cooperative arrangements among eligible institutions may also be funded. Institutional eligibility is determined based on the presence of students receiving high, average Pell Grant awards and low average educational and general expenditures (E&G) compared to similar types of institutions. The Special Needs program (Part B) provides short-term assistance for improving the planning, management and fiscal capabilities of special needs institutions. The eligibility criteria for Part B institutions is similar to those used for Part A, except Pell Grants and campus-based student aid programs are considered in determining high average awards. The authorized uses of Part A and B funds are virtually the same. The Challenge Grant program (Part C) provides Federal matching grants to recipient institutions. Challenge Grants are intended to leverage private and other alternative sources of funding for Title III institutions. Challenge Grant funds may be used for activities authorized in Parts A and B and other activities approved by the Secretary.

Fiscal year 1984 budget

Title III (Institutional Aid) of the Higher Education Act is the only program in the Act providing general institutional assistance to institutions of higher education. Formerly known as Developing Institutions, prior to the Education Amendments of 1980, Title III was included in the original Higher Education Act as a vehicle for providing Federal funds to smaller, less-developed colleges which were "out of the mainstream" and "struggling for survival". Total appropriations since 1966 amount to $1,332,458,000 much of which has gone to the historically black colleges and universities and to community colleges—the program's principal beneficiaries.

The Administration's FY 1984 budget request is $134,416,000 and would continue funding for this program at the FY 1983 level, which is $4,816,000 above the current authorization level. The Department has provided "point of order" language with their budget justification—which would increase the authorization, and extend and increase the setaside for the historically black colleges and universities for all parts of Title III to a minimum of $45,741,000. The Subcommittee opposes this proposed circumvention of the authorization process. The current Part B black college setaside was adopted in the 1980 Amendments to the Higher Education Act. That Act is scheduled for reauthorization in the near future and the Subcommittee will consider the Administration's proposal at that time. The proposed authorization increase can be included in the Subcommittee's bill to permit use of Part C, Challenge Grant funds for endowment building purposes. The Administration is expected to support this legislation.

Although plagued for many years by questionable administration and vague statutory eligibility criteria, program administration and legislative direction have improved since enactment of the 1980 Amendments. Problems remain, however, with regulatory interpretation of the statute in several key areas: (1) continuing institutional eligibility under Part A (4–7 years) after exhausting eligibility under Part B; (2) the Title III eligibility status of postsecondary institutions whose eligibility is wholly dependent on language contained in the FY 1983 Continuing Appropriations Act; and (3) limitations placed on the use of funds by memorandum, rather than regulation.

A potentially short-term problem may exist in the FY 1983 and FY 1984 award cycles because of the presence of many noncompeting continuation grants being carried over from previous year awards, and the limited number of awards which could be made from available new funds. Because of the need to provide additional funds and because the Committee strongly opposes any ratable reduction of funding for existing grantees, a modest increase in funding is justified.

The following funding levels are authorized: Part A—$60 million; Part B—$60 million; and Part C—$9.6 million. Special provisions in the further Continuing Appropriations Resolution for FY 82 (P.L. 97-92 as extended by P.L. 97-161) and the Supplemental Appropriations Act for 1982 (P.L. 97-257) exceeded the authorized appropriation, but stated that the authorization limit did not apply.

Since enactment of the 1980 amendments, administration of the program and the grant-making process have improved. The January 5, 1982 regulations, which presently govern the program were accepted by the Congress after lengthy negotiations with Departmental officials, two hearings, and substantial modifications to the rules first proposed by the Department of Education. The final rules still do not follow congressional intent and exceed the statutory language in certain respects. This may have to be corrected prior to the reauthorization of title III.

Issues in the 98th Congress

The 1980 Amendments changed the method of providing funds to successful Title III applicants. Since the FY 82 award cycle, Title III grantees that received multi-year awards were allocated each year subject to the availability of funds in each subsequent year's appropriation. Because a significant number of multi-year awards will continue into FY 83 as non-competing continuation grants—only a small amount of Title III funds will be available to make new grants for the 1983-84 school year from FY 83 funds. The Department may decide not to hold any Title III competition (unless Congress provides a Title III supplemental) or to limit the Title III eligible institutions which could compete.

The Subcommittee chairman has introduced legislation to amend Part C, Challenge Grants to allow these funds to be used to build institutional endowments. H.R. 2144 provides legislative authority to increase the current authorization for Title III from $129.6 million to the current appropriation FY 1983 level of $134.4 million (the same as the President's request for FY 1984). H.R. 2144 was ordered reported by the full Committee on April 13, 1983.

TITLE III FUNDING—FISCAL YEARS 1966-82

[In millions of dollars]

	Authorization	Budget request	Appropriation
Fiscal year:			
1966	$55.0	0	$5.0
1967	30.0	$30.0	30.0
1968	55.0	30.0	30.0
1969	35.0	35.0	30.0
1970	70.0	30.0	30.0
1971	91.0	33.85	33.85
1972	91.0	38.85	51.85
1973	120.0	100.0	87.35
1974	120.0	99.92	99.92

TITLE III FUNDING—FISCAL YEARS 1966-82—Continued

[In millions of dollars]

	Authorization	Budget request	Appropriation
1975	120.0	120.0	110.0
1976	120.0	110.0	110.0
1977	120.0	110.0	110.0
1978	120.0	120.0	120.0
1979	120.0	120.0	120.0
1980	120.0	120.0	110.0
1981	120.0	120.0	120.0
1982	129.6	[1] 129.6	[2] 134.41

[1] Fiscal year 1982 revised budget request, released March 10, 1981.

[2] Appropriations under further continuing appropriations resolution for fiscal year 1982 (Public Law 97-92, as extended by Public Law 97-161) and Supplemental Appropriations Act for 1982 (Public Law 97-257). The latter provides that the authorization limit for fiscal year 1982 is not to apply.

Sources: U.S. Department of Education, Annual Evaluation Report, fiscal year 1981; budget documents for various years.

Fiscal year funding for title III

	Millions
1981	120.0
1982	124.5
1983	134.4
1984 President's request	134.4
1984 current policy estimate	129.6
1984 committee recommendation	134.4

LIBRARIES

Library Services and Construction Act (LSCA)

The Federal role in assisting public libraries began in 1957 with a $2 million appropriation under the newly enacted Library Services Act. Rural in its orientation, with funds available only to communities under 10,000 in population, the Act was soon expanded to become the Library Services and Construction Act in 1964 with the rural limitation removed and a construction title added. Since 1956, some 17 million Americans have received library services for the first time, and another 90 million persons have benefitted from improved services.

LSCA has four Titles: Title I, Services; Title II, Construction; Title III, Interlibrary Cooperation; and Title IV, Older Readers Services. The purpose of LSCA is to assist the states in the extension and improvement of public library services in areas of the states which are without such services or in which such services are inadequate, and with library construction. LSCA also assists in the improvement of library services for physically handicapped, institutionalized, disadvantaged, or elderly persons and with people with limited English-speaking ability. Other provisions contained in the Act provide for strengthening state library administrative agencies, and for promoting interlibrary cooperation among all types of libraries.

A requirement for Titles I and II stipulates that the states and communities must match the Federal contribution on the basis of a ratio of the state's per capita income to the average per capita income of the United States. In no case can the Federal share be less than 33 percent or more than 66 percent of the cost of the program. The Federal share for Titles III and IV is 100 percent.

Title I.—Under Title I of LSCA, grants are awarded to states to:

Develop and improve library service in geographical areas and to groups of persons without such service or with inadequate service;

Provide library services for patients and inmates of state-supported institutions, physically handicapped individuals, and disadvantaged persons in low-income areas, both urban and rural;

Strenghten metropolitan public libraries which function as regional or national resource centers; and

Strengthen the capacity of the State Library Agency to meet the library and information needs of all people.

Federal funds may be used for books and other library materials, equipment, salaries, other operating expenses, statewide planning and evaluation of the programs, and for administration of the state plan which must be submitted in order to receive Federal funds.

The minimum basic allotment for each of the states, Puerto Rico and the District of Columbia is $200,000. For American Samoa, Guam, the Virgin Islands and the Trust Territories of the Pacific Islands, it is $40,000. To be eligible for any grant, maintenance of state and local effort is required.

Title II.—Grants are made to the states for public library construction under Title II of LSCA. "Public library construction" is defined as the construction of new public library buildings and the acquisition, expansion, remodeling, and alteration of existing buildings for use as public libraries, and the initial equipment of such buildings. Architects' fees and the cost of the acquisition of land are also eligible expenses. When appropriations are sufficent the basic allotment for each state is $100,000; and for each outlying territory, $20,000. Title II has not been funded since 1972.

Title III.—Title III, Interlibrary Cooperation, provides grants to states for the planning, establishment and maintenance of cooperative networks of libraries at the local, regional or inter-state level. Such cooperative networks must provide for the "systematic and effective coordination of the resources of school, public, academic and special libraries and information centers in order to improve supplementary services to the special clientele served by each type of library or center." Providing appropriations are adequate, the basic allotment for states is $40,000; and for each outlying territory, $10,000.

Title IV.—Grants for Title IV, Older Reader Services, are made to the states for the provision of library services for the elderly—including the purchase of special library materials, payment of salaries for elderly persons who wish to work in libraries, provision of in-home visits by library personnel to the elderly, and the furnishing of transportation to enable the elderly to have access to library services. Providing appropriations are sufficent, the basic allotment to each state is $40,000; and to each outlying territory, $10,000. However, Title IV included in the Older Americans Act of 1973 (P.L. 93-29), has never been funded.

State Plans and Programs.—In order to participate in any LSCA program, each state must have a basic state plan approved by the

Secretary of Education, plus a long-range, five-year plan on state priorities for meeting the information needs of the people. A plan must also be submitted for each Title cf the Act in which a state participates.

LSCA reauthorization

LSCA was last reauthorized in 1977 and was due to expire in October 1982. However, under the Omnibus Budget Reconciliation Act of 1981, LSCA was extended through the 1984 fiscal year. The Subcommittee conducted extensive oversight hearings in Washington and around the nation during the last Congress to prepare for reauthorization. In general, LSCA programs were praised for the services they provided. However, certain areas of concern were raised:

The focus of LSCA needed to be changed from providing geographic access to a strong emphasis on providing access to services for a wide range of populations;

Libraries should be considered community information centers, not just repositories for books;

There are no provisions for library services for America's Indian tribes;

Increased emphasis is needed on interlibrary cooperation; and

Funding is desperately needed for Title II construction programs.

The Subcommittee has been working on a discussion draft of the Act which incorporates the above-mentioned concerns and a reauthorization bill will be introduced within the next few weeks.

College libraries

Title II of the Higher Education Act of 1965, as amended, provides for three separate assistance programs for college and university library programs.

College library resources (Higher Education Act Title II-A).—The purpose of Title II-A is to assist higher education libraries by providing: basic grants of up to $10,000 for the purchase of library resources; supplemental grants of up to $20 per student to particularly needy institutions; and special purpose matching grants to combinations of institutions needing special assistance to establish and strengthen joint-use library facilities.

Library training and demonstrations (Higher Education Act Title II-B).—Title II-B of the Higher Education Act assists higher education institutions by providing grants for the training of professionals and paraprofessionals in library and information science through fellowships, traineeships, and training institutes. Funds are also provided for demonstration grants in the area of delivery of library and information services. A major contribution of Title II-B has been the recruitment and training of minority students in library education programs.

Fiscal year 1984 budget

Funding for the college library and public library programs is eliminated in the Administration budget proposal.

College libraries

The elimination of this funding will have a particularly severe impact on minority students and library education programs. Over the past two years the School of Library Science at North Carolina Central University received over 1500 notices for job opportunities with a majority of them asking for qualified minority persons. However, only 30 graduates during that time period were Black. Over 95% of all the Black graduate students attending that school received financial aid or work. Title II–B of the Higher Education Act provided a large amount of that financial aid.

Title II–A funds have proved to be essential to maintaining accreditation for many small schools. Although schools only receive about $2,000 per year under the program, that amount is significant to small limited budgets. Furthermore, in recent years schools in several rural states such as Vermont and Connecticut have formed cooperatives for sharing resources purchased under Title II–A and other grants. That means that the amount of the grant is increased several fold above the $2,000 level.

Grants for research libraries under Title II–C of the Higher Education Act have served a valuable function in allowing colleges and universities to expand their facilities to maintain special collections and other materials which are essential to researchers. It is therefore essential that adequate funds for maintaining information be available. Elimination of Title II–C funding will seriously hamper efforts to keep up with current research and scholarship needs.

Library Services and Construction Act

The recommended total elimination of all library programs is a mistake. The need for library services expands every day at the same time that the cost of books and other materials is skyrocketing. The role of libraries in educating our population is essential. Total knowledge doubles every 10 years and over one-half of the Gross National Product (GNP) is based on information services. Last fall the Subcommittee held a series of hearings nationwide library programs funded under LSCA. We learned that Federal monies under this Act provided literacy training for the illiterate, employment information for the unemployed, books and materials for the handicapped and elderly, and other special services for minorities and the disadvantaged. Certainly if our economy is to expand, these are the types of services which must be stressed.

Under Title III of LSCA, monies are made available to provide linkage of libraries throughout the country. This allows almost instant sharing of information among thousands of libraries. The potential of this service for business, industry, and education research is enormous. In the long run it also proves to be a rational and cost-effective method of coping with increasing costs of books and other information materials and rapidly expanding knowledge sources. As long as one or two libraries have the written information on hand, it can be shared with all the other libraries in the system.

