

In order to gain full benefit from Federal participation in educational matters I strongly urge Congress to move rapidly toward replacing most existing categorical aids with a general aid to the States for redistribution to local educational agencies.

In shaping a new Federal posture I recommend the following principles:

1. Federal aid to education should be general in nature, leaving the decision for its allocation to State and local school authorities. Categorical aid should be provided by the Federal Government only in those instances where the Federal Government determines that it is in the national interest that particular types of programs or particular activities be included in the public school programs of the Nation.

In such instances the Federal Government should clearly indicate its intentions to influence, if not control, the programs of the public schools of the country in these areas. Categorical aid should not require matching funds from State and local governments.

2. Federal aid should be distributed to the States on an equalized basis; that is, the amount of Federal aid made available to the States should be in inverse ratio to the wealth of the State. The concept of equalization is one which is firmly imbedded in most if not all of the State aid programs of the 50 United States.

In establishing a Federal equalization policy however; the principles developed at the State and local level cannot be directly applied to the situation at the national level. The chief reason prohibiting such an application is the fact that while most States exist within a single economic region, there are several economic regions within the United States.

In a public service industry such as education, by far the principal cost, approximately 70 percent, is labor. The costs of labor vary markedly from one economic region to another thereby significantly influencing the cost of educational programs for a given amount of service. This means that poorer regions as measured by personal income can provide comparable educational services at a lower cost than can richer regions because of lower labor costs.

This phenomenon tends to reduce, although not eliminate, the variation in ability among States to support educational services.

3. Federal aid programs should recognize the integrity of each State. All Federal moneys for education should be distributed through the established State authority for public education, normally the State education department.

4. Public money must be administered in the public domain. If Federal moneys are to be appropriate and used for children in private schools, the accountability for the use of these moneys must remain within the public domain through the State designated local educational agency.

5. Since basic research into matters related to human learning and development are of equal value and importance to all segments of our Nation, the Federal Government should continue and expand its financing of such activities.

Likewise it should expand its efforts to disseminate resulting discoveries and applications so that the timelag between invention and widespread application may be substantially reduced.