

Mr. ROSE. Yes, and I would like to say this, Mr. Steiger. Certainly 1 year after it has been going on 17 is not going to cause any great catastrophe if it can be rectified within another year then I would say yes.

Mr. SIMMONS. I was just going to suggest that I once researched this topic and I find the first court decision on this was in 1821 so I don't think it is really only 17 years old.

Mr. ROSE. I referred as to the damage that it did to the impacted area program. It has only been in existence as we now know it, I believe, for the 17 years and thus it has never come up before. Up until the first of last year is the first I ever heard of it and thus taking ample time to remedy the situation would not be as I said—would not cause catastrophic damage.

Mr. STEIGER. You also, in your statement regarding Public Law 874, if I remember correctly, and I am trying to find it and I cannot, but I think you say the concept of the last fiscal year should not be continued.

Mr. ROSE. No, the Commissioner testified with reference to the disaster aid being limited to the level of the last full year of need within the school district should be eliminated because we were progressing.

I simply used his argument there to say that if it was sounded with reference to section 3 because we have a 2-year lag there, and I think to 2-year lag is the biggest problem in this whole program.

Mr. STEIGER. I appreciate your clarifying that. One more clarification from my standpoint since I have not had the benefit of the chairman's or Mr. Meeds' and Mr. Ford's expertise in this field before.

Can you give me some brief understanding of the discussion that you carry on in your testimony about what I think you called the grouping of similar schools within a State. Could you give me some benefit of what you are talking about?

Mr. ROSE. Last year the House recommended that every school in a State be placed within a group with no designation of how the groups would be formed and that whatever the local contribution rate of that group in which a group fell, that would be their rate. Previous to that and for that matter as to the present, it is on a local contribution rate of comparable schools.

That, of course, places the impact area in a group and one of the faults of that is its low-contribution rate affects the aggregate. Then that is what the school gets. That type of a program is more easily administered because then you just fall in that group and there is no argument as to whether the schools are comparable or whether they are not.

That is determined through the State department of education the same as the comparable school group which a given school would select.

I think there are some 17 or 18 States that use the group rating now. I do not all together fall out with it. I think it has more soundness than the 2-year lag does. I still say the same thing that I said about introducing this other change that might be good, that it takes a little time to do that, so if my suggestion is if they hold the group rates, they remove the 2-year lag and go to 1 year and then they make the provision saying the school gets no less rate than it got last year.