

and Secondary Education. Division personnel deal with both State educational agencies and local school districts.

In addition, coordination is required with Federal agencies which operate schools for children living on Federal property (Veterans' Administration, Federal Aviation Agency, and the Departments of the Army, Navy, Air Force, and Interior).

8. *Laws and regulations*

Public Law 874, 81st Congress, enacted on September 30, 1950. For amendments and text of current law, see Compendium of Statutes, pages 44-53, 63-77. The most recent amendment is Public Law 89-313, enacted on November 1, 1965.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

The school assistance program aids the educational efforts of the particular school districts qualifying for assistance. The general benefits of education and the effect of education on the economy have been discussed in other parts of this report. It should be pointed out here that although the 4,176 school districts eligible for aid in 1965 composed about 15 percent of the total number of school districts in the Nation, they contained 33 percent of the total public elementary and secondary school population. The \$311 million of Federal aid they received amounted to 5.3 percent of their total current operating costs. In addition, 42,406 children residing on Federal property benefited from the \$17 million allocated to other Federal agencies for their education.

Funds are spent under this program in every State and four territories. They are concentrated around military installations, many of which are in the coastal areas. For the distribution of funds by State, see table 2.

The report of the special study contains an economic analysis of the effect of Federal activity on the tax base and analysis of educational efforts of selected communities receiving aid through the programs discussed in this section and the next.

(NOTE.—In assessing the benefits of this program, it should be borne in mind that the purpose of the program is to compensate areas for burdens imposed on them by Federal activity, rather than to provide general aid to education. The study referred to above concluded that under the present legislation this purpose is not uniformly fulfilled in the areas receiving assistance.)