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**ABSTRACT**

This report of the education seminar held before media representatives contains statements by policy-level officials and technical experts in the Department of Health, Education and Welfare. Formal presentations are followed by question and answer sessions. Participants in the seminar include Lewis M. Helm, Assistant Secretary for Public Affairs; Casper W. Weinberger, Secretary; Charles B. Saunders, Jr., Acting Assistant Secretary for Education; Thomas K. Glennan, Jr., Director, National Institute of Education; John R. Ottina, Commissioner of Education; Peter E. Holmes, Director, Office for Civil Rights; Stanley B. Thomas, Jr., Assistant Secretary for Human Development; Odell W. Vaughn, Chief, Benefits Director, Veterans Administration; and Kenneth R. Cole, Jr., Executive Director, Domestic Council. (JF)

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**EDUCATION SEMINAR**

**FEDERAL FOCUS ON EDUCATION**

**Washington, D.C.**

**April 18, 1974**

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P R O C E E D I N G S

1  
2 MR. HOLLAND: Good morning everyone. My name is  
3 Jim Holland, Deputy Director for Communication for the White  
4 House. On behalf of the President I would like to welcome  
5 you to the Seminar today, and I hope it proves quite fruitful.

6 Without further ado, I would like to introduce your  
7 Moderator, Lewis M. Helm, Assistant Secretary for Public  
8 Affairs, HEW.

9 MR. HELM: Thank you, Jim.

10 It is a genuine pleasure to welcome you here today,  
11 especially the people who travelled quite a distance, and I  
12 understand a number of you have.

13 Our subject is education. Our intention is to pro-  
14 vide background and perspective, and to answer questions that  
15 you might have.

16 We are not here here primarily to make front-page  
17 news, though, no doubt, some stories will result. Our goal is  
18 to brief you in detail and objectively not only on the status  
19 of the education programs and the Administration but the  
20 larger purposes and goals of the programs.

21 I know from experience that persons on the program  
22 today probably will be learning something in return, from  
23 the nature and intensity of your questions. Press conferen-  
24 ces at HEW and also those that have been conducted here are  
25 two-way streets and I think everybody can benefit in the long

1 run.

2           Early in his tenure at HEW, Secretary Weinberger  
3 determined that one of the most important aspects of Govern-  
4 ment was communicating with the people we serve, making  
5 certain that they know what programs and services are avail-  
6 able to them and what decisions we are making that affect  
7 those programs. Toward this end, at HEW our agency heads and  
8 Assistant Secretaries and the Secretary himself are readily  
9 available to the public through the news media, and this  
10 policy decision has led to the establishment of the seminars.  
11 This is the eleventh of a series of HEW seminars that we have  
12 conducted during the last eight months. These are seminars  
13 that have drawn about 800 news media representatives and  
14 press who have asked more than 2,000 questions.

15           We use two basic formats. One is our Regional  
16 Communication Seminar in which we go to each of HEW's 10  
17 Regional Headquarter cities, as we did in New York yesterday,  
18 and present the Agency Heads and Assistant Secretaries for  
19 that particular section of the country.

20           The other format is like the one today, in which  
21 we have a single major policy area to select and discuss  
22 in depth. We hold this kind of seminar here, under the aegis  
23 of the White House, since normally more than HEW is involved  
24 in these broad policy areas.

25           In addition to HEW speakers today you will be hearing

1 a representative from the Veterans Administration, and also  
2 from the Domestic Council with the White House point of view.

3 These seminars began last year with a session on  
4 health policy in this very room. That was the end of last  
5 summer. Reaction to that one was so favorable that the 10  
6 other seminars were undertaken as a result.

7 The format is simple. The speaker will deliver a  
8 presentation and then answer all the questions that you have  
9 to ask. In addition to policy-level officials, we have  
10 technical experts here today to handle any kind of question.

11 If there is some question which you do not have an  
12 opportunity to ask or have answered, let us know. Sandy  
13 Winston, in the back of the room here, and other people from  
14 HEW will be glad to seek the answers and get them back to you  
15 by the close of the seminar. Sometimes we miss that and if  
16 we do miss we will get it back to you by tomorrow at the  
17 latest.

