

of bibliographic materials as to how they are going to spend the money and that is about all there is to it.

Mr. O'HARA. How do you handle the nonpublic?

Mr. MATTHEIS. They work through the public school districts. It is indicated how they are going to provide for the nonschool districts in their application.

Mr. O'HARA. Under title II certain amounts may be used for administration expenses. What happens to those dollars in Minnesota?

Dr. MATTHEIS. They are spent for administration, Mr. Congressman. We have found they are insufficient to cover all of the administrative work of the title. This has been one of our concerns with it but we have employed a number of staff people in the department of education for the administration of it working with the school districts.

Some of the school districts in our State have joined together to work out the program of application for funds and distribution of materials later on on a joint procedure and they have used administrative funds of course to implement it at that level.

I don't know that I could be any more specific.

Mr. O'HARA. Then the administrative funds under the act are used by the State department of education and the local school districts?

Dr. MATTHEIS. There is a provision for a local school district to use an amount of the funds available for a processing charge which I think includes administrative costs.

Mr. O'HARA. The State department of education does not do much administering, do they?

Dr. MATTHEIS. I think we—

Mr. O'HARA. You sit down with a pencil and apply your equalization formula in the State to the amount available for the State and then you send out the checks.

Dr. MATTHEIS. There are more things that we do than this. We have set up a number of demonstration centers as a part of the State involvement in this project and we have a number of demonstration centers for title II scattered around the State.

We staff those. They are available for visit and consultation by local school district personnel, giving them an opportunity to see what things may be purchased, how a good resource unit might be set up. This is a part of the administrative function as well.

Mr. O'HARA. I notice a trend under title II which I hope is not noticeable in your State for the State plan to put most of the local administration over on local school district units and then keep the administrative overhead money in the State department of education.

That has happened in a number of places, and it ends up with the local school units bearing the burden of administration and the State department of education getting the money for it. I hope that is not going on in Minnesota.

Chairman PERKINS. Mr. Scherle.

Mr. SCHERLE. Thank you, Mr. Chairman.

I think to begin with I would like to say that I have always had a great deal of respect and admiration for the knowledge of Congressman Quie in the field of education. I would also like to compliment our fine chairman for this wonderful opportunity to hear the two witnesses this morning. I think in the hours we have spent in session