

cally opposite approach. I thought that Oscar Rose endorsed this approach. I may be wrong.

Mr. BURKHEAD. I called Oscar. He had not even heard of it.

Mr. FORD. Mr. Chairman, you will recall in the hearings on the west coast and Hawaii there were places where school districts were almost totally dependent on the Federal impact funds. In the State of Hawaii, if we pulled out Public Law 874 they would have to shut their schools. They don't want 874 pulled out, because one of the principal ways to support schools out there is with the sales tax and sales tax collection bears a direct relation to the number of dependents that we station out there who spend money one way or another.

But there is another problem that comes up. As I recall, we have 16 or 19 States that take the Federal impact money and, by one device or another, actually merge it with general State aid so that the school district that has the Federal impact children does not really gain much advantage. In the State of Washington, for example, if you receive a hundred thousand dollars under Public Law 815 when they divide up your State aid the following year they deduct the \$100,000 from the money you would otherwise get from the State. The result is that that is \$100,000 in the general pocket distributed around the country.

There was some agitation in Congress, and there has been some history of an attempt to earmark the impact funds so that they would be spent, if not on the individual dependent child, at least only in the school that he attended in proportion to his portion of the student body. This would have worked a hardship on a large number of districts. And I think Mr. Rose and his people, with this amendment, were concerned in trying to find a way to keep the money with the school district that had the kid.

When we put a military installation in Kentucky, in other words, we should attempt to keep the money in an area that is absorbing the impact.

Mr. BURKHEAD. This is not ruining Kentucky. It is not deducted from our entitlement under the foundation program.

Mr. FORD. But you say that the Kentucky law says you can't use public funds to operate schools on Federal property?

Mr. BURKHEAD. That is right.

Mr. FORD. Does that extend to a child who lives on Federal property but attends a public school adjacent to Federal property?

Mr. BURKHEAD. The children living on the Federal property don't attend public schools off the base. The schools are all on the bases. No child living off the base is permitted to go to school on the base.

Mr. FORD. I can't get the picture of what we are talking about here. Are you talking about only those schools operated by the public school system, even though they are in the Military Establishment?

Mr. BURKHEAD. No, sir; it is a dependent school operated by the U.S. Office of Education.

Chairman PERKINS. It is one of the few operated by the Office of Education on Fort Knox property?

Mr. BURKHEAD. That is right.

Mr. FORD. How do these children who are attending that school place a burden on your school district?

Mr. BURKHEAD. We have 5,723 children living off base that are Federal connected. Those are the children I am talking about.