18 In addition, we will be sending the transcript of  
19 the entire seminar to you next week. So you can have that  
20 as a reference also for your own future notes.

21 And, now, our keynote speaker, Secretary Wainberger,  
22 was sworn in as the 10th Secretary of Health, Education, and  
23 Welfare on February 12 last year. Prior to that he had been  
24 Director and Deputy Director of the Office of Management and  
25 Budget.

1 He first came to Washington in 1970 and served as  
2 Chairman of the Federal Trade Commission, an agency he  
3 reorganized from the bottom up.

4 Prior to joining the Administration, he served as  
5 Director of Finance for the State of California, where he  
6 also was a State Legislator from San Francisco.

7 Before getting into Government, Secretary  
8 Weinberger was a San Francisco lawyer who wrote a statewide  
9 column on governmental affairs and who also hosted his own  
10 educational show.

11 It is my pleasure to present my boss, Secretary  
12 Weinberger.

13 SECRETARY WEINBERGER: Thank you very much.

14 I am delighted to be here and welcome you here. We  
15 have made the offer to answer all and any questions. I am  
16 glad that Lew amended that by saying we would be able perhaps  
17 to submit some of them in writing later if we are unable to  
18 answer them directly at the moment.

19 But first I would like to present to you Frank  
20 Carlucci who is the Undersecretary of the Department of Health,  
21 Education and Welfare, and who is here both as a policy  
22 making official and a technical expert, and it is very  
23 fortunate indeed that he is. He has been the Head of the OBO  
24 and Deputy Director of the Office of OMB, and has done a  
25 superb job in working in the very difficult and complex

1 negotiation involving the Elementary and Secondary Education  
2 Act with the Senate Committees.

3 We have, of course, a great deal of pleasure that  
4 you accepted the invitation and a great deal of pleasure in  
5 the opportunity to present some of the objectives of our  
6 educational policy and be accessible to take your questions  
7 on them.

8 We feel, I think, without question throughout the  
9 Administration that the greatest national resource is the  
10 youth, and that the greatest method of developing that  
11 national resource is through the educational process in the  
12 school system, and the human mind of each citizen in its  
13 development to its fullest potential is our ultimate national  
14 strength.

15 So what we have really on the agenda today is a  
16 series of the very highest priorities of the Federal Govern-  
17 ment. It is customary to separate these sometimes and say  
18 highest domestic priority, highest foreign priority, and so  
19 on, but I don't think anyone has ever challenged the fact  
20 that the educational aspects of our work certainly are in the  
21 very highest priorities of our Government.

22 Financing of education still is and should remain  
23 in my opinion primarily the responsibility of State and  
24 local governments and the private sector, but we do do  
25 considerable at the Federal level. In dollars a little

1 less than 10 percent of the total of \$96 billion annual  
2 budget for education. That, of course, includes higher  
3 education. I think we are somewhere around 7 percent of the  
4 elementary and secondary education and the Federal funds, I  
5 think, should be used for a very special purpose, to make  
6 critical differences at many levels of the entire operation,  
7 critical differences in the overall quality, critical  
8 differences in selected target areas of national concern,  
9 and critical areas surely in research and development where  
10 the local budgets are frequently, if not always, inadequate  
11 for development of new techniques and for the studies that  
12 are necessary to develop those new techniques.

13 We are, of course, totally dedicated to these goals  
14 and we believe that the Federal supplement to local educa-  
15 tion should be timely.

16 As you know, we have legislation in for that purpose,  
17 of trying to get advance funding and get the local school dis-  
18 tricts and the State governments not only aware, but actually  
19 the receipt of the Federal funds a year in advance of the time  
20 when they will actually be needed.

21 We also believe that the Federal contribution should  
22 be of a size to make these critical differences and we believe  
23 that the Federal contribution should be sufficiently flexible  
24 so that it will permit its most effective use in all of the  
25 varying communities and districts with all of their unique

1 priorities and problems throughout the country.

