

Under the Medicaid program an average cost for hospital in-patient care ranges up to \$77 per day. The Health Department estimates that by paying for 12,000 ambulance trips per year at a cost of \$264,000, we can save 59,248 general hospital patient days. While I am advised that this may not be reflected in a cash reduction since other Medicaid patients may fill vacated beds, it will nevertheless allow more persons to use hospital facilities and reduce the continuing pressure for construction of additional hospital beds.

SOUND INVESTMENT IN NEW PROGRAMS

We will introduce separate legislation designed to convert five State scholarship programs into a greatly expanded, low cost, guaranteed educational loan plan. We have included this proposal because we are convinced that it will provide greater services to the students and result in savings of millions of dollars to the State of Maryland.

Even though Maryland now offers scholarships valued at \$3.4 million, there is ample evidence that the number of available scholarships does not come close to meeting the demand for this type of educational aid. Although approximately 35 percent of our college bound youth apply for scholarships, only about 10 percent, or one in every three, can be granted this assistance under existing programs. It is not unreasonable to assume that persistent demands will be made upon the Legislature to increase the number of available scholarships in the future.

The cost of higher education is rising. If this trend continues, even our existing programs, now costing approximately \$3.4 million annually, could cost the State of Maryland \$7.8 million per year by 1973. If we resort to additional numbers of scholarships or scholarships of greater monetary value to meet this trend, the potential demand upon the fiscal resources of the State will be staggering.

Funds, once applied to a scholarship, are lost to the State as a fiscal resource. These funds, however, if applied to a guaranteed loan program, can ultimately provide a revolving fund to guarantee future student loans. A sound loan program can be made sufficiently flexible to incorporate forgiveness provisions to meet developing needs in public service whether they be for teachers, nurses, doctors or any other vital service.

Our projections indicate that need for student financial assistance will approach \$85 million by 1973. Under the provisions of this expanded higher education loan program, an investment of \$16.5 million