FUNDING FOR LIBRARIES

[In millions]

	Fiscal year— 1981	1982	1983	Fiscal year 1984 President's request	Current policy estimate	Committee recommendation
College libraries:						
College library resources (HEA II-A)	$2.9	$1.920	$1.9	0	NA	NA
Training and demonstrations (HEA II-B):						
Lib. Career Training	.667	.640	.640	0	NA	NA
Library Re. & Demonstrations	.250	.240	.240	0	NA	NA
Research libraries (HEA II-C)	6.0	5.8	6.0	0	NA	NA
Total	9.9	8.6	8.8	0	8.8	9.6
Library Services and Construction Act:						
Public library services (LSCA I)	$62.5	$60.00	$60.00	0	NA	NA
Interlibrary cooperation (LSCA III)	12.0	11.52	11.52	0	NA	NA
Total	72.5	71.52	71.52	0	72.42	78.73

National Commission on Libraries and Information Science (NCLIS)

The Commission is the source of independent and objective evaluations of various aspects of Library and information resources and services for the U.S. Congress and the Executive Branch. It was created in 1970 to coordinate and analyze information relevant to the expanding field of information sciences. The Subcommittee on Postsecondary Education frequently calls upon the Commission to provide its expertise on libraries and other information-related areas.

Fiscal year funding for NCLIS

	Millions
1981	$0.7
1982	.7
1983	.7
1984 President's request	.7
1984 current policy estimate	.7
1984 committee recommendation	.7

LITERACY

Although the Administration and its spokesmen have voiced strong support for literacy training for adults, the FY 1984 budget does not in any way show that they are willing to support those efforts with Federal dollars. At a hearing before the Subcommittee on Postsecondary Education on September 21, 1982 Secretary of Education Terrel Bell stated:

> The costs of functional illiteracy are significant; and there are costs attached to attacking the problem. But there are returns on the investment. There are returns to the person who becomes functionally literate; there are returns to State and local communities. It is not difficult to recognize such returns with regard to employment, economic prosperity, defense preparedness, and security from

crime. But there are long-range returns also, such as increasing the educational level of future generations.

However, the budget proposed by the Department of Education recommends major reductions in two of the Federal programs which play a major role in addressing the literacy problem: adult basic education and libraries. Currently, the adult basic education program, which is under the jurisdiction of the Subcommittee on Elementary, Secondary and Vocational Education, receives $95 million. Under the Administration's FY 1984 proposals, adult education would be block granted with vocational education programs and total funding for the two programs would be reduced by $324 million—from $824 million in FY 1983 to $500 million in FY 1984. According to the Department's own statistics, there is no question that the adult education program works:

There are approximately two million participants in the program annually;

In 1980, 90,000 participants were employed as a direct result of being in the program and 55,000 were promoted. (One of the main reasons people seek literacy training is to get a better job.);

35,000 people were removed from public assistance roles as a result of adult education in 1980;

25,000 participants registered to vote for the first time in 1980 as a result of adult education; and

400,000 limited-English speaking adults were enrolled in adult education courses in 1980 and about 12,000 adult education students become U.S. citizens.

MATHEMATICS, SCIENCE, AND FOREIGN LANGUAGE TEACHERS-NEW INITIATIVE

A new initiative in the postsecondary area is contained in H.R. 1310, The Emergency Mathematics and Science Education Act, as reported by the House Education and Labor Committee. Part B of Title I of this Act focuses on the need to train new science, mathematics and foreign language teachers and on the need to improve knowledge of subject matter and instructional skills for those already in the classroom. With states increasing requirements for high school students in the academic areas of mathematics and science, increasing requirements at the postsecondary level, and the increasing need for trained high technology personnel in the business sector and in the military, the demand for mathematics and science teachers will increase while the supply which has been steadily decreasing, will continue to decrease. There are shortages in specific language instructors and as language requirements are also increased, there is a more widespread shortage of language teachers predicted.

In the State of the Union message of January 25, 1983, the President explained a new education program proposed in the fiscal year 1984 budget:

> A quality education initiative to encourage a substantial upgrading of math and science instruction through block grants to the States.

The Secretary of Education transmitted the Administration's "Science and Mathematics Teacher Development Act" on February 2, 1983. The bill addresses one aspect of the problem in that it proposes the expenditure of $50 million to upgrade or enhance the qualifications of math and science teachers through scholarships to ". . . individuals who can become qualified within one year, to teach science and mathematics at the secondary level, in grades nine through twelve." The President's proposal would expend a total of $400 million over a four year period while the Committee on Education and Labor would authorize expenditures of $400 million in FY 1984.

In addition to teacher training and retraining and research in H.R. 1310, Part A funding for aid to state and local school agencies is $250 million, and Title II under the jurisdiction of the House Committee on Science and Technology is $100 million for a fund within the National Science Foundation.

The narrow focus of the Administration bill is broadened in several positive ways in H.R. 1310. The postsecondary sections of that legislation which support programs to accomplish the aims of the President's proposal are equal in new spending—$50 million.

Problems in the Administration proposal include a one-dimensional approach to the teacher supply problem which fails to meet the need to both strengthen current teacher skills *and* increase the supply of qualified math and science teachers. The Administration proposal would increase the pool of certifiable mathematics and science teachers only.

H.R. 1310 looks at both dimensions of the problem in its four sections. The teacher supply aspect of the math and science improvement problem includes in-service training and summer institutes to enhance the skills and knowledge of current teachers, both those who could benefit from state of the art course work or those who with limited course work could move from general science to more specific fields within the sciences, and those who make the transition from social science to the physical sciences or math (they would require both subject-matter competence and pedagogical training); and encourages students to enter the field of pre-college math and science teaching through scholarships to increase the pool of qualified teachers.

Although Secretary Bell in his January 31, 1983 testimony before the Committee indicated that ". . . during the past decade there has been a 79% decline in the number of individuals preparing to teach mathematics, and 64% decline in the number of individuals preparing to teach science," the Administration bill offers no long-range solution to the teacher shortage problem. Any solution to the math and science teacher supply problem must include some incentives for young people to pursue a teaching career.

The Committee approved proposal includes scholarship provisions but requires a stiff payback requirement if the student fails to fulfill his or her teaching service (two years of teaching for every year of scholarship assistance). Provisions are uniform for each scholarship recipient.

Further, foreign languages are part of the mathematics and science situation in that negative national security and economic growth implications for the nation are reflected in the lack of for-

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eign language capabilities of most of the nation. In 1980, the President's Commission on Foreign Language and International Studies reported they were "profoundly alarmed" at the "serious deterioration" they had found in U.S. language capacity. There is a strong nexus between the need to improve mathematics and science instruction because of their relationship to high technology industries and the concomitant need to strengthen foreign language training. The international leaders in high technology are all non-English speaking countries. Although in many areas the current supply of French, German and Spanish teachers appears adequate—given the current demand—as local school boards and postsecondary institutions move to restore foreign language graduation requirements, more teachers will be needed in these areas, as well as Arabic, Japanese and the Russian languages. Foreign language training in H.R. 1310 does not dilute the math and science efforts of this legislation, it is simply listed as a priority area as national needs are demonstrated.

Postsecondary assistance under this new initiative is estimated to impact 5,000 students in the first year through the scholarship program and over 8,000 current teachers through the summer institute program.

Fiscal year funding for H.R. 1310

	Millions
1981	0
1982	0
1983	0
1984 President's request	$50
1984 current policy estimate	50
1984 committee recommendation	50

MINORITY INSTITUTIONS SCIENCE IMPROVEMENT PROGRAM (MISIP), TITLE X OF THE HIGHER EDUCATION ACT

MISIP was transferred from the National Science Foundation to the Department of Education in 1980 by the Department of Education Organization Act, where its goals of supporting activities to improve the quality of science education at predominantly minority postsecondary institutions and stimulating interest in science careers for minorities is continued. Institutions may both use MISIP funding for improvement of their own science facilities and faculties and cooperate with local school districts for a broader approach to science education at the pre-college level. For example, Navajo Community College is currently working on a program to develop video and audio-tutorial instruction in the natural sciences which includes evening environmental lectures for pre-college students. A City University of New York community college is in the process of a two year project to develop teaching materials and provide summer training sessions for instructors from the CUNY system to use the materials, methods and equipment for use on their home campuses. Hundreds of schools have received MISIP grants reaching tens of thousands of minority students.

Fiscal year funding for MISIP

	Millions
1981	[1] $5.0
1982	[2] 4.8
1983	[3] 4.8
1984 President's request	4.8
1984 current policy estimate	5.0
1984 committee recommendation	5.0

[1] 41 projects.
[2] 38 projects.
[3] Number of projects not available.

The MISIP program is reauthorized through FY 85 in the House passed H.R. 1310, the Emergency Science and Mathematics Education Act. It is pending in the Senate.

STUDENT FINANCIAL ASSISTANCE

The Federal government's commitment to assisting individuals in pursuing higher education began with the GI bill in the 1940s. It was expanded in 1958 when, in response to the Soviet Union's apparent scientific and technological superiority—as evidenced by the launching of Sputnik—the National Defense Student Loan was created to encourage students to study math and science at the postsecondary level. Since that time several financial assistance programs have been established to aid students in their higher education studies, regardless of their field of study.

Currently the Department of Education administers six student financial aid programs which comprise the majority of Federal support available to students attending higher education institutions and provide low and middle income students with the financial opportunity to attend the college or university of their choice. The appropriations for these programs—Guaranteed Student Loans (GSL), Pell Grants, Supplemental Educational Opportunity Grants (SEOG), College Work Study (CWS), National Direct Student Loans (NDSL) and State Student Incentive Grants (SSIG)—have grown from a modest $31 million in the National Defense Education Act Loan (in 1959) to a total Department of Education student aid appropriation in FY 1982 of $6.661 billion. The following chart shows the growth in program appropriations.

STUDENT AID APPROPRIATIONS

[In millions of dollars]

	PELL	GSL	SEOG	CWS	NDSL	SSIG
1959					31	
1965				55.7	146.7	
1966		9.5	58			
1972		209.3	220.3	426.6	316.6	
1973	122.1					
1974						19.0
1978	2,160	530.2	270.1	436.0	325.6	63.75
1981	2,504	2,535	370.0	550.0	200.0	76.81
1982	2,410	3,100	355.4	528.0	193.4	73.70

The six financial aid programs are all authorized under Title IV of the Higher Education Act of 1965, as amended, and with the exception of the GSL program, all are *forward funded*. That means that monies appropriated in fiscal year 1983 are obligated to provide student awards for use primarily during the 1983-84 academic year. The purpose of forward funding is to allow institutions the ability to plan for the next academic year during the current one.

The GSL program is an entitlement program that requires the Congress to provide sufficient appropriations to meet financial obligations incurred on the behalf of student borrowers. The GSL program is considered an entitlement program because there is a contractual obligation on the part of the Federal government to pay lenders the interest and insurance guarantee costs associated with each loan, no matter how high or low such costs might be in any given fiscal year. There is *no* direct Federal limitation under current law on either the number of new GSLs, the aggregate amount of new loan volumes, or the extent of insurance and interest costs that might exist in any fiscal year. In the case of the GSL program, a portion of the FY 1982 appropriations pay for the Federal costs associated with borrowing for academic years 1981, 1982 and previous academic years, with a part of the amount used to meet Federal costs associated with new student (or parent) borrowing for the 1982-83 academic year. If insufficient funds are originally appropriated for the GSL program for the entire fiscal year, supplemental funding must be provided to ensure that all eligible borrowers receive loans and that all obligations on previous loans are met.

For the past three years there have been active initiatives on the part of the Reagan Administration to reduce federal student financial assistance by greatly altering and, in some cases, even eliminating the various grant and loan programs. The usual vehicle for these efforts has been the Administration budget recommendations. On March 10, 1981 when the FY 1982 budget was announced, it included reforms in the postsecondary education area which would, according to the Department of Education "focus the aid on students who need it for costs of attending college, while controlling the rapidly escalating growth in Federal costs." In proposing the reforms the Administration assumed that families and students—not the Federal government—could be the first source of funds for educational expenses. Although funding for the campus-based programs (SEOG, NDSL, and CWS) was either maintained or increased, major changes were proposed for Pell Grants and GSLs. In response to the Administration's budget proposals, the Congress passed the Omnibus Budget Reconciliation Act of 1981 which mandated the following changes in federal student aid programs:

For Pell Grants:

Authorized appropriation levels of $2.65 billion for FY 1982, $2.8 billion for FY 1983, and $3.0 billion for FY 1984;

Required the Secretary of Education to obtain Congressional approval for any required changes such as reducing the maximum grant;

Required the Secretary to set a series of required asessment rates to be applied to discretionary parental income;

Maintained current law as it related to Pell Grant cost-of-attendance criteria;

Maintained current law provisions which exclude home equity on the principle place of residence and exempt $10,000 in single assets and $50,000 in small business or farm assets from the computation of family assets.

For Guaranteed Student Loans:

Students with adjusted gross family incomes above $30,000 were required to demonstrate need in order to receive a GSL;

A 5% origination fee was charged on all GSLs. The fee was to be deducted from the loan the student received and was applied against a combination of the special allowance and interest subsidy which the government paid to lending institutions;

A separate family contribution schedule had to be submitted for GSLs.