2 How we propose to do this, how we are doing it, is,  
3 of course, what we are trying to talk about today.

4 We want to remember that we are simply trying to  
5 help children in the classroom to develop better their full  
6 potential, and the Federal aid we propose would help the  
7 student in the classroom at various strategic points from  
8 elementary and secondary school to college and beyond.

9 To do this effectively, I think we have to resist  
10 the tendency to mount as many separate special programs as  
11 there are special problems. More is required than just  
12 special funds for remedial reading or remedial math. It  
13 requires a total remedial approach, or remedial approach to  
14 school financing. A remedy for the piecemeal, last minute  
15 allocations of Federal funds and programs that are practic-  
16 ally straight-jacketed because of the narrowness of the  
17 boundaries in which the funds can be used. These may very  
18 well not fit particular needs of that local school district.

19 Many of the reforms we have initiated represent  
20 attempts to secure such total remedies, but efforts at reform  
21 inevitably create confusion and controversy and always  
22 opposition, and that opposition always does seem to arise  
23 when one seeks to change the accustomed way. And we find the  
24 Congress can get accustomed to something in less than a month,  
25 ordinarily, so that if you do have anything that is

1 established any attempt to change it does meet very, very  
2 strong controversy, and that in turn leads to confusion as to  
3 what we are actually trying to do. Sometimes this come  
4 from the members of the educational community, whom we  
5 believe, if they were aware of these objectives, would want  
6 to support the changes.

7 I think the way out of this confusion is to go  
8 back to the basic principles, the ideas we had in mind in  
9 proposing some of these reform efforts and these  
10 principles that under-gear our efforts. Simply that Federal  
11 aid to education, the Federal aid portion of the total  
12 education budget should be based upon and try to secure  
13 equity and predictability and maximum choice. Those  
14 things we are seeking in our efforts to reform elementary  
15 and secondary education, reflect, I think, all of the basic  
16 principles.

17 We seek a Title I formula which equitably recog-  
18 nizes the active presence of children from low-income families  
19 and what it takes to give them a better chance. I am getting  
20 a little worried, frankly, about the timing on it because, as  
21 you know, the whole authority for Federal Aid to Education  
22 runs out on June 30. It ran out last year, but there was a  
23 one year extra, a year of grace, and that runs out on June  
24 30 of this year, and, of course, we have to have the authori-  
25 zation before we can get the forward funding.

1           So these are points of considerable concern, and we  
2 are grateful if that can be enacted prior to June 30.

3           We are also seeking freedom of choice with a way in  
4 which the Federal funds can be used through Grants consoli-  
5 dation.

6           The Title I distribution formula for funds for  
7 compensatory education, those are obviously very important  
8 issues. This formula has not been changed since 1965 and  
9 it is based on an income level of poverty that is far too low  
10 at today's level. What we are proposing is that funds for  
11 compensatory education be distributed on a far more equitable  
12 basis which would award funds to school districts where  
13 children from low-income families are concentrated, and the  
14 formula we propose would raise the threshold level of poverty,  
15 allow for the higher cost of living in certain areas of the  
16 country, and provide a new definition of the poverty level  
17 which reflects differences in family size.

18           Also on this year's legislative agenda is revision of  
19 the Federal Impact Aid program. This is one of the ones I  
20 specifically had in mind when I mentioned the difficulty of  
21 getting any change in any existing program.

22           It certainly makes good sense to help school dis-  
23 tricts which would bear the cost of educating their children  
24 whose parents live and work on Federal property. They are  
25 essentially not really part of the community in the sense that

1 at least they don't pay property taxes, although they do pay  
2 many other sales taxes and things of that kind, but they pay  
3 not nearly as much of the local tax which goes into the support  
4 of the school system. So we plan to continue to help meet the  
5 cost of educating children where the parents live and work on  
6 a Federal installation.

7 We think it makes, of course, no sense at all to  
8 spend scarce Federal dollars for each child whose Federally  
9 employed parent lives in the community and pays local and  
10 state taxes. The fact that the parents are Government  
11 employees is immaterial, and we have proposed, as many  
12 Presidents before this President have proposed, to end what  
13 we believe to be these unwarranted things. Equity is very  
14 much the issue. We can't think of any more irrelevant basis  
15 for allocating Federal aid than on the basis of who the  
16 parents work for, and yet, this has not been a popular pro-  
17 posal in the Congress.

