

All Federal legislation assisting schools focuses upon specific educational or social problems. All Federal school aid is of a categorical nature with the exception of Public Law 874—aid to federally impacted areas.

I wish to challenge the wisdom and the necessity of using this means for distributing massive amounts of Federal assistance to elementary and secondary schools. Prior to 1965 the amount of Federal assistance was so small that there was not really great concern over how it was distributed. This is no longer the case.

I recognize your dilemma. You want to provide financial assistance to elementary and secondary education, yet you also have a responsibility to the Federal taxpayer—who is also the State and local taxpayer—to see to it that the funds are properly spent. I suspect that you have underestimated the ability of the existing State and local machinery for providing you with adequate assurances of the proper use of these funds.

Objections to categorical aids are of at least four kinds:

1. They tend to shift decisionmaking to the aiding agency.
2. They tend to have an antiequalizing effect—rich school districts are in a better position to take advantage of the aid than are poor districts.
3. They are very inefficient to administer.
4. They tend to fractionalize normally integrated educational programs.

Shift in decisionmaking. Students of public school finance have long recognized that categorical aids tend to shift the initiative for decisionmaking from the local school district to the agency giving the aid.

Contrary to the pattern of Federal school aid, most States since 1925 have developed formulas whereby they can distribute the bulk of State aid to local school districts efficiently and without interfering with the discretionary authority of local school boards to formulate local educational policies.

The effect of categorical aid upon the center of decisionmaking is well illustrated in a letter to me from a member of the staff of the U.S. Office of Education dated November 18, 1966, in response to the above mentioned position paper.

(The information referred to follows:)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE.
Washington, D.C., November 18, 1966.

Mr. AUSTIN D. SWANSON,
Council Associate, Western New York School Study Council, Buffalo, N.Y.

DEAR MR. SWANSON: On behalf of Commissioner Howe thank you very much for sending us a copy of your position paper, *Federal Aid to Education*.

We share your concern over the best means available to the Federal Government to aid educational institutions. We do believe, however, that the position of the Federal Government with respect to education differs from that of the State governments and such a difference justifies categorical aid.

Clearly there is a growing interest in general aid to education, and I agree heartily with Commissioner Howe when he says there is a need to devise better formulas for the intelligent application of Federal resources. However, I would urge that anyone considering the proper Federal role in education place no small importance on categorical aid. Our experience with the National Defense Education Act demonstrates the importance of categorical programs. For example, it is very doubtful that we would have made such remarkable progress