A $1,000 minimum loan was established if at least $500 need was shown. For remaining need less than $500, the loan size was limited to the amount of need;

Veterans benefits and Social Security benefits were used to compute need for GSLs;

Independent undergraduate student loans were limited to $2,500;

Interest rates on Auxiliary loans was increased from 9% to 14%;

The name of the Parent Loan Program was changed to Auxiliary Loans to Aid Students (ALAS). Independent undergraduate and graduate students were allowed to borrow under the program.

In addition to the above changes, Social Security student benefits were also reduced as follows:

Eliminated new benefits for students not enrolled full time in postsecondary education prior to May 1982;

Eliminated cost-of-living adjustments for all eligible beneficiaries after August 1981;

Discontinued summer school benefits for postsecondary students; and

Reduced by 25% the benefits for all remaining beneficiaries in August 1982 and eliminated all benefits in June 1985.

The impact of the FY 1982 changes were not seen until the current academic year because of the forward funding nature of the student aid programs. This year there have been reductions in the numbers of students attending certain types of colleges. Independent colleges and universities showed a drop of 40,000 enrolled students and enrollments at state university and land-grant colleges dropped by 6,000 students reflecting a .3 percent decrease. The black land-grant colleges showed a 7.4% decline in freshman enrollment. At the same time community and junior colleges showed a 2.7 percent increase. The implications are clear: the reductions in student financial assistance forced students to attend lower cost institutions. It is also interesting to note that applications for the guaranteed student loan program were down by 20% nationwide for the 1982-83 academic year.

The Reagan Administration's proposed FY 1983 budget was even more severe in the area of student financial assistance. The Administration attempted to rationalize individual program reductions and overall budget reductions by placing the blame on the growth of postsecondary student aid programs, especially GSLs. However, it failed to recognize that the shift from elementary and secondary programs could be partly explained by a 9.4% decline in public elementary/secondary school enrollments between 1970 and 1979 and a modest 2% increase in postsecondary enrollments during the same period. Put simply, Former Title I and bilingual education students were now using Pell Grants, and the loan and work study programs to attend college. The specific reductions included in the 1983 budget:

Reducing Pell Grant funding by $1.2 billion from FY 81 levels and embarking on a policy of eliminating all but the very poor and near poor from the program. Under the proposal low-income student would be limited to only low cost public institutions or would have to borrow heavily under the GSL programs. These students traditionally experienced difficulty obtaining loans. Over one million students would have been eliminated from Pell Grant eligibility by the proposal.

Revising existing provisions in the GSL program by increasing the student borrower's "origination fee" from 5% to 10%, extending the needs analysis to all family incomes, and requiring graduate students to borrow under the auxiliary loan program with its 14% interest rate (as compared to the GSL rate of 9%) and its immediate pay-back provisions. Other technical changes were also made. One million students would have become ineligible for GSLs under these proposals.

Eliminating the SEOG program and the Federal contribution to the NDSL program and reducing the CWS program by $140 million. The effect of these proposals would have been to eliminate 1.2 million students from eligibility for the campus-based programs. The SSIG program was also eliminated.

All of the Administration's student financial assistance proposals were rejected by the Congress and funding for Federal grant and loan programs remained relatively constant. However, even maintaining programs at level funding actually represents a decrease in student ability to attend higher education institutions. Student financial aid has declined or remained constant at the same time that the costs of attending college have increased:

In FY 1979, 6,117,991 awards under student financial assistance were made with expenditures of $3.211 billion;

In FY 1980, 6,824,954 awards were made with expenditures of $5.890 billion;

In FY 1981, 7,707,152 awards were made with expenditures of $7.255 billion;

In FY 1982, 8,888,000 awards were made with expenditures of $6.632 billion;

For FY 1983, it is estimated about 9,165,000 awards will be made with estimated expenditures of $6.667 billion.

During the 1981-82 school year tuition rose 13% for private schools and 14% for public higher education institutions. In the 1982-83 academic year, these increases were 15% and 16% respectively. In summary, higher education is faced with increasing costs, increasing number of student aid applicants, and constant or decreasing Federal dollars.

The impact of this situation is clear—frozen Federal aid dollars and increasing institutional costs—a growing gap is developing between the ability of low and middle-income families to pay and the cost of a college education. This gap, once met with Federal student aid dollars, is widening beyond the ability of the Federal government to respond. Many factors, some of them economic, have contributed to the current situation. The choice in FY 1984 is clear—do we move forward and meet the challenge of educating all Americans or do we continue to slip gradually backwards?

The Guaranteed Student Loan Program (GSL)

The GSL program, initially authorized under the Higher Education Act of 1965 (P.L. 89-329) provides below market interest rates, Federally-insured loans to eligible postsecondary students (and in some cases parents) through participating banks, credit unions, savings and loans, and other lenders. GSL proceeds must be used only to meet the costs of postsecondary education at approved institutions of higher education, including certain vocational, business, and trade schools.

The Federal government either directly insures—or indirectly reinsures through a state guarantee agency—the repayment of GSLs to lenders. The Federal government pays all interest for GSLs while students are in school, through a quarterly "in-school interest subsidy" payment to lenders. The Federal government also pays lenders an additional interest payment, termed the "special allowance", which assures that lenders will receive at least market interest rates on GSLs. Since October 1, 1981, student loans have been based on financial need for students whose family income exceeds $30,000. For students whose family income is under $30,000, loans are available without proof of financial need. The interest rate for a GSL is seven percent for a student who first borrowed prior to the 1981-82 school year, and nine percent for all other student borrowers. All student borrowers are subject to a five percent origination fee, which is a mandatory fee equal to five percent of the amount of the loan and is collected at the time a loan is made. The origination fee is used to help offset the special allowance and in-school interest subsidy costs to the Federal government.

While a student is in school, the Federal government pays all loan interest charges on behalf of the student borrower to the lender. Upon leaving school, the student borrower must assume responsibility for making payments on the amount of principal borrowed as well as the seven percent or nine percent interest charge. The Federal government pays the special allowance throughout the life of the loan. The special allowance is equal to the bond equivalent of the 91-day Treasury bill rate (the bond equivalent is one-half percent higher than the actual rate) plus three and one-half percent minus the seven percent or nine percent interest rate.

An undergraduate student may borrow up to $2,500 a year under the student loan program, and accumulate a maximum student loan of $12,500 while an undergraduate. A graduate or professional student may borrow up to $5,000 a year under the GSL program, with a maximum student loan debt not to exceed $25,000 (including undergraduate borrowing).

Between 1965 and 1978, the GSL program was amended over half a dozen times, resulting in a number of significant changes to the program. The Education Amendments of 1965 (P.L. 90-460) increased the borrowers' interest rate on GSLs to 7%, while P.L. 91-

95 in 1969 established the "special allowance" payment to lenders to increase the supply of lender capital for the program. P.L. 92-318 (Education Amendments of 1972) raised the maximum annual GSL to $2,500 and the aggregate borrowing limit to $10,000.

In 1974, P.L. 93-268 revised the requirement—also added by P.L. 92-318—that educational institutions determine "financial need" for a GSL. Concern regarding the vagueness of this requirement had proven to be a deterrent to lender participation in the program. These 1974 amendments changed the GSL student eligibility requirements regarding financial need by requiring that education institutions provide lenders with a determination of need for GSL applications and recommendations of the loan amount if students' family incomes exceeded $15,000.

In 1976, P.L. 94-482 raised the income ceiling for a GSL without proof of financial need to $25,000. The 1976 Amendments also changed the way in which special allowance was determined, increased the annual maximum GSL for a guaduate or professional student to $5,000, and revised upward the aggregate GSL borrowing limits. The 1976 Amendments increased incentives to states to establish state guarantee agencies by increasing to 100% the amount of the Federal reimbursement on defaulted GSLs in those states with low default rates, and by providing additional cost allowances to guarantee agencies for default collection efforts.

In 1978, P.L. 95-566, the Middle Income Student Assistance Act (MISAA), again amended borrower eligibility requirements for a GSL by removing the $25,000 income ceiling for a non-need tested GSL. The basic intent of MISAA, with respect to the GSL program, was to provide renewed access to student loans for middle income families whose higher incomes by the late 1970s had placed them beyond the range of the existing need test requirements, but who were apparently finding it difficult to meet higher education costs. MISAA was also viewed politically in 1978 as an alternative to providing relief from higher education cost pressures on middle income families via tuition tax credits.

In 1979, P.L. 96-39, the Higher Education Technical Amendments of 1979, removed the 5% ceiling on special allowance payments to lenders, an action intended to make GSLs a more attractive investment to financial institutions.

In 1980, P.L. 96-374, the Education Amendments of 1980, raised the borrower's interest on GSLs from 7% to 9% for those students who had not previously borrowed at the lower rate. The 1980 Amendments again raised the aggregate limits of GSL borrowing to $12,500 for undergraduates and $25,000 for graduate and professional students (including previous undergraduate borrowing). The 1980 Amendments also reduced to 6 months (from the prior 9 or 12 months) the "grace" period after which an out-of-school student must begin GSL repayment.

Auxiliary loans to assist students (ALAS)

Auxiliary loans are available without proof of financial need to parents of dependent undergraduates (also called Parent or PLUS loans), independent undergraduate, and graduate or professional students. The current interest rate on auxiliary loans is 12 percent. However, prior to November 1, 1982 it had been 14 percent. The reduction occurred because the average Treasury bill rate over the preceding 12-month period was under 14 percent.

• A full-time student borrowing under the ALAS program must begin making interest payments on the loan 60 days after receiving the loan. Parent borrowers are required to begin making payments on both the loan principal and the interest within 60 days. Upon leaving school, student borrowers also become responsible for making payments on the loan principal.

Parents of dependent undergraduate and graduate or professional students may borrow up to $3,000 a year under the ALAS program, but may not accumulate more than $15,000 in unpaid loan principal. Independent undergraduates may borrow up to $2,500 a year under ALAS minus any amount borrowed under the GSL loan program.

Student loans are available through participating lenders in all states at the present time. However, lenders in only about one-half of the states had begun making auxiliary loans as of Spring, 1982. Auxiliary loans were authorized by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97–35). Previously, loans to parents *only* had been authorized by the Higher Education Amendments of 1980 (P.L. 96–374). Auxiliary loans are considered to be a part of the Guaranteed Student Loan program.

State guarantee agencies (GAs)

In recent years the majority of GSLs have been insured for lenders by state guarantee agencies, which were specifically established within the states for the purpose of guaranteeing loans. Originally, the Federal government directly guaranteed all GSLs and termed the loans Federal Insured Student Loans or FISLs. However, as the volume of loans increased, the Federal government encouraged states to establish their own guaranteeing agencies. As of October, 1982, the Federal government stopped making FISLs.

GAs are reimbursed by the Federal government for any defaulted loans on which they pay insurance claims. The amount of reimbursement (termed the reinsurance payment) is dependent upon the overall default rate of the GA. GAs also work to facilitate the availability of capital for GSLs with some serving as a lender of last resort when other available lenders prove insufficient to meet borrowing demand. GAs may charge students an insurance premium of up to one percent of the total GSL principal borrowed on loans which they insure. The purpose of the insurance premium is to offset losses because of defaulted loans.

Student Loan Marketing Association (Sallie Mae)

Sallie Mae is another key participant in the GSL program. Established by legislation in 1972 (P.L. 92–318), it is a private corporation (but initially permitted to borrow through the Federal Financing Bank) that provides capital to lending institutions in the GSL program. Sallie Mae provides funds for lenders in two ways: through purchases of GSLs from lenders and through loans to lenders (called warehousing advances) using lenders' existing GSLs as collateral. Sallie Mae also offers services related to state student loan revenue bonds and student loan consolidation.

FUNDING FOR GSL's

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
GSL (billions)	$2.53	$3.1	$3.1
Recipients[1] (millions)	3.5	3.8	([2])
Average loan[2]	$2.195	$2.260	([2])

[1] Does not include statistics for auxiliary loans.
[2] Not available.

Pell grant program

The Pell Grant program (formerly called the Basic Educational Opportunity Grant—BEOG) was enacted into law in 1972 by P.L. 93–318 and was renamed for the program's author, Senator Claiborne Pell (D–RI) in the Education Amendments of 1980. The Pell Grant program uses a Federally established needs analysis system, called the Family Contribution Schedule, to determine a student's eligibility for an award. Grants are made to only the most needy students and the program is considered the foundation program of Federal student aid for undergraduates.

The Family Contribution Schedule establishes the mechanism for evaluating family income and assets to determine student eligiblity for an award. The Schedule is set by regulation on an annual basis. The authorizing legislation requires the Secretary of Education to publish a new Schedule each year and to submit it to the Congress for review. If the Congress votes to disapprove the regulation, the Secretary must submit a new Schedule. In recent years, the Secretary of Education has frequently failed to submit the Schedule according to a timetable set in the law and when the Schedule has been submitted, it has often been unsatisfactory. Therefore, for the 1983–84 academic year, the Congress set the Family Contribution Schedule in law (P.L. 97–301). In determining the actual amount of the award a student receives, the costs associated with attending the institution the student has chosen are also evaluated. For that reason, a student will be eligible to receive a larger grant if he or she goes to a school with high tuition and fees than he or she would receive attending a less expensive four-year public or community college.

FUNDING FOR PELL GRANTS

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
Pell grants (millions)	$2,604	$2,419	$2,419
Maximum grant	$1,670	$1,800	$1,800
Average grant	$1,670	$949	([1])
Recipients (millions)	2.7	2.55	([1])

[1] Not available.