18 We do not intend to withdraw Impact Aid funds  
19 precipitously or prematurely. We do plan to phase out Federal  
20 Impact Aid payments for children of Federal workers who live  
21 and pay taxes in the communities, who happen to work on or  
22 for Federal installations.

23 As you know, grants consolidation represents a  
24 second set of important issues -- issues of local choice.  
25 Under the Administration's proposals, states and school

1 districts would get federal dollars and -- within certain  
2 national priorities -- could spend the money on the programs  
3 most needed to ease local educational problems. In one school  
4 district, the money might be used for more library books --  
5 in another, the need might be equipment. In each case, the  
6 grant authority would be broad enough to allow either use of  
7 the funds, depending on the school's particular need.

8           This present system of categorical programs has  
9 forced schools to struggle with narrow, restrictive programs,  
10 some of which do not even address themselves to the major  
11 needs of particular schools. Some of these programs are  
12 overlapping. All of them force schools to major in "grants-  
13 manship," with all the needless paperwork, redundant forms  
14 and technical justifications that entails.

15           There are many firms eager and willing to assist  
16 school districts in this enterprise, and as a result we have  
17 a large complex now of people who stand ready to take  
18 advantage of the narrowness of the categories and the need  
19 to make applications and the need frequently to raise match-  
20 ing funds, and also the need to wait until some kind of a  
21 decision has been made, and it is the nature of the beast,  
22 an application that is submitted and reviewed by somebody  
23 almost always is going to require some revision, so this adds  
24 to the paper work, the forms, the whole long, lengthy process,  
25 and the uncertainty of the whole thing. So they force Congress

1 and the rest of the Government, really , to play a sort of  
2 unnecessary role of a kind of national school board.

3           What we would like to do is to combine as many of  
4 the restrictive programs as we can into a few comprehensive  
5 grants. We would like to exchange the current rigidity for  
6 a flexible system which would lean much more toward a check-  
7 writing operation by the Federal Government and a freedom of  
8 choice by the States and local school districts, and we  
9 would like to particularly let them know ahead of time, a year  
10 ahead of time, how much Federal funding they were getting,  
11 for what purposes, so they could do some far more intelligent  
12 planning than the games that have to be played now in trying  
13 to guess when and where the Federal funds will arrive and in  
14 what amounts.

15           It is very difficult, of course, for any local  
16 school district or any group that has to plan starting with  
17 a family. If it doesn't have any idea what its resources are  
18 going to be or when they are going to come in, and there  
19 isn't any real benefit in many of the narrownesses of these  
20 categories, principal benefit seeming to be or the principal  
21 argument in their favor seeming to be that they are in place,  
22 they have been in place, they represent some significant work  
23 of some subcommittee's oversight problems and therefore they  
24 shouldn't be reduced or altered or changed in any way.

25           And what we would like to do, of course, is to

1 consolidate and we would also like to get our forward funding  
2 started. This 1974-1975 school year we have indicated in  
3 the budget and set aside the funds for a request for a  
4 supplemental appropriation of \$2.85 billion and, of course,  
5 we need the necessary authorizing legislation first. Once  
6 we get that, school systems would know how much Federal aid  
7 they will receive before the coming fall, and that would add  
8 predictably to Federal aid, it would add to its usefulness.  
9 They would also know if we can get it a year ahead of time,  
10 how much they would secure for the following school year,  
11 and once that cycle is established, we hope we could get away  
12 from the uncertainty that has plagued the system for so long.

13 The feeling we have with respect to the pending  
14 legislation, I think, is well known. We do favor the House  
15 version over the Senate version because of a number of differ-  
16 ent problems that are caused by the Senate bill.

