to be mutually beneficial. More involvement of state education agencies is essential in this picture, however, if the results of the school-college cooperation is to be disseminated widely beyond the local area in which the innovation takes place.

3. The provision in ESEA for the inclusion of all school children, including those not currently enrolled in any school, has been of great value—to both the educators and the children involved. A positive value of this congressional policy has been to bring the public and nonpublic school educators together to plan and execute programs to improve education for all children.

The ESEA has assisted educators in meeting their responsibility to all school-age children including those not currently enrolled. Programs designed to meet the challenge of these children are becoming more widespread.

Our recommendations for strengthening H.R. 6230 follow:

I. Full funding of the authorization provided in Title I of ESEA is essential. We are concerned, as surely this Committee must be, that the budget request for FY 1968 will not meet the Committee's intent that no state receive less than it received this school year, even though the income factor in the formula was changed for $2,000 to $3,000. The school districts have been planning on funding at not less than their allocation for this year. This will not be possible within the present budget request. We realize, of course, that the appropriation function is under the control of another Committee. We strongly recommend that you urge the Appropriations Committee to meet the stated intent that no district will receive less funds next year than it received this year. According to estimates given to this Committee last year, full operation of the amended Title I program would cost in excess of $2.3 billion.

A major concern of state and local school systems is the problem of the timing of the appropriations. The story is one with which you are all very familiar. Present appropriation time and the fiscal school year are not compatible. This problem of appropriations being made too late is the most frequently voiced concern of school officials all over the country:

We recommend a five-year authorization to provide for long-range planning and most efficient use of funds.

II. The intent of Congress has always been to strengthen the state departments of education.

a. However, the establishment of Regional Education offices can, in our opinion, place an unnecessary additional level of bureaucracy between the state education departments and the Office of Education. It could be an avenue for direct involvement of local and federal officials without any relationship to the state education agency. USOE dealing directly with 50 state education agencies, without an elaborate regional organization strengthens both the federal and the state agencies.

b. We recommend that at least 75% of Title III funds should be transferred to the state education agency for distribution to such local district projects as the state education agency approves. For the present, the remaining 25 per cent should be reserved to the Commissioner for special demonstration projects designed to meet national objectives. These projects should be reviewed and a recommendation made by the state education agency or agencies within whose jurisdiction the pilot and demonstration projects will operate.

c. We recommend that Title V B as proposed be amended to provide that the state education agency be responsible for establishing the Comprehensive Educational Planning Agencies. All funds should be channeled through the state education agency in accordance with a state plan approved by the Commissioner.

d. We are aware that some state education departments are small and their financial resources are inadequate. We support the allocation formula change as provided in HR 6230 as a practical way to strengthen these state education agencies.

III. At several points in HR 6230 it is proposed to authorize direct contracts between the USOE and profit-making private agencies. We continue to believe that this is a questionable policy. (See attached letter dated May 3, 1966.)

We recognize the tremendous contribution industry is making to improve technology. We believe that industry has a vital role to play in education. We oppose only the direct contractual relationship between industry and the Office of Education. This education-industry relationship should be limited to the state or institutional level.

Specifically in HR 6230, Title II Amendments to the Vocational Education Act, it is proposed that $30 million be allocated to the states for experimental