

Mr. HOWE. They can certainly provide services.

Mr. ESTES. A local educational agency can contract with a private university to provide inservice training activities, to provide consultative services, this type. You are mainly, however, referring to a private elementary or secondary school?

Mr. GOODELL. It could be a private elementary or secondary school. I am referring to a couple of instances which have come to my attention in which there is a private nonreligious remedial reading program operating in the community. They were under poverty funds.

The question has been raised whether they qualified for title I funds if the school board makes a contract with them to continue to provide this kind of program.

Mr. ESTES. Mr. Hughes, who is Director of this program, is here.

STATEMENT OF JOHN F. HUGHES, DIRECTOR, DIVISION OF COMPENSATORY EDUCATION

Mr. HUGHES. I think I did answer one of your questions by letter, Mr. Goodell, on this point. The answer we have had thus far from our counsel is that contracts with private schools per se for rendering title I services would not be legal, because that would be tantamount to paying the salaries of private school teachers, which is precluded by the act.

Mr. GOODELL. That is a very contradictory situation, then, because we are saying that we have written the Elementary and Secondary Education Act in very tight form to be sure that we stay within the Constitution, and, therefore, you cannot do a variety of things that clearly are being done now under the Federal Constitution by the poverty program. This is basically the way I must understand your answer.

Mr. SCHEUER. Will you yield?

Mr. GOODELL. Yes.

Chairman PERKINS. Before you get on that, I missed the answer. Did you say that there was such a contract?

Mr. GOODELL. He said "No."

Mr. SCHEUER. I have a letter here from Mr. Hughes on exactly this point. I would like to read a sentence or two:

In the absence of State laws to the contrary, a state or local educational agency may enter into a contract with a private agency for services provided:

1. The private agency is not an agency which operates a private school—

And there are several other conditions.

I ask unanimous consent to insert this letter in the record at this point.

Chairman PERKINS. Without objection, it is so ordered.

(The letter referred to follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
February 27, 1967.

HON. CHARLES E. GOODELL,
House of Representatives,
Washington, D.C.

DEAR MR. GOODELL: This is in reply to your letter of February 14, asking whether Title I funds might be used by the Dunkirk Public School in contracting with the Boorady Memorial Reading Center if it were not for the specific situation involving New York State law.