17 In the first place we have got 14 separate new  
18 Federal Education bureaucracies and a very rigid bureaucratic  
19 structure that would be legislated and forced into the perm-  
20 anent administration of educational programs if the Senate  
21 bill should prevail. The whole attempt of trying to reform  
22 and streamline the structure of the educational apparatus  
23 that we work with here would be almost impossible with  
24 that, and this, of course, would make much more difficult local  
25 choice.

1           Also, the consolidation provisions in the Senate  
2 bill are quite illusory because they only take effect if at  
3 all when there has been more than a 100 percent funding of all  
4 existing programs and consolidation on top of that is a little  
5 hard to imagine and a little harder to work with.

6           On the post-secondary educational level, again we  
7 believe that we should have, as we have said, equity and  
8 predictability and maximum choice and these would come  
9 primarily through an improved and far fairer student aid  
10 program that would first of all expand the Basic Opportunity  
11 Grants Program which was begun last year with a tenth of the  
12 money we requested from the Congress and we would hope that  
13 this program could also be backed up with low interest loans,  
14 guaranteed loans by the Government, work study for a total  
15 budget request of more than \$1.9 billion, almost \$2 billion,  
16 which would quadruple the amount of about five years ago.

17           This would be a shift in Federal policy from pro-  
18 viding the schools with the scholarship funds and this would  
19 entitle the funds running to the students themselves. Students  
20 can apply to the institution of their choice and not be  
21 biased in the direction of the institution which they think  
22 may award them the most Federal funds. We think a great deal  
23 more money under this program would go for the exact purpose  
24 of student aid if we siphon it through an institution. We  
25 have found that a certain amount, and I say this not in any

1 sense critically, but inevitably a certain amount is siphoned  
2 off for administration and overhead and salaries and things of  
3 that kind, so it does divert away from the actual funding of  
4 the student.

5         The student aid program would also work in the  
6 direction of equalizing the resources available to the student  
7 from families with unequal income, and it would have a uniform  
8 application, and it would apply to students in like financial  
9 circumstances regardless of where they live, regardless of  
10 what college they would want to attend and other matters of  
11 that kind. Greater amounts, greater choice would be afforded  
12 if the students wish to have a higher cost education up to  
13 certain limits, and we would also have in addition to the  
14 basic grant program, we would have a series of additional  
15 programs that would be of substantial assistance to the stud-  
16 ents from the middle income families where educational  
17 opportunities are being found very difficult to come by because  
18 of the rapid increases in costs that are taking place in all  
19 of these educational institutions.

20         With the research aspect of our work -- finding out  
21 what works best in education -- we believe that this is a  
22 prime Federal function and that it would improve the oppor-  
23 tunity for everyone. I think it would increase the alterna-  
24 tives among which teachers and students could choose and we  
25 are, of course, committed to developing the research capacity

1 of the National Institute of Education, and you will hear  
2 from Dr. Glenn later today in more detail about that.

3 We need, really, to know what teaching methods are  
4 the most effective, what are the methods that enable children  
5 to learn more effectively, and a number of other questions  
6 that need to be explored. We have run into here a series of  
7 rather mysterious opposition to this entire program in the  
8 Congress and this is a source of considerable concern because  
9 we think this is not only a prime Federal function but an  
10 extraordinarily important function.

11 We are also testing new education technology - - -  
12 satellite communication and proposed solutions to local  
13 funding issues, such as educational vouchers which would per-  
14 mit parents to enroll children in the school of their choice,  
15 and a number of other experiments that we think would be  
16 difficult for individual school districts to carry out, but  
17 which we think are properly tested and attempted to be demon-  
18 strated by the Federal Government and then have the results  
19 disseminated around the country for those districts which  
20 might wish to take advantage of them.

21 We are not seeking to install any kind of full-  
22 time Federal hand on the pupil's shoulder. We are seeking,  
23 rather, to intervene selectively -- at least at those critical  
24 times and points where Federal aid can effectively reduce  
25 inequality of education.

1           The Federal government performing that national  
2 priority role, the bulk of the daily effort should be left to  
3 the talents and energies of the committed people on the local  
4 educational scene -- as we must, in the end, do anyway. That  
5 has been the program and procedure thus far.

