of in our revision of the yellow covered booklet. This revision is based on our own assessment of the inadequacies of that yellow covered booklet as well as, and perhaps more importantly, the assessment made of that booklet and by the people who will administer the program in the States.

I will now try to go over each point in the order raised by you so that it will be easier for you to see how we have responded. I am also enclosing the latest draft of the guidelines typed on Saturday. Within the next day or two these will be sent to DPO for a large scale printing.

Part A, Chapter I(b) deals with the statutory formula for distributing funds under Title I from the national level to the State and local level. The formula is, of course, the number of children from low-income families multiplied by one half the State per pupil cost. There is a misunderstanding which arises from time to time that the method of distribution of funds to counties and local educational agencies should be followed when funds for services are distributed to children. This, of course, is completely false. I know of no one here who has ever maintained that our policy should be to distribute money or services evenly among all poor children in the community. In fact, just the opposite. To my knowledge, the Commissioner never raised objections to such policy because such policy never existed and does not exist now. Whether the guidelines can be misinterpreted to indicate or advocate a policy of even distribution is another question and one which probably you could try to answer after reading this latest version for us.

1. The local community can appeal an arbitrary decision by the Board of Education in the State. According to Section 205(b) of Public Law 89-10 the State educational agencies shall not finally disapprove in whole or in part any application for funds without first affording the local educational agency reasonable notice and opportunity for a hearing. In addition, of course, an appeal can always be made to the Commissioner of Education. Much more informally we try to maintain very good communications with local educational agencies. I might add that sometime we hear the kind of information we should hear most quickly through other channels, the local community action agency being one. We hope you will help us to keep this channel of communication open. As you know, we have already worked on some incipient problems because communication has been good between Stan Salett and myself or Bill Rioux, and we hope to see Dr. Goff more and more.

2. This is an excellent point and one which very few have seen. The reason for the 30% limit is statutory. Unless it is added next year it is a limit only for the present year. The reference is Section 203(a)(3) and the reason for it is quite good. It would be difficult for any local educational agency to spend in less than one year's time more than 30% of its current budget for current expenditures especially since in the vast majority of cases the LEA can not spend its money throughout the school district or in any way it sees fit but must spend the money on meeting the special educational needs of educationally deprived children in rather limited poverty related target areas. As it turns out perhaps, we need not be too worried about this point. Most of the LEA's with large parochial school systems will not bump against this 30% limit at all. In fact the school systems that will be most affected will be the relatively poor systems of the rural South, especially those which tend to be smaller in numbers of children. Most of the school systems affected, therefore, will not have large parochial school systems.

3. Again you raise a very good point and there is little I can say except that we dropped out the paragraph to which you objected. I agree with your objections.

4. The discussion on page 15 was not intended to indicate preference for spending money evenly amount the grades and such a preference does not exist on our part. It was therefore changed somewhat. I hope that the way it reads now will not encourage an even spending throughout the grades.

5 I think you will find in the copy of the guidelines enclosed that we have dealt with point 5 in the section called Program and Project Design. This was another of your points which was helpful for us.

6. There is now under Section I (Administration and Finance) a part that deals with related statutes. Also we added your suggestion, raised in point 10, which seems to be similar to point 6.

7. The wording you have suggested is now included.

8. The ideas you have suggested are now included.

9. The section on pre-school was changed to take into account your suggestion.

10. See point 6.