National Direct Student Loan Program (NDSL)

The NDSL program was originally the National Defense Student Loan Program and was authorized in 1958 by the National Defense Education Act (P.L. 85–864). As such it was the first Federal education program to grant loans to students. NDSL became part of Title VI of the Higher Education Act of 1972 and its name was changed at that time.

The NDSL program provides loans to undergraduate, graduate, or professional students who demonstrate need. Undergraduate students may borrow up to $6,000 and graduate students up to $12,000 (including undergraduate borrowing). NDSLs are repaid at 5% interest with repayment beginning six months after a student is no longer enrolled at an institution on at least a part-time basis. Loans are repaid to the school and the repaid principal from the loans goes into a "revolving fund" which institutions are to use for making new NDSL loans. The Federal monies which go to institutions is termed the Federal Capital Contribution (FCC). The FCC an institution receives is based upon the costs of attendance at the institution, the financial need of the students, the amount of other student financial aid received by students, as well as the rate of default of previous students in repaying the NDSLs.

Portions of a student's loan principal and interest may be cancelled (paid by the Federal government instead of the student) for eligible service in the military, for teaching handicapped or educationally disadvantaged children, or for employment in the Head Start program.

FUNDING FOR NDSL's

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
NDSL's (capital contribution) (millions)	$186	$178.56	$178.56
Money in revolving fund (millions)	$570	$435	$435
Recipients	780,000	800,000	800,000
Average award	$700	$700	$700
Participating institutions	3,307	3,347	(1)

[1] Not available.

College Work Study Program (CWS)

The purpose of the CWS program is to provide needy undergraduates, graduates or professional students enrolled on at least a half-time basis with part-time employment so that they may continue their courses of study and to broaden the job opportunities on and off campus to eligible students. The amount a student is allowed to earn is based on his or her financial need. Students are paid the minimum wage. The Federal government provides 80 percent of the capital for the program and the institution must provide twenty percent.

CWS is authorized under the Higher Education Act of 1965. However, a precursor to the program, the Student Work Program, was created in 1934 when Federal funds were made available through the Federal Emergency Relief Administration to aid non-profit colleges for the part-time employment of needy college students. The program also included work for high school students. In the eight year period from 1935–1943, 2,143,000 students were given financial aid. A version of the program also appeared in 1964 as part of President Johnson's war on poverty, prior to being incorporated into the Higher Education Act in 1965.

FUNDING FOR CWS

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
CWS (millions)	$550	$528	$540
Recipients (thousands)	(990)	(950)	(970)
Average award	$600	$600	$600

Supplemental Educational Opportunity Grant (SEOG) program

The SEOG program provides financial assistance to students of exceptional financial need to attend postsecondary institutions. Federal grants are made to institutions who then select students for the awards. The maximum SEOG award is $2000 a year or one-half of the total student assistance provided from other sources—either private or public, whichever is less.

SEOG awards are limited to students who have been accepted as undergraduates, who maintain satisfactory progress, and who are enrolled at least half-time. SEOG grants are limited to students who otherwise would financially be unable to pursue a program of study at the institution without such assistance.

The Secretary of Education is authorized to make grants directly to institutions of postsecondary education. Campuses make their awards on the basis of not only exceptional need but also on the basis of a Federally approved needs test. Any institution which desires to obtain funds for supplemental grants must enter into an agreement with the Secretary concerning the administration of its program. A stipulation requires participating institutions to make vigorous effort to identify qualified young people of exceptional need and encourage them to pursue a postsecondary education.

FUNDING FOR SEOG

	Fiscal year 1981	Fiscal year 1982	Fiscal year 1983
SEOG (millions)	$370	$355.4	$355.4
Recipients (thousands)	586	440	545
Average award	$681	$600	$650

State Student Incentive Grant (SSIG)

The SSIG program was enacted to facilitate either the development of new or the expansion of existing State grant programs. The program was first appropriated in 1974 and is authorized under the Higher Education Act of 1965 as amended.

The Federal government provides monies on a one-to-one matching basis. For a State to participate in the program it must meet a number of requirements. The program must be administered by a single State agency and awards to students cannot exceed $2000 (the Federal share cannot exceed $1000) per academic year. In order to be eligible to receive an award a student must be enrolled full-time at an accredited institution, maintaining satisfactory academic progress, and must not owe a refund on a grant previously received under any other Federal education assistance program, or be in default on the NDSL ro GSL programs. States do have the option of making awards to institutions within the State and allowing them to make awards to students who meet the eligibility requirements.

The impact of SSIG on states has been mixed. In many States it has served to stimulate matching funds; in some States money is returned to the Federal government because ample State financing is not available; and in some States the amount of Federal monies is only a small portion of the total monies available. On the following page, the amounts of money appropriated to various states for the last three fiscal years and what percentage of total monies it represents are shown.

SSIG ALLOTMENT TABLE

	Enrollment	1981 allotment	1982 allotment	1983 allotment	Percents [1]
Totals	11,712,610	576,750,000	$73,680,000	$60,000,000	8
Alabama	174,170	1,141,295	1,095,643	892,218	[2] 23
Alaska	18,594	121,842	116,968	95,251	[2] 50
Arizona	199,274	1,305,796	1,253,564	1,020,818	[2] 50
Arkansas	74,057	485,278	465,867	379,371	27
California	1,798,400	11,784,495	11,313,115	9,212,635	13
Colorado	159,836	1,047,368	1,005,473	818,789	9
Connecticut	152,431	998,845	958,891	780,856	12
Delaware	31,228	204,630	196,445	159,971	35
District of Columbia	85,259	558,682	536,335	436,755	[2] 50
Florida	366,344	2,400,567	2,304,544	1,876,665	20
Georgia	203,269	1,331,974	1,278,695	1,041,283	36
Hawaii	48,097	315,168	302,561	246,386	[2] 21
Idaho	39,198	256,855	246,581	200,799	48
Illinois	632,654	4,145,634	3,979,809	3,240,887	5
Indiana	234,086	1,533,911	1,472,554	1,199,149	7
Iowa	125,845	824,633	791,648	644,664	5
Kansas	129,705	849,927	815,930	664,438	17
Kentucky	142,958	936,770	899,299	732,329	14
Louisiana	166,660	1,092,084	1,048,401	953,746	[2] 35
Maine	41,954	274,915	263,918	314,917	[2] 50
Maryland	213,490	1,398,950	1,342,992	1,093,642	20
Massachusetts	376,361	2,466,206	2,367,556	1,927,978	14
Michigan	483,833	3,170,445	3,043,627	2,478,524	7
Minnesota	226,365	1,483,317	1,423,984	1,159,596	5
Mississippi	99,078	649,235	623,266	507,545	[2] 50
Missouri	231,327	1,515,532	1,455,199	1,185,015	18
Montana	32,270	211,458	203,000	165,309	[2] 50
Nebraska	83,922	549,921	527,924	429,906	[2] 50
Nevada	31,926	209,204	200,836	163,547	[2] 16
New Hampshire	40,803	267,373	256,678	209,021	49
New Jersey	306,983	2,011,588	1,931,124	1,572,577	4
New Mexico	59,420	389,365	373,790	304,390	[2] 50
New York	989,409	6,483,366	6,224,031	5,068,430	2
North Carolina	254,199	1,665,707	1,599,079	1,302,181	[2] 44
North Dakota	31,357	205,475	197,256	160,632	42
Ohio	464,069	3,040,936	2,919,299	2,377,279	10
Oklahoma	157,622	1,032,860	991,546	807,448	[2] 50
Oregon	150,353	985,228	945,819	770,211	12
Pennsylvania	514,421	3,370,881	3,236,046	2,635,216	4
Rhode Island	61,773	404,784	388,593	316,443	6
South Carolina	126,628	829,764	796,573	648,675	7

Footnotes at end of table.

SSIG ALLOTMENT TABLE—Continued

	Enrollment	1981 allotment	1982 allotment	1983 allotment	Percents [1]
South Dakota	33,227	217,729	209,020	170,211	[2] 41
Tennessee	189,530	1,241,946	1,192,268	970,902	17
Texas	638,504	4,183,968	4,016,609	3,270,854	18
Utah	86,966	569,368	547,073	445,499	[2] 50
Vermont	29,398	192,638	184,932	150,597	3
Virginia	249,297	1,633,585	1,568,242	1,277,070	13
Washington	265,593	1,740,369	1,670,754	1,360,549	30
West Virginia	85,012	557,064	534,781	435,490	13
Wisconsin	244,111	1,599,602	1,535,618	1,250,503	7
Wyoming	19,633	128,650	123,504	100,574	[2] 50
American Samoa	836	5,478	5,259	4,282	([3])
Guam	3,710	24,311	23,339	19,005	([3])
Northern Marianas	143	937	900	732	([3])
Puerto Rico	104,640	685,682	658,255	536,038	([3])
Trust Territory	260	1,704	1,636	1,332	([3])
Virgin Islands	2,122	13,805	13,349	10,870	([3])

[1] Percentage of SSIG moneys in the State allotment based on 1981 data.
[2] SSIG plus the State matching equals the total moneys in the need-based program. Some States returned unmatched SSIG funds.
[3] Not available

Issues in the 98th Congress

Although it is impossible to predict exactly what issues will arise in the area of Federal student financial assistance during the 98th Congress, three issues which resulted from actions during the 97th Congress will have to be addressed. These include consolidation of student loans for repayment purposes, truth-in-lending regulations for student loans, and draft registration and Federal student financial assistance. The "Student Financial Assistance Technical Amendments Act of 1982" (Public Law 97-301), contained provisions which affect both loan consolidation and truth-in-lending requirements. The subject of draft registration and student financial assistance was brought about by P.L. 97-252, the "Department of Defense Authorization Act" which stipulated that no student required to register for the draft could receive Federal student financial assistance unless he had, in fact, registered. A brief description of the current status of each of these issues and the expected legislative action, if appropriate, in the 98th Congress is set out below.

Student loan Consolidation.—On September 8, 1982 the Senate Committee on Labor and Human Resources reported S. 2852, the Sallie Mae Technical Amendments Act of 1982. Section 14 of that Act authorized existing state guarantee agencies and private, nonprofit institutions or organizations within states to consolidate loans made under Title IV of the Higher Education Act of 1965, as amended (namely, NDSLs and GSLs). Under current law, only Sallie Mae has the authority to consolidate loans. Several state guarantee agencies and state secondary markets had requested the the authority.

During the House/Senate conference on the bill—the House bill, H.R. 7048, contained no such provision—the provision was deleted. However, during the conference, questions arose not only about the advisability of extending consolidation to state agencies but also as to whether Sallie Mae should be allowed to continue consolidating loans. Members of the Conference Committee decided that, in fact, a thorough review of all consolidation activity should be initiated. Therefore, report language accompanying Public Law 97-301, requires the General Accounting Office (GAO) to review both Sallie Mae's consolidation activities and their cost to the Federal government, as well as any costs that would arise if such authority were also granted to state agencies. Section 14 of the law mandates that Sallie Mae's authority to consolidate loans terminate on August 1, 1983. Based on the results of the GAO review, the Congress will decide whether or not to extend Sallie Mae's authority beyond August 1 and whether to grant loan consolidation authority to state agencies.

The original authority to consolidate loans was granted to Sallie Mae in the 1980 Amendments to the Higher Education Act. The purpose of the authority was to make it easier for students who had more than one NDSL and/or GSL to repay at one time. Repayment time under consolidation could be extended to 20 years instead of 10 and the student had to make only one payment a month instead of several. The amount of the payment was also reduced. The primary reason for granting the authority was to help students avoid loan defaults, by providing one loan payment on the consolidated loans over a longer repayment period.

Student loan default rates.—One issue that surfaces every Congress is the rate of default on Guaranteed Student Loans and National Direct Student Loans. Many figures are given and the overall impression is usually that the programs are plagued with excessive default rates. The facts belie the impression.

The current net default rate for GSLs—taking into account both Federal and State collection efforts—is 5.8 percent. For the NDSLs it is 11.1 percent. To put these figures into perspective, the national default rate on all consumer loans, including personal, auto and home loans, is 9.1 percent. The default rates on both loans have been declining dramatically in recent years. In 1978 when collection efforts were first undertaken by the Department of Education to recover on Guaranteed Student Loans, there was a default rate of 13.8 percent. In 1979, the default rate for NDSLs was 16.04 percent according to a General Accounting Office study. Efforts by the Federal government to collect on defaulted loans have been very successful. In both programs the Federal government and state guaranty agencies continue to pursue the collection of loans which lenders and higher education institutions have been unable to collect, and the Department of Education anticipates that only a very small percentage will ultimately be written off. At the present time there are more GSLs cancelled because of death or permanent disability than because of default.

The main reason for the confusion about default rates is that loans for medical students, adminstered by the Department of Health and Human Services have not been collected so successfully and do have a high rate of default. These loans have no relationship to the GSL and NDSL programs and are not under the jurisdiction of the Subcommittee.

The Subcommittee will continue its aggressive oversight of Departmental and institutional loan collection policies and practices in the 98th Congress. Two hearings are scheduled in May and the issue of loan collections and student defaults will be addressed in the context of the Subcommittee's hearings leading up to the reauthorization of the Higher Education Act of 1965. Fraud and abuse, aside from the question of student defaults, will also be explored.

