

Mr. FULLER. On Federal assistance to education and on State systems of educational finance.

Mr. FORD. Would you support that principle in the distribution of funds under title V of this act to the State school agencies instead of using a straight per capita distribution as we are using now?

Would you entertain the thought of using an equalization formula that would give money to the States on the basis of their support for the State school agency rather than on a per capita basis?

Mr. FULLER. This formula does, the one in this bill and the one which is the consensus of the opinion of 50 chief State school officers. If you drew the vectors of all 50 you would come out almost exactly at 40 percent flat grant and 60 percent on pupil population.

Now the consensus there is based on the assumption that every State has one State department of education and that in the very small States, and particularly in small States with large geographical areas, scattered population, the State department in Montana, say, with 600,000 people, 623 districts and a State so large that if you flattened it out it would probably be third instead of fourth in size in the country. What is required is a strong State agency that deals with a number, a considerable number, of school districts.

Now there is only one State agency in New York or in California. After you get past what—

Mr. FORD. There is only one State per pupil average in New York and California, also.

Mr. FULLER. Yes, but there is only one State department of education. When you look at the one State department of education in California and in New York after you get past this basic minimum under which you can support a minimumly decent State department of education, then the formula takes off on school population, 60 percent on school population.

So that if you were to distribute on an appropriation of \$43,400,000 total, you would be distributing the 83 percent to the State agencies which would be \$36 million.

If you distribute \$36 million then you have about \$285,000, approximately, on a flat grant. After that, Alaska moves up at a rate of 6-percent increase over its base grant whereas California moves up at a rate of 40-percent increase over its flat grant.

If you distribute \$36 million instead of \$18 million as at present, to the States, California runs up to about \$21½ million whereas Alaska remains at only \$40,000 above its flat grant.

This formula replaces one which at present under present 1967 fiscal appropriations averages about 29 percent flat grants, 28 or 29 percent, and 71 or 72 percent on population.

This is regarded by all of the membership practically as an unfair thing to the small State which has to maintain a State department. Take North Dakota, South Dakota, Montana, most of the Rocky Mountain States and States with large rural populations, they need a passably good State department of education regardless of their total population in relationship to that of California and New York.

I might tell you that in this sentigram return on this point, and I have said that the consensus was 40-percent-flat grant and 60 percent,