

This is inconsistent with everything else we have done in legislation where we try to help a school district and some other agency of government takes advantage of the benefit we give them to spread it around to other people. I was informed when we were holding these hearings last year there were some 14 or 15 States that comingle our impact aid with general State aid in some fashion by charging it off against the local district or putting it into the common pot as one of the several devices that is used.

While we were faced with the first, immediate problem of getting the legislation reenacted without too many changes we hoped the bill would pass.

I would hope your people would give some serious thought to some of the backlash we might face down the road if we don't put our house in order. We are talking about a principle here which is equally important as the problem in Mr. Perkins State. When we compare the amounts of money that are involved in solving the problem which Mr. Perkins has expressed so clearly against the problem we have with these States that are not using the money for the impact children, we are facing a number of votes out there on that floor where one day the entire impact is going to be serious. I don't think it is too soon to sound that note of alarm.

Mr. LILLYWHITE. You will remember, Mr. Chairman, you did make a start on this program which the board was talking about which said if the State reduced its State aid in this current year per pupil below what it was in the preceding year we will reduce correspondingly the amount for every applicant each year.

It takes a year to get the data in.

Chairman PERKINS. I agree with Mr. Ford's reasoning and with the statement that was made. As I understood Mr. Lillywhite awhile ago, he stated if the State of Kentucky was participating in the education of Federal children on Federal property, that the local Federal agency would not lose any Federal funds—in other words, receive as much Federal funds as they are receiving at the present time.

Is that your statement, Mr. Lillywhite?

Mr. LILLYWHITE. Did I understand the question to be if they were participating.

Chairman PERKINS. Yes.

Mr. LILLYWHITE. There would be no penalties attached in the law if they took the responsibility for educating the children. It is only when they refuse to recognize this is a part of the State and say we wouldn't provide free public education for these children when the penalties apply.

You have to recognize in that amendment when you already have an on-going Federal operation, even though a State takes action and says yes, we will educate these children, they are not going to have to do it until we can make arrangements to discontinue Federal operation by the procedures set up under the bill.

Chairman PERKINS. It will be several years before Hardin County can take over Fort Knox.

Mr. LILLYWHITE. Kentucky could take the initiative now and they would still not suffer any penalty until we reach that time.

Chairman PERKINS. There might be much controversy down there whether the State could do these things. I think there is not much