Truth-in-lending regulations.—Public Law 97-301 also made major changes in the truth-in-lending requirements for lending institutions and institutions of higher education when they enter into loans with students and when those loans enter repayment status. Previously, disclosure information on NDSL and GSL loans was governed by the same truth-in-lending regulations that applied to other consumer loans and by provisions contained in Sections 433(a) (for GSLs) and 463(A) (for NDSLs) of the Higher Education Act. However, it was anticipated that the Garns/St. Germain Depository Institutions Act of 1982, which proposed to exempt student loans from existing truth-in-lending regulations, would soon be enacted into law. Therefore, provisions were added to Public Law 97-301 to amend the Higher Education Act to incorporate the consumer truth-in-lending provisions. At the time the amendments were passed, representatives of the lending community, student financial aid officers and student organizations agreed that the proposed provisions were adequate to protect students but at the same time would not be burdensome to lending institutions and colleges and universities.

However, after the enactment of Public Law, 97-301, several issues arose which needed clarification. The Subcommittee received information from lending institutions and Sallie Mae that they had concerns about their ability to comply with the provisions of Public Law 97-301 as interpreted by the Department of Education. It appears that such information as origination fees and insurance premiums are not necessarily kept on file. Therefore, at the time a loan enters repayment, the institutions are not able to disclose this information to the students as required by Public Law 97-301. The institutions also expressed concern about the costs involved in revising their forms and computer software in order to record and file the required information.

The Subcommittee held a hearing on the issue on February 9, 1983. Subsequently, the Subcommittee contacted the Department of Education to request that the implementation data of the new provisions be delayed until January 1, 1984 to allow ample time for the Congress to review the ramifications of the new law. If necessary, legislative action will be taken to reconcile any problems or inadequacies which cannot be solved through negotiation with the Department of Education.

Federal student financial assistance and draft registration.—The Department of Defense Authorization Act for Fiscal Year 1983, Public Law 97-252, signed into law on September 8, 1982 mandates that students who are required to register for the draft and fail to do so cannot receive Federal student financial assistance. The provisions referred to as the Solomon Amendment, after its House sponsor Representative Gerald Solomon, also mandates that students who are required to register for the draft must file a compliance statement with institutions they are attending stating they are registered and must submit verification of their registration. The Secretary of Education, in consultation with the Selective

Service, issued a regulation to implement the amendment on January 25, 1983.

The methods prescribed for accomplishing the Solomon Amendment have caused great concern and a lawsuit has been filed and an injunction has been granted pending a review of the constitutionality of the amendment. Some of the concerns which have arisen include:

The newly published regulation mandates that a student must give the institution he is attending a copy of the letter received from the Selective Service (Registration Acknowledgement Letter) when he registered. Many students (some estimates run as high as 30 percent) never receive the letter. Under the statue and regulation, those students could be denied aid until they were able to obtain a duplicate letter from the Selective Service;

Requiring institutions to accept and file compliance statements and Registration Acknowledgement Letters is extremely burdensome. It not only is a paperwork problem for student financial aid officers, it also puts institutions in a position of enforcing a Federal law since they are the only ones that know who applies for and receives Federal student financial assistance at the institution;

The proposed regulation contains special provisions for the 1983–84 academic year that will be particularly problematic for institutions. If a student applies for or receives Federal student aid prior to July 1, 1983 (the date when the law becomes effective) institutions must contact the student after July 1 and instruct him to file a compliance statement and the verification letter. If he fails to do so, it is the institution's responsibility to notify the Secretary of Education and any lending institution where he might have applied for or received a Guaranteed Student Loan. If he had received a loan and fails to comply with the regulation, the Federal government will withhold the interest payments to the lender;

Delays in processing student financial aid applications will result because of the extra time required to collect and maintain the compliance statements and Selective Service letters. The procedure outlined for the 1983–84 academic year could cause major delays in the award process;

One statement in the Secretary's proposed rule is especially troubling:

"The statute also requires the Secretary, in agreement with the Director of Selective Service, to prescribe procedures for verifying students' Statement of Registration Compliance. In developing these proposed regulations, the Selective Service recommended, and the Department agreed that in order to fully implement the intent of this legislation the verification of all student Statements of Registration Compliance must be conducted before the institution disburses any title IV aid." (34 CFR 668). January 27, 1983 Federal Register.

This means, that at the Pennsylvania State University, no Title IV funds could be awarded until all of the 30,000 student aid recipient applications and compliance statements were verified; and

All students must file a compliance statement stating either that they are registered or why they do not have to register. Requiring all students, including women, to file the form adds a further unnecessary burden to the institutions.

The Subcommittee held hearings on the proposed regulation on February 23 and 24, 1983. A broad spectrum of witnesses testified that the regulation, in its proposed form, would be unduly burdensome to institutions and students and would result in delays in the students financial aid delivery system. As a result of the hearing, the Subcommittee wrote to the Secretary of Education expressing its concerns and suggesting that the regulation should be modified so as to be more effective and less burdensome. Specifically, the letter stated that the responsibility for certification and enforcement of the Solomon Amendment should be the responsibility of the Department of Education and the Selective Service and not higher education institutions.

On March 9, 1983, the United States District Court, the Third Division of the Minnesota District (DOE v. Selective Service System and BOE v. Selective Service System) temporarily enjoined the Selective Service System and the U.S. Department of Education from enforcing Section 1113 of the Department of Defense Authorization Act of 1983. The Court specifically indicated that the Defendants were ". . . not enjoined from promulgating and adopting regulations pursuant to § 1113 pending final desposition of this action."

Fiscal year 1984 higher education budget.—The President's fiscal year 1984 budget is facially very different from the Administration's previous student assistance budgets and sets the scene for a philosophical debate over disbursement of Federal dollars rather than a purely budgetary one. A Department of Education release proclaims that assistance to needy college students is a major emphasis of the Department's budget and $5.8 billion or 44 percent of the total departmental budget is allocated to postsecondary education. The document goes on to say that the budget is:

> . . . proposing a new philosophy of student assistance which will emphasize student self-help through loans and work. To implement this policy, the Work-Study (sic) program will be increased 60 percent in 1984; and GSL loan volume should increase in 1984 over 1982 by $1.3 billion, or 22 percent. In addition, a half billion dollars in Direct Loans will be available for new loans without new Federal appropriations. To supplement student and family resources, the Pell Grant will be increased from $2.4 to $2.7 billion and modified to make awards more sensitive to education costs. The maximum grant to the most needy students will increase from $1,800 to $3,000 per year.

When subjected to careful analysis, the Reagan student aid budget both loses its appeal and it becomes apparent that it is both deceptive and potentially devisive. It also contains several serious problems. The specifics of those problems will be discussed in the remainder of this section on a program by program basis. As a general matter, the Committee believes the Administration's fiscal year 1984 budget recommendations are policy matters, not budget proposals and should be considered during the upcoming HEA reauthorization.

Education Savings Accounts

One of the Administration's proposals, which is widely misunderstood and misleading, is implementation of a tax incentive program to "encourage families to accumulate savings towards college costs, thus eventually reducing Federal outlays and subsidies." Under this proposal, families would be able to make an annual investment of up to $1,000 per year in an education savings account, on which interest and dividends would be tax free, if the proceeds went toward financing higher education.

The money saved under this account could only be used by full-time undergraduate students between the ages of 18 and 26 for tuition and room and board costs paid directly to a college or university. In order to receive a tax credit for the interest or dividends accumulated, an institution of higher education would have to verify that the funds had been used for the purposes specified. This reporting requirement would result in additional paperwork burdens for campus student financial aid officers. Moreover, considering that the cost of attendance at private institutions increased 15 percent this year and public school costs increased 16 percent, it is questionable how helpful the account would really be in defraying college costs. If higher education costs were to continue to accelerate in the same manner that they have over the past decade (costs have increased at least 10 percent per year on an average), families could save for 20 years and still be able to afford only one year of college at some higher cost private schools.

Finally, in justifying the creation of savings accounts, the Administration states that "the program will make savings more attractive to lower and middle-income families and will not only help finance the cost of higher education, but will also add to the pool of savings available to individuals and businesses through lending institutions, thus contributing to economic growth." The fallacy with this rationale is that lower-income families cannot afford to save money. In current economic times, these families are having difficulty providing food and other essentials. Even most middle-income families would find it very difficult to save $1,000 a year. The only people who can take advantage of the proposal are those who are not now eligible for Federal assistance because their incomes are too high. If the proposal were to be accepted at face value and, as the Administration requests, Federal aid would eventually be reduced proportionally, students from lower and middle-income families who now benefit from Federal grants and loans would be denied those benefits and would have no way of replacing the Federal funds lost and students from higher-income families who do not receive Federal aid because they do not need it would enjoy a windfall in financing their education.

Guaranteed Student Loans (GSL's)

The President's fiscal year 1983 and 1984 budget requests for the GSL include a $900 million reduction for fiscal year 1983, increasing the origination fee for graduate and professional students from

5 to 10 percent for fiscal year 1984 and extending the need analysis to all students regardless of family income for fiscal year 1984. The budget also assumes that loan volume will increase by 22 percent or $1.3 billion. The total cost of the GSL program is expected to be $2.2 billion for fiscal year 1983 and $2.047 billion for fiscal year 1984. The $900 million savings for fiscal year 1983 is attributable to reductions in interest rates which drive up the Federal cost of the program. An additional $127 million would be saved in 1984 through the increased origination fee and the expanded need analysis.

There are serious problems with increasing the origination fee. As previously mentioned, the Congress adopted the 5 percent origination fee as a stopgap, short-term solution to produce savings under the Omnibus Budget Reconciliation Act of 1981. Experience over the past two years indicates that the amount is arbitrary, but tends to penalize those with the greatest demonstrated need (who borrow more), that it bears no relationship to the lender's cost of originating the loan, and that it creates serious loan disclosure problems. Most importantly, the fee is subject to manipulation to further achieve short-term savings without addressing long-term costs. Directing the increasing origination fee at graduate and professional students defies common sense. The reason graduate and professional students are allowed to borrow more money than undergraduates is that the costs of their education is much higher and they need more money. The Administration's rationale that these students can expect to earn "a substantially higher income than the general population, and therefore can afford to pay more toward the interest costs of their subsidized loans" misses the crucial point. At the time the students borrow they are not receiving that "higher income" and their need for the money is not related to their future earnings. Such measures may, in fact, have the effect of prohibiting these students from ever attaining the degrees necessary to reach those anticipated incomes.

FUNDING FOR GSL's

	Fiscal year—					
	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
Guaranteed student loans (millions)	$2,312	$2,752	[1] $3,100	$2,047	$2,349	$3,000
Total loan volume (millions)	$7,800	$8,707	$6,593	$7,198	$6,400	([2])
Recipients (thousands)	3,500	3,852	2,808	2,933	3,000	([2])
Average loan (dollars)	$2,196	$2,260	$2,348	$2,454	$2,450	([2])
91-day Treasury rate (percent)	14.5	11.7	8.3	8.3	8.4	([2])

[1] The President has requested a rescission of $900,000,000 in GSL funding in fiscal year 1983.
[2] Not available.

COLLEGE WORK STUDY (CWS)

As one of its major emphases in placing greater responsibility on the student and family in financing higher education, the Administration is proposing to increase the College Work Study (CWS) program by 57 percent from $540 million to $850 million. While on the surface, this would appear to be a prudent course of action, closer analysis reveals that it is ill-conceived and may only lead to unused Federal funds in the area of higher education at the same time that students are unable to attend college because of lack of financial resources.

The primary problem with the suggestion is that it is simply not possible for colleges and universities to effectively absorb $850 million in work study money. In the 1981-82 academic year $528 million was appropriated for the program. Of that amount, $8.2 million dollars was returned to the Federal government, $12 million was carried over to the next school year, and $18.4 million was placed in the Supplemental Educational Opportunity Grant (SEOG) program. In other words out of a total $528 million appropriation, $38.6 million or seven percent, of the funds went unused for work study purposes. The simple fact is there is a limit to employment opportunities on the campus and in the non-profit and public sectors. Putting more money in the program than there are jobs to fund is a useless exercise which only leads to the potential for waste and abuse.

A second problem with the proposal is the assumption that College Work Study funds can take the place of grant and loan awards. Most students attending college on Federal student financial assistance have a complete package of aid—including grants, loans and work study. For these students, increasing work study allowances has no value. An individual student can only work so many hours and receive so much salary. He cannot work enough to make up for the loss of other Federal monies. At a certain point it is also necessary to look at the advisability of low-income students working too much while attending school. While it is beneficial for a student to have a work study job, that can be carried too far and a student can find himself jeopardizing his academic future because he is working too many hours and studying too few. It would be counterproductive to encourage students to work so much that they do not get the full benefit of their academic programs.

The "Final Report of the Commission on the Higher Education of Minorities" found that working more than half time, has a negative effect on persistence, whereas working less than half time, particularly at an on-campus job has a positive effect.

FUNDING FOR CWS

	Fiscal year—					
	1981	1982	1983	1984 President's request	1984 current policy	1984 committee recommendation
CWS (millions)	$550	$528	[1] $540	$850	$565	$550
Recipients (thousands)	990	950	810	1,155	1,000	990
Average award	$600	$600	$725	$800	$750	$600

[1] Less than 54,000,000

NATIONAL DIRECT STUDENT LOAN (NDSL)

The Administration's budget proposes the elimination of the Federal capital contribution to the NDSL program for the 1984 fiscal year. The Administration also intends to alter the cancellation policy which now exists for NDSL and return it to pre-1972 requirements which allowed the Federal government to only cover those costs that came from institutional funds.

