

current year. Of the \$37.7 million increase in proposed General Fund spending, \$35.2 million goes directly back to the political subdivisions in either shared tax revenues or State aid payments.

HIGHER EDUCATION

Higher Education continues to receive a high priority from this administration, despite the emphasis on economy in the new budget. On top of the 15 percent increase granted higher education in the current fiscal year, I am recommending an increase of 10 percent for the University of Maryland and 13 percent for State colleges in the 1969 operating budget. In addition, 39 percent of the \$51 million capital budget is allocated for construction projects at our institutions of higher education.

As we continue to anticipate the demands placed on college facilities by the steadily rising tide of student enrollments, we must prepare to meet a comparable need for increased student aid. The 1969 budget paves the way with appropriations for a greatly expanded Higher Education Loan program. It has become increasingly obvious that the present, expensive State scholarship program is totally inadequate to meet, either in dollars or the number of students accommodated, the demand for student aid. Even if our present program were continued at current levels, the scholarships would provide only \$26 million in student aid over the next five years. With increasing college costs and enrollments, it is estimated that the need for student financial assistance will approach \$85 million by 1973. The proposed Higher Education Loan program will — even by conservative estimates — provide \$84.5 million at a cost of only \$16.5 million to the State, the balance being liquidated by the Federal government and the repayment of loans.

This means that no child in Maryland will be denied the opportunity to attend college solely because he or she cannot afford to go. Presently only one out of three applicants can receive, in part or in whole, a State scholarship. An expanded Higher Education Loan program can guarantee student aid to nine out of ten applicants. The relatively few denials would be for academic reasons.

It is, therefore, within your power to guarantee every academically qualified high school graduate a college education, and also assure that he can attend the college or vocational school of his choice, in Maryland or outside the State. Although the student will be required to repay the loan over a period of ten years after graduation, at a modest interest cost of 3 percent, I believe this expanded program