If the Administration's request were accepted there would be a loss of $178 million in aid. However, money already in institutional revolving funds would be available for use by the institution in making new loans. Although the amount of funding involved is not great and in some cases institutions would be able to provide loans for students it is important to realize that the NDSL program provides loans to low-income students many of whom would otherwise be unable to obtain loans. This is especially true at some low-cost institutions who do not have revolving funds. With the advent of the self-help grant it is particularly important that loan money be available to students who must be able to provide the 40 percent contribution to qualify for grant aid.

Finally, the Administration has announced that it wants to raise the NDSL interest rate to 9 percent—the same as the GSL interest rates. Ironically, this comes at the time that interest rates on the GSL program will probably be lowered to 8 percent in July 1983 because of decreasing Treasury bill rates. If this increase were to be adopted, low-income students would be forced to accept a greater level of indebtedness and the potential for default would increase. The increase and the lessening of the commitment of the Federal government to repaying loans for teachers serving in special needs areas portends ominously for the future of American education. Hearings and studies in recent months have indicated that we are losing teachers in great numbers to the private sector and fewer people are expressing an interest in entering the teaching profession. The Administration's proposals would further discourage future teachers.

FUNDING FOR NDSL

	Fiscal year—					
	1981	1982	1983	1984 President's request	1984 CBO	1984 committee recommendation
NDSL (Capital contribution) (millions)	$196	$178.5	$178.5	$4	$202.2	$202.2
Money in revolving fund	$570	$435	$690	$550	$442	$442
Recipients (thousands)	790	800	883	688	880	880
Average award	$700	$700	$775	$800	$830	$830

PELL GRANTS

The main policy recommendation in the Reagan Administration's higher education budget is the creation of "Self-Help" grants. Self-help grants would replace Pell Grants, Supplemental Educational Opportunity Grants (SEOG) and the State Student Incentive

Grants (SSIG). The maximum award available from the program would be $3,000 and the average award is expected to be $1,300. The Administration estimates that the program will serve 2.1 million students.

Under the Self-Help grant, a student would have to provide 40% or a minimum of $800 toward his educational cost. Students would be able to use summer work, long-term savings, work study money or loans to meet the expected contribution. In essence, the proposal reverse the existing procedure for awarding Federal student assistance funds. At the present the Pell Grant serves as the foundation of student financial assistance for low and middle-income students. It is awarded first, then other forms of assistance are awarded to make up whatever remaining need exists. The Administration proposal would award the Self-Help grant as the last stage in the process.

There are some serious problems with the Self-Help grant concept. In the first place it calls for a total restructuring of the Federal Student financial assistance program—a task suited for the reauthorization process, but inappropriate for the budget process. Furthermore, it would reverse Congressional intent in developing the various forms of student financial assistance. Grants which were designed to be the base of student financial assistance would, under the Administration's proposal, be awarded last and loans which were created to supplement student need would be awarded first. Other problems with the proposal include the following:

The total amount of monies available and awards given would be decreased from the present program.

The proposal would result in a shift from the types of students and institutions served. Currently, Pell grants serve large numbers of students attending low cost institutions. Under self-help grants students attending high-cost institutions would be more likely to receive awards and those awards would be larger; and

Self-help grants assume availability of Guaranteed Student Loans to low-income students, a fact which is not universally true. The lack of GSL loan availability, coupled with the failure to capitalize the NDSL program, could result in serious gaps in loan capital for low income students.

The impact of the Administration's proposal is particularly harsh on low-cost two-year and four-year institutions. An article in the December 4, 1982 issue of the National Journal, was titled "Public Not Private, Colleges Bearing the Brunt of Federal Aid Cutbacks" and detailed the problems that were faced by public institutions because of the previous reductions in Federal aid. These schools rely almost entirely upon State and Federal dollars for their survival. At the same time that the Federal government began paring back its contributions to higher education, state governments found themselves in financial distress and also began to reduce their support for postsecondary education. Ernest Boyer, President of the Carnegie Foundation for the Advancement of Teaching and former U.S. Commissioner of Education summed up the situation:

> Overall, I think the public sector is in more pain and confusion than it has been in since the Second World War.

The current proposal would only serve to worsen this already critical situation. The previous Federal reductions that most affected the public institutions were in the form of research grants and other allotments not related to student aid. The proposed cuts would not result in reduced numbers of students able to attend public institutions. Under the new proposal students would not only be forced to abandon plans to attend private colleges but would be forced to leave public higher education as well.

The fact that the self-help grant reduces awards for attendance at low cost institutions will seriously affect minority students. A recent study conducted by Dr. Jacob Stampen, "Student Aid and Public Higher Education: A Progress Report" indicated the minority recipients of federal student financial aid tended to enroll in lower tuition institutions than did other students. Reductions in student aid in the previous two academic years have already eroded enrollment at historically black land-grant colleges which were established under the Morrill Act of 1890. Total enrollment at these institutions was down by .9 percent for the current academic year with freshman enrollment declining by 7.4 percent. The institutions also reported a loss of 5.4 percent in graduate enrollment. The chief cause for the decline according to officials at the colleges is reductions in student aid. Under the current proposals there will be even less Federal financial aid for students wishing to attend the historically black land grant colleges. Furthermore, it is doubtful that these students will be able to find adequate resources to attend any other type of higher education institution.

It is ironic that for two years the Federal higher education budget proposed by the President has stressed its commitment to historically black colleges and universities, but in both years the proposals for student aid have seriously limited the ability of young Black Americans to attend those colleges and universities.

The "Final Report of the Commission on the Higher Education of Minorities" published by the Higher Education Research Institute, stated in its findings:

> Minority students often start college with heavy financial responsibilities . . . receiving a grant not only contributes to the student's persistence but also gives the student a wider range of institutional options.

The Commission especially recommended the following policies to aid minority students:

That whenever possible students with significant financial need be given aid in the form of grants rather than loans;

That students be given enough aid so that they do not need to work more than half time;

That if students are given financial aid in the form of work-study support, it be packaged in such a way that they work less than half time and, whenever possible, at on-campus jobs; and

That federal and state legislators and policy makers support expanded grant and work-study programs.

The Administration's most recent student financial aid proposals are antithetical to these recommendations. Grant aid is reduced instead of increased and very heavy emphasis is placed on work study as a major provider of student financial assistance. It is inconsistent to financially encourage minority postsecondary institutions but at the same time propose policies which discourage minority student participation in higher education.

Although the maximum award is increased under the self-help grant to $3,000 from $1,800 and total authorization for the program is placed at $2.714 billion, the elimination of the Pell Grant program, SEOGs and SSIGs significantly reduces the number of awards and dollars available to students. Under the current programs 2.5 million awards are given under Pell Grants; 545,000 grants are awarded under SEOGs; and 300,000 under SSIGs for a total of 3.345 million grants. Compared to the proposed self-help grants that is a reduction of over 1.2 million grants or 57 percent. The same situation is true for dollar amounts. Presently, Pell Grants receive $2.4 billion; SEOG, $355.4 million; and SSIG, $60 million. The Administration is also proposing to eliminate the Federal contribution to the National Direct Student Loan (NDSL) program which totals $178 million. The reduction from the current programs to the proposed one equals $220 million.

The self-help grant program is designed to give the greatest assistance to very low-income students (over 80 percent of the funds would go to students from families with incomes under $12,000) and to help students attending high-cost institutions. The following chart shows how the amount of Pell Grant awards is calculated.

Cost of attendance	Required self-help	Formula	Awards
Up to $2,000	$800	Cost − $800 − EFC	$100–$1,200
$2,001 to $3,430	801–1,370	Cost − 40 percent cost − EFC	100–2,060
$3,431 to $7,200	1,371–4,200	$1,200 + 25 percent cost − EFC	100–3,000
$7,201 plus	over 4,200	$3,000 − EFC	100–3,000

The amount of each student's self-help grant would vary between $100 and $3000 and would be calculated using one of the four formulae. Under current law, cost of attendance is defined as tuition and fees, room and board, plus $400. The President's proposal would change the determination of costs to include a $3000 allowance in addition to tuition and fees for all students not living with parents (resident students and students living in the community), and $1500 in allowable costs over tuition and fees for students living with parents.

The following chart shows how awards for Pell Grants compare to awards under the self-help program for various incomes and institutions:

COMPARISON OF AWARDS UNDER THE PELL GRANT PROGRAM AND THE PRESIDENT'S PROPOSED "SELF-HELP GRANT" PROGRAM [1]

[Amounts in dollars]

Adjusted gross income	Total costs	Current law (Pell grant only)	Proposed "self-help grant"
$10,000	2,500	1,250	1,500
	4,400	1,800	2,300
	7,500	1,800	3,000

[1] Footnote at end of table.

COMPARISON OF AWARDS UNDER THE PELL GRANT PROGRAM AND THE PRESIDENT'S PROPOSED "SELF-HELP GRANT" PROGRAM [1]—Continued

[Amounts in dollars]

Adjusted gross income	Total costs	Current law (Pell grant only)	Proposed "self-help grant"
$12,000	2,500	1,250	1,175
	4,400	1,600	1,975
	7,500	1,600	2,675
$15,000	2,500	1,250	750
	4,400	1,340	1,550
	7,500	1,340	2,250
$20,000	2,500	820	0
	4,400	820	740
	7,500	820	1,440
$25,000	2,500	200	0
	4,400	200	0
	7,500	200	550

[1] Assumes a family of 4, 1 student in college, and no assessable assets.
Source: U.S. Department of Education, Office of Planning and Budget.

Although it would appear that the proposed program is particularly beneficial to high cost private institutions, that is misleading. Certainly those students choosing to attend high cost institutions will receive a larger award than they would under the Pell Grant program; however, it is important to realize that over three-quarters of all Pell Grant recipients with family incomes of $12,000 to $15,000 now receive an SEOG or SSIG or both. Approximately 90% of Pell Grant recipients with family incomes of over $20,000 receive additional Federal grant assistance to finance an education at an independent college or university. Even in 1981 dollars, 10 percent of the current Pell Grant recipients attending independent colleges and universities receive more in grants from Federal sources than the $3000 maximum allowed in the "self-help" grant program.

Student aid cuts have already had a serious impact on independent colleges and universities. Freshmen enrollment sagged in 64% of the private schools in academic year 1982–83. These losses amounted to at least 5 percent in half of the schools and 10 percent in a third. According to the National Association of Independent Colleges and Universities much of the blame for the reductions is on student aid. John Phillips, the Association's president has stated:

"It is clear that the sluggish economy, combined with Federal cuts in student aid and the threat of deeper cuts is forcing new students to abandon their plans to attend independent colleges."

A final flaw in the proposed self-help grant is the assumption that students will be able to accumulate the necessary 40% of costs to qualify for the self-help grant. As part of its rationale for the self-help grant, the Administration states that students can now attend college without providing any resources of their own. That is patently false. The current Pell Grant program already requires a $750 self-help contribution from students. This amount is then applied toward the family contribution that a student's family is expected to contribute to his or her education. According to the Department of Education, students would still be expected to maintain that $750 contribution above and beyond the 40% (or $800 minimum) requirement. That means that a student would have to provide a minimum of *not* $800 but $1550.

As part of the self-help requirement the Administration says that students can rely on loans and other forms of aid. In fact, the Administration even advocates an increase in the Guaranteed Student Loan (GSL) program to help meet these costs. What the Administration does not mention is that low-income students very often cannot obtain Guaranteed Student Loans. To receive a GSL, it is almost imperative that a student or his family have a financial relationship with a bank or other lending institution. Low-income families seldom have that relationship. The loans that low-income students have gotten in the past have been National Direct Student Loans (NDSL) but the Administration is propsing to eliminate all new Federal funding for the program. Many institutions do not have adequate revolving funds to match the need of students for the NDSL program. This will leave large numbers of students without the ability to acquire the necessary self-help amount.

The system of qualifying for a self-help grant as proposed by the Administration also contains a serious technical problem. Currently students receive GSLs last and *all* forms of aid are counted in determining how much a student receives from the loan. Under the proposed plan a student would have to get a loan first then get a self-help grant. However, according to law, it would then be necessary for the student to have his GSL re-evaluated in order to account for the grant and the GSL would have to be reduced appropriately. In many cases a student would find himself in the proverbial "catch 22". He could not accumulate the required 40% of costs without the loan but after he received the grant, his loan would have to be lessened and he would then not have the necessary 40%.

The Committee is especially concerned about the impact of the self-help grant proposal on low-income students attending historically black colleges and universities, and Black, Hispanic, and other minority students enrolled in higher education. Black student enrollment in institutions of higher education increased more than 60% between 1971 and 1977 and then dropped about one million students in 1978, where it remained through the end of the decade. This black student enrollment increase parallels the growth in Federal student aid programs. When one compares black family income data with Title IV program eligibility requirements, it is clear that black students are more likely to be dependent on Federal student assistance programs than other students. For example, nearly onehalf (44.3%) of the United Negro College Fund (UNCF) propesticive freshmen declared their family incomes to be under $12,000 per year, while only 13.7% of the families of all college-bound freshmen fall into that category. This also means that historically black colleges and universities are indirectly more dependent on Federal student aid than other institutions of higher education—with the possible exception of community and junior colleges.

Since student aid eligibility is dependent on a post-secondary institution's cost of attendance in relationship to family income, assets and whether or not the student attends on a full or part-time basis, these collective factors must be weighed in evaluating the impact of any proposed shift in program philosophy or focus. For the families of prospective UNCF freshmen, the average or median family income was $13,700 in 1982, compared to the $26,800 average family income for college freshman nationally.

A few things, however, are already clear:

A 40% student self help requirement, which translates to an average of $1900 per student at the 42 UNCF institutions (ranging from a low of $1420 to a high of $2800) is an unrealistic expectation for the low and middle-income families whose children attend UNCF colleges.

The ability of student financial aid officers to construct student aid packages to meet the needs of students at private black colleges will be severely restricted if two of the three campus-based student aid programs are eliminated.

Students at historically black public and private institutions are probably qualified for less aid than is now available because institutional costs tend to be in the $3–4000 range, which would not qualify for the $3000 maximum self help grant; and

Despite improvements in access to Guaranteed Student Loans for UNCF college students (through the CitiBank-HEAL program and the efforts of Sallie Mae), loan availability to black undergraduate students still is not universal and college student aid officers fear high student dependence in a period of high unemployment among Black Americans.

Finally, using the GSL program as a basis for accumulating the 40% self-help contribution seriously offends the intent of Congress when it developed the program. In S. Rept. 89–673, the Senate Committee noted the following specific functions for the GSL program at the time it was created.

The committee believes this program provides a *final line of financial defense* for families and students from all levels of income. The student in great need who is receiving a scholarship, a national defense student loan, and a job under work-study has *this additional financial storm cellar available if emergencies arise.* If he must give up a job for a time, if catastrophic illnesses occur in the family, this extra source of aid can enable him to continue without loss of his year of schooling. A family of midlevel income can utilize this source of assistance to survive similar mishaps without crippling interruption of the family life. The most essential feature is that in emergencies this credit resource can be depended on, a condition not usually known by low and middle-income families. (Emphasis added.)

Rather than being a "storm cellar" or "a final line of defense", the Guaranteed Student Loan program would become every student/family's first option. At a time when GSL costs are declining due to deflation and the introduction of the "needs test", the Administration is recommending changes which will compel more students to borrow (thereby increasing Federal interest subsidy and special allowance costs). Because more low and middle income students will be forced to borrow—absent a dramatic change in current unemployment trends and the beginning average salaries of baccalaureate degree recipients ($9,200)—student loan defaults are also likely to increase.

FUNDING FOR PELL GRANTS

	Fiscal year— 1981	1982	1983	Fiscal year 1984 President's request	CBO	Committee recommendation
Pell grants (millions)	$2,604	$2,419	$2,419	0	$2,532	$3,000
Maximum grant	$1,670	$1,800	$1,800	0	$1,800	NA
Average grant	$1,670	$949	NA	0		NA
Recipients (millions)	2.7	2.55	NA	0	2.5	NA

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG)

The Supplemental Educational Opportunity Grant (SEOG) program is scheduled for elimination under the FY 1984 budget as part of the new self-help grant proposal. According to the Administration, Federal monies can be distributed more equitably if the SEOG program is folded into the self-help grant with the Pell Grant program. However, the new self-help grant would be totally administered at the Federal level and the concept of allowing campus student financial aid officers the ability to provide funding on an individual by individual basis would be lost. The major advantage of SEOG and other campus-based programs is that they allow individual student circumstances to be taken into consideration in determining the amount of assistance that is really necessary for a student to be able to attend school.

Moreover, although the maximum aw ırd available to students under the proposed self-help grant is $3,000. The percent of all students who receive aid and attend independent colleges or universities receive morc than $3,000 in grants. Once a student receives the $3,000 maximum grant under the new self-help program there are no other grants available. Under the current system of financial assistance, a student could receive an $1800 Pell Grant award and still be eligible for up to $2000 in SEOG monies and $2000 in SSIG monies. The total possible award in grants would then be $5800 (48% more than is available under the new proposal).

It is also possible for campus aid officers to transfer monies from the College Work Study program to the SEOG program to increase the amount of grants monies available. The Administration has stated that it will allow this practice to continue and that it will seek to increase the percentage of allowable transfers from the current 10% ceiling. During the 1982–83 academic year (the last year for which statistics are available) $18,400,000 were transferred to SEOG accounts from the College Work Study program.

FUNDING FOR SEOG

	Fiscal year— 1981	1982	1983	Fiscal year 1984 President's request	Current policy estimate	Committee recommendation
SEOG (millions)	$370	$278.4	$355.4	0	$372	$370
Recipients	586,000	440,000	545,000	(¹)	655,000	654,000

FUNDING FOR SEOG—Continued

	Fiscal year—			Fiscal year 1984		
	1981	1982	1983	President's request	Current policy estimate	Committee recommendation
Average Award	$681	$600	$650	([1])	$540	$540

[1] Some moneys would be available for awards in fiscal year 1984 because of transfer from the CWS account. However, the amount of moneys and awards cannot be estimated at this time.

STATE STUDENT INCENTIVE GRANT PROGRAM (SSIG)

The Reagan Administration has requested no funding for the SSIG program for FY 1984. The Administration's rationale for eliminating the program is that many states already overmatch the amount of money received from the Federal government and that it is no longer necessary. The Administration also suggests that the program represents an unnecessary intrusion into state affairs. While it is true that 42 states and territories do overmatch the Federal funds, seventeen do not, and last year some states returned money because they could not meet the required Federal match. For the students in these states, elimination of the program will probably also mean elimination of state funds for higher education.

Through the SSIG program and its state matching moneys over 300,000 awards were made during academic year 1981–82. Current appropriations for the program are $60 million. Elimination of the program will also impact upon the total Federal student aid program. Over three-quarters of *all* Pell Grant recipients with family incomes between $12,000 and $15,000 also receive an SSIG or SEOG award if they attend a private four-year postsecondary institution. Even more importantly, the existence of SSIG funding allows campus student financial aid officers the flexibility to award moneys on a case by case basis that acknowledges special circumstances. Although the new self-help grant has a greater maximum than the previous Pell Grant the loss of flexibility in addressing individual cases will pose serious problems and in some cases make it impossible for students to attend institutions of their choice.

Funding for SSIG

	Millions
Fiscal year:	
1981	$76.8
1982	73.6
1983	60.0
Fiscal year 1984:	
President's request	0
Current policy estimate	62.8
Committee recommendation	76.8

SPECIAL SERVICES FOR DISADVANTAGED STUDENTS (TRIO)

Special Services for Disadvantaged Students or TRIO consists of five programs aimed at assisting low-income or disadvantaged and first generation college students to overcome some of the barriers to both access and completion of postsecondary education. TRIO services include information, tutorials, counseling, and assistance with admissions and financial aid information. Hispanics, Blacks and the urban and rural low income students are the dominant beneficiaries of TRIO programs.

Talent search.—An off-campus community-based recruiting program which publicizes educational opportunities and counsels young people on financial aid and offers tutorials in academic areas. Two-thirds of Talent Search participants are either placed in postsecondary institutions or are college drop outs who return. Twenty percent of all minority freshmen in colleges and universities today have been placed by Talent Search or Educational Opportunity Centers.

Educational opportunity centers.—Both on and off-campus education resource centers providing information and recruiting in geographic areas of high concentration, low-income families. Similar to Talent Search in goals and services, EOCs are fixed centers and complement the outreach of its sister program.

Upward bound.—An on-campus postsecondary preparatory and recruitment program for high school students to generate skills and motivation and to provide low-income students who have had inadequate secondary school preparation with a variety of academic and cultural activities on a full-time basis during the summer and a complementary program during the academic year. Upward Bound students enter four-year institutions at a rate of 70% compared to 47% of a comparable group of non-participating students.

Special services for disadvantaged students.—An on-campus compensatory and counseling service for students from disadvantaged backgrounds including the physically handicapped. The program offers tutorials, counseling and guidance. Program evaluations are inconclusive, but suggest higher grade point averages and graduation rates for participants. TRIO funds are also used for training staff.

Fiscal year 1984 budget recommendations

Special Programs for the Disadvantaged (TRIO) have been scheduled for a rescission of $29.556 million for fiscal year 1983 and funding of only $35 million for fiscal year 1984. The rationale for the reduction of funding in fiscal year 1984 is the Administration feels that most schools will continue to fund outreach programs for minority individuals and that funding for the program should be targeted to only historically black colleges and universities. Therefore, as part of its proposal the Administration is proposing legislative changes to restrict the $35 million to use only for Special Services and only by historically black postsecondary institutions.

The amount of the funding, $35 million, is the same amount of Special Services money that is currently allocated to *all* Title III schools. Title III schools are by definition those schools which are eligible to receive monies under Title III of the Higher Education Act, with lower educational and general expenditures and large numbers of low-income students. However, not all Title III schools are historically black. In fact, for fiscal year 1983 historically black colleges and universities received only $25 million under Special Services. While some of the schools which are currently operating TRIO programs may have sufficient resources to continue the programs without Federal support, those Title III schools which will no longer be receiving aid probably cannot.

The Administration's fiscal year 1984 budget request is inconsistent with its stated goal of helping low-income and minority students. TRIO does not just help students attending historically black colleges. Many other low-income and minority students, such as Hispanic students, have greatly benefitted from its programs. Eliminating funding for all but the historically black colleges and universities will serve to deny those students the necessary outreach and counseling services to help them acquire a college education. The impact of the proposal will be to steer black students into historically black colleges and universities and deny needed services to *all* other low-income, first generation and minority students. As the Subcommittee learned in its recent hearings:

> It appears that the Administration believes that predominantly white institutions do not need Special Services projects. It is not clear if this philosophy is predicated on an assumption that these institutions should not enroll students who need supportive services, or an assumption that these institutions can afford to offer these services without federal assistance. In my view, neither of these assumptions is correct. At Rutgers University, for example, tuition has increased 80% in the last four years and a 12% increase is projected for next year. But even with this increase in tution, the state is recommending that the University budget be cut by five and one-half million dollars next year, a cut necessitated by the serious economic problems which the state faces. In this situation, the chances of the state or institution picking up the cost of providing the supportive services now underwritten by federal funds is almost nil. In fact, the EOC part of my operating budget has been frozen at present levels for the past three years. (Testimony of Dr. Earl Farrol, Director of Special Services, Livingston College, Rutgers University).

Recent studies of the Upward Bound and Special Services programs have demonstrated their effectiveness. In 1980, the Research Triangle Institute completed a second follow-up study of 333 Upward Bound students which found:

The Upward Bound Program appears to be having a beneficial impact on student's education aspirations, postsecondary education progress, and persistence;

Upward Bound students remained in school longer, received higher GPAs and showed better progress toward a degree.

A 1979–80 study of the Special Services program, which included 200 students at 58 projects in the 48 continental states, concluded that eligible participants who receive a full range of services have a positive impact in several areas. Students receiving services tend to remain in school longer, complete the course work attempted and perform better (in grade point average terms) than non-special services participants.

FUNDING AND PARTICIPANTS FOR TRIO

	Fiscal year— 1981	1982	1983 [1]	Fiscal year 1984 President's request	Current policy estimate	Committee recommendation [2]
Talent search:						
Funding (millions)	$17	$17.1	$17.1	0	$17.9	$17.9
Programs	170	167	167	0		167
Students	189,000	197,453	185,560	0		185,560
EOC's:						
Funding (millions)	$8	$7.8	$7.8	0	$8.2	$8.2
Programs	32	33	33	0		33
Students	108,000	109,400	102,836	0		102,836
Upward bound:						
Funding (millions)	$66.5	$63.7	$68.2	0	$71.6	$71.6
Programs	446	444	430	0		430
Students	37,500	35,805	34,754	0		34,754
Special services:						
Funding (millions)	$63.9	$60.7	$60.7	$35	$63.7	$71.4
Programs	613	640	640	0		768
Students	157,000	150,622	141,585	0		169,585
Staff training:						
Funding (millions)	$1	$.9	$.9	0	$.94	$.94
Programs (contracts)	1	9	10	0		10
Participants	550	1,000	(3)	0		(3)

[1] Projected allocations.
[2] All program numbers are estimates, based on proportioned allocations for TRIO projects, Special Services programs are up for awards in fiscal year 1984, and increases are assumed to be focused on this program.
[3] Participant estimate similar to fiscal year 1982.

With the elimination of all TRIO services and the restrictions on eligible institutions to provide programs under Special Services, the adoption of the President's budget would leave over 450,000 students unserved by these successful programs, or 85 percent fewer students, drop-outs returning to school, and those who would not attend college without the assistance of programs such as Talent Search and Upward Bound participating.

The rescission request for fiscal 1983 would result in the elimination of Talent Search, Educational Opportunity Centers and staff training programs as well as a 10 percent reduction in the number of Upward Bound programs funded. A total of approximately 308,000 students would not be served if the rescission is accepted.

The Administration's FY 1984 budget recommendations raises the essential and fundamental question—whether TRIO is to be classified as a student aid program or an institutional aid program? The reasoning for the Administration's position appears to be predicated on the false notion that compensatory educational practices and services should not be universally available and federally assisted at all types of postsecondary institutions. As the National Council of Educational Opportunities Associations has said ". . . the Administration has no appreciation for maintaining or accelerating the demand for financial aid . . . or improving the retention of disadvantaged students already in postsecondary education."

TRIBALLY CONTROLLED COMMUNITY COLLEGE ASSISTANCE

The Tribally Controlled Community College Assistance Act was first enacted in 1978 with appropriations authorized for three fiscal years through September 30, 1982. The Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) extended the authorizations through fiscal year 1984. The Act provided for basic operational support based on a full-time equivalent Indian student formula. Currently, eighteen colleges in seven states are participating in the program.

Blackfeet Community College, Browning, Mont.
College of Ganado, Ganado, Ariz.
Cheyenne River Community College Eagle, Butte, S. Dak.
Deganawidah-Quetzalcoatl University, Davis, Calif.
Navajo Community College, Tsaile, Ariz.
Oglala Sioux Community College, Kyle, S. Dak.
Salish-Kootenai Community College, Pablo, Mont.
Sinte Gleska College, Rosebud, S. Dak.
Sisseton-Wahpeton College Center, Sisseton, S. Dak.
Dull Knife Memorial College, Lame Deer, Mont.
Fort Berthold Community College, New Town, N. Dak.
Fort Peck Community College, Poplar, Mont.
Little Big Horn Community College, Crow Agency, Mont.
Standing Rock Community College, Fort Yates, N. Dak.
Turtle Mountain Community College, Belcourt, N. Dak.
Little Hoop Community College, Fort Totten, N. Dak.
Lummi College of Fisheries, Lummi Island, Wash.
Nebraska Indian Community College, Winnebago, Neb.

The colleges have been able to develop curricula responsive to community needs and relevant to community culture. Student persisence and the successful completion of academic programs has improved substantially. Community outreach programs are being developed to serve a maximum number of tribal members, often in areas of extreme isolation. Location of the colleges (and branch campuses) within the reservations minimize the problems of transportation, living expense, and cultural dislocation which have often rendered matriculation and education at traditional, off-reservation colleges nearly impossible for many Native American students.

The tribally-controlled colleges funded under this program have presented very encouraging evidence of their accomplishments: Dropout rates are significantly lower than for Indian students at traditional colleges; a high percentage of graduates obtain employment on or near the reservation, thus using their education and skills for the benefit of the tribal community; a significant number of graduates continue their education toward a bachelor's degree and post-graduate degrees; and the colleges themselves are improving themselves as academic, cultural and resource centers for their communities.

The needs being met by these institutions, however, continue to exist and are increasing in severity. On the reservation served by participating colleges, unemployment ranged from 33% to an astounding 79%, according to Bureau of Indian Affairs (BIA) statistics (December 1981). In view of these staggering unemployment figures the accomplishments of the tribally-controlled community colleges are laudable. For example, the Oglala Sioux Community College (Pine Ridge reservation, unemployment 75%) reports that 86% of its graduates are employed, and that 90% of the graduates who have gone on to further their education have returned to the reservation for employment. Turtle Mountain Community College (unemployment 40%) reported on a follow-up study of students graduating between the year 1974–1980:

There were a total of 60 degrees awarded with one individual earning two degrees. Forty-three completed the questionnaire forms which were mailed to them.

Of the 43 responses, 26 former graduates went to complete their bachelor degree. Two have earned their masters degree. All are employed; one (1) being self-employed; six (6) are employed by the Bureau of Indian Affairs or United States Government; one (1) is an ordained priest; one (1) works for the local hospital. Four are carpenters, the occupation for which they were trained; with one holding the position of carpenter foreman.

Reports from other participating schools show similar progress.

The tribally-controlled colleges are unquestionably moving forward in the direction of tribal self-determination and self-sufficiency. The need for a stable financial base, for improved physical facilities and for continued Federal support are clear. Progress toward institutional accreditation for all 18 colleges is critical. Two of the institutions are fully accredited as two-year institutions and one of these has just received accreditation as a four-year institution. Thirteen others are in the accreditation process, nine of which are in the final stages. The Tribally Controlled Community College Assistance Act has contributed substantially to the progress of the colleges toward full accreditation.

Congress enacted S. 2623 in the final days of the 97th Congress, however, the President vetoed the bill citing the trust responsibility, legislative veto and new authorizations (construction and endowment provisions) as the reasons for his action.

In fiscal years 1982, 1983 and 1984, the authorization for the program was included in a nonspecific overall authorization for all Bureau of Indian Affairs education programs of $262.3 million for FY 1982, $276.1 million for FY 1983, and $290.4 million for FY 1984 (Omnibus Budget Reconciliation Act of 1981, P.L. 97–35, Section 518). The bill vetoed by the President did not change the levels included in the Reconciliation Act. The bill reinstituted a $30 million level authorization for the program for fiscal years 1985, 1986, and 1987, and $3.2 million for training and technical assistance (T/TA) for the same years. This was the amount contained for FY 1982 in the original (1978) authorization.

FUNDING FOR TRIBALLY CONTROLLED COMMUNITY COLLEGES

[In millions]

	Fiscal year 1981	1982	1983
Authorization: Feasibility studies and technical assistance			
Appropriation: Feasibility studies and technical assistance	$0.65	$0.574	$0.117

Navajo Community College

The Navajo Community College has been covered under a separate authorization since 1971. The authorization has been "such sums as may be necessary" for all fiscal years from FY 1980–1981.

Under the Omnibus Budget Reconciliation Act of 1981, the separate authorization was subsumed in the same general authorization mentioned above. The authorization for N.C.C. would not be affected by the amendments in any way.

Funding for Navajo Community Colleges

Fiscal year:	*Millions*
1980	$6.897
1981	3.497
1982	3.84
1983	3.84

Issues in the 98th Congress

The Subcommittee Chairman will meet with the college presidents to discuss strategy and the areas which precipitated the President's veto. After consulting with Subcommittee members and the bill's cosponsors, a new reauthorization bill H.R. 2307 introduced. Early action by the Committee and the House is expected.

FUNDING FOR TRIBALLY CONTROLLED COLLEGES

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
Tribally controlled	$4.831	$5.897	$5.506	$5.506		
Navajo	3.497	3.840	3.840	3.840		

VETERANS' COST OF INSTRUCTION PROGRAM (VCIP)

VCIP was created in 1976 to provide improved and expanded services to veterans enrolled in institutions of higher education. The authorizing legislation stipulates that an institution is entitled to receive $150 for each full-time equivalent undergraduate veteran who is currently or has ever received tutorial, remedial, or special preparatory benefits under the GI bill (CH 34, Title 38 USC) and $300 for each full-time equivalent undergraduate veteran receiving vocational rehabilitation or education assistance benefits under the GI bill (CH 34, Title 34 USC). However, because of limitations in appropriations in recent years funds have had to be pro-rated to amounts equal to much less than the prescribed amount. 1982-83 academic year funding is only equal to nine percent of the amount needed to fully fund the program and payments of $9.70 instead of $150 and $19.40 instead of $300. P.L. 96-374 calls for contribution of VCIP through September 30, 1985.

VCIP programs are present on over 850 college and university campuses throughout the United States. They perform five mandated services for veterans: outreach, recruitment, counseling, special education and maintenance of a full-time Office of Veterans Affairs. The offices are also responsible for the certification of veterans' benefits.

After VCIP was given the responsibility for the certification process in 1976, expenditures in overpayments under the GI bill were reduced by $280 million. That amounts to more savings than the entire cost of the program since its inception. It is estimated that if the program were eliminated today, overpayment awards would reach $800 million in a year because of the increased complexity of the award process since 1976.

Campus VCIP offices also provide services to graduate veterans and widows and dependents of disabled veterans. Last year over 500,000 veterans and their dependents were served. Additionally, VCIP provides unique counseling services not available from other campus services. Most counseling and other campus services are designed for students 18-22 years old. The average Viet Nam Era veteran is 32 years old and many veterans are educationally disadvantaged or have been away from school for a long time. VCIP staff are mostly Viet Nam veterans themselves and have an understanding of the types of problems veterans face.

Issues in the 98th Congress

Although not directly related to the VCIP program, one component of the TRIO programs addresses the needs of veterans who are from disadvantaged educational backgrounds, but have the desire and capabilities to attend a postsecondary institution. Veterans Upward Bound focuses counseling and remedial attention to begin studies at an institution of higher education. The President's proposed fiscal 1984 budget would eliminate Upward Bound programs, including those aimed at veterans. Combined with the zero proposal for VCIP, no veterans services would be provided.

FY 1984 budget recommendations

This year, as last, the President's budget requests that FY 1983 funding for the VCIP program be rescinded and that there be no funding for FY 1984. There are serious problems inherent in this proposal. Perhaps the major monetary contribution of VCIP is the reduction in overawards that has occurred since its inception. Ninety percent of the VCIP offices handle the certification process for GI benefits for the Veterans Administration. This process must continue if veterans attend an institution. Certification is complex and has become far more complicated with the demand for increased accountability. Without the expertise of VCIP staff in this area, problems with the process will increase dramatically—causing long delays that can lead to denial of benefits to eligible veterans. More importantly the likelihood of overpayments will increase significantly. The estimated $800 million in overawards that would result if VCIP were discontinued is no small amount and the current appropriation of $3 million is miniscule in comparison. $3 million is a small premium to pay to save $800 million.

Moreover, at a time when the Administration is attempting to increase military viability and the attractiveness of military service to young men, it is counterproductive to turn our backs on veterans who have already served. It is a clear statement that this country is not willing to fulfill its commitment to those who served after their enlistment is over. On November 11, 1982 this Administration and the American populace at large joined with veterans of the Viet Nam War to signify this country's appreciation for their service and to show the debt that is owed to them. Eliminating VCIP would most certainly have the effect of tarnishing those noble sentiments.

FUNDING FOR THE VCIP PROGRAM

[Dollar amounts in millions; fiscal years]

	1981	1982	1983	1984 President's request	1984 current policy estimate	1984 committee recommendation
VCIP funding	$6.2	$4.8	[1] $3.0	0	$3.1	$4.8
Projects	885	858	858	[2] 0	858	858

[1] Rescission of total funding for fiscal year 1983 requested.
[2] Estimate.

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

	Fiscal year 1981 appropriation actual	Fiscal year 1982 appropriation actual	Fiscal year 1983 continuing resolution	Fiscal year 1984 President's request	Fiscal year 1984 current policy estimate	Fiscal year 1984 authorization level	Fiscal year 1984 committee recommendation
Migrant education	7.3	7.1	7.5	0	7.9	7.5	7.9
Pell grants	2,604.0	2,419.0	2,419.0	[1] 2,713.8	2,532.0	3,000.0	[2] 3,009.0
Supplemental opportunity grants	370.0	355.4	355.4	0	372.0	370.0	370.0
Work study	550.0	528.0	540.0	850.0	565.0	550.0	550.0
Direct loans	186.0	193.4	193.4	4.0	202.2	286.0	202.2
State incentive grants	76.8	73.7	60.0	0	62.8	76.8	76.8
GSL	2,312.5	3,073.8	3,100.5	2,047.1	2,349.0	([3])	2,349.0
Special programs for disadvantaged	156.5	150.2	154.7	35.0	162.4	170.0	170.0
Veterans cost of instruction	6.019	4.8	3.0	0	3.1	12.0	4.8
Strenghtening institutions	120.0	142.5	129.6	134.4	129.6	129.6	134.4
Minority institutions science improvement	5.0	4.8	4.8	4.8	5.0	5.0	5.0
Cooperative education	23.0	14.4	14.4	0	15.1	20.0	20.0
International education	21.8	19.2	21.0	0	26.2	30.6	30.6
Graduate support	12.0	10.5	11.9	0	12.5	14.0	14.0
Construction	26.0	25.5	25.0	24.5	26.2	....	26.2
Special endowments	....	0	11.8	0	....	....	0
Law and education	4.0	2.0	1.6	0	1.6	2.0	2.0
Fund for improvement of postsecondary education	13.5	11.5	11.7	5.0	12.3	13.5	12.3
Higher education facilities loan and insurance fund	27.8	48.9	20.2	19.8	20.0	....	20.0
College housing	75.0	42.0	40.0	0	....	....	[4] 75.0
New initiatives	133.9	....	....	....	....	....	[5] 200.0
National Commission on Student Financial Assistance	.3	1.0	.8	0	....	....	....
Howard University	133.8	145.2	145.2	159.7	145.2	145.2	159.7
Libraries	83.417	80.1	80.3	0	81.2	92.2	88.35
Department of Education/salaries and expenses [6]	....	....	....	....	....	....	....
National Commission on Libraries and Information Science	.7	.7	.6	.7	.7	.7	.7
Institute for Museum Services	12.85	10.8	11.5	11.4	9.6	9.6	13.49
Arts and humanities	309.85	274.7	237.6	289.8	233.0	233.0	325.34
Total Subcommittee on Postsecondary Education	6,955.4	7,589.0	6,248.8	6,512.5	....	....	7,258.5

[1] There is no actual Pell grant funding in the administration's fiscal year 1984 budget (shown as self-help grants).
[2] This amount includes funding for a $2.000 maximum Pell grant and a fiscal year 1983 supplemental to avoid ratable reduction of grants for the 1983-84 school year
[3] Such sums
[4] The $75,000,000 recommended is not a direct appropriation, rather it is money made available as a result of repayment of outstanding loans.
[5] The President has recommended $50,000,000 for a science/mathematics initiatives only. The amount shown includes funding for the postsecondary portion of H.R. 1310 (H.R. 1699) and 2 other new programs.
[6] Shared with Subcommittee on Elementary, Secondary and Vocational Education and Subcommittee on Select Education.

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