6           It has been the policy, and we think it should  
7 continue to be the policy, just as we think there are certain  
8 areas where the Federal government can be of major assistance,  
9 where the Federal government should intervene and should help.

10           But we do think that the local school districts  
11 should spend their money on their priority programs. We  
12 think they know their priorities far better than we do here.

13           All this would mean that the Nation's students,  
14 who after all are the chief beneficiaries or should be,  
15 will, therefore, have a greater choice and opportunity to seek  
16 post-high school education, and that can be done primarily  
17 if the basic Opportunity Grants program is fully funded and  
18 we think children will have a substantial advantage if the  
19 National Institute of Education fulfills its promise of  
20 discovering through research how best children learn, and  
21 how best to teach them.

22           I would be delighted to take some of your  
23 questions.

24           (A question from the floor.)

25           SECRETARY WEINBERGER: The question is, what do I

1 think of Representative Bolling's selection of the  
2 education aspects of the Labor Committee be separated and  
3 set up as a separate committee?

4 I guess it isn't fair to say I would rather hesitate  
5 to comment on Congressional procedures because I do so  
6 frequently, but I probably should hesitate to comment on  
7 Congressional reform questions. I don't have any fixed view  
8 of whether that would improve the opportunities for the  
9 Congress to consider the measures or not. I would think that  
10 more, if I might say so, of a change of basic attitude and  
11 a willingness to face with considerably more boldness than  
12 has been exhibited in the past recommendations for change,  
13 including stopping some things that are being done, in order  
14 to free some funds to start something new, would be more use-  
15 ful an approach, but I don't have any particular reaction as  
16 to whether the process would be improved by the separation of  
17 the committees but maybe the Undersecretary has.

18 QUESTION: On your desk for sometime were proposed  
19 regulations for Title IX, 1972, which bans sex discrimination  
20 in schools, not only in athletic programs. Are you going  
21 to sign that?

22 SECRETARY WEINBERGER: I am going to sign some  
23 regulations when they have been redrafted in accordance with  
24 principles that we believe should be applied to those regu-  
25 lations.

1 QUESTION: What is the matter with those?

2 SECRETARY WEINBERGER: What is the matter with what?

3 QUESTION: With the regulations as they stood when  
4 they were on your desk?

5 SECRETARY WEINBERGER: You are talking about a first  
6 draft and usually there is a great deal the matter with a  
7 first draft because the first draft was at least, as far as I  
8 was concerned, a draft I had not had an opportunity to review  
9 prior to the time it arrived. After it arrived I had the  
10 opportunity to review it and did, and as is the case with  
11 almost all first drafts, including first drafts of proposed  
12 speeches, I have suggested some revisions and others have  
13 suggested other revisions and the process is still proceeding.  
14 But we will have the Title IX regulations signed and published  
15 and the opportunity for comment which incidentally has already  
16 started informally, expanded.

17 QUESTION: Do you think they will be ready for the  
18 next school year that starts in September?

19 SECRETARY WEINBERGER: I would hope so.

20 QUESTION: Mr. Secretary, would either the House  
21 approved three-year extension, unchanged, of the Impact Aid  
22 program or an education bill whose Title I aspects how pretty  
23 closely to the Senate version warrant your recommendation of a  
24 Presidential veto?

25 SECRETARY WEINBERGER: Well, we have said that the

1 House bill, while missing by quit a bit the mark that we  
2 would like to have achieved, would nevertheless, in the  
3 interests of getting something done, and because it does have  
4 some marked improvements which Undersecretary Carlucci was  
5 able to negotiate in a very skilled manner with the Committee,  
6 that this would be acceptable in the form in which it passed  
7 the House.

8 I have also said, and I don't think -- I think  
9 several others have said that if the Senate version in its  
10 present form should reach the President's desk I would have  
11 no hesitancy in recommending a veto. There is a great deal  
12 more wrong with the Senate version that I had just the brief  
13 opportunity to outline.

14 The Senate version funds a category "C" type of  
15 Impact Aid and a category "C" type of Impact Aid which has  
16 never been funded before, that the important determining  
17 factor in whether there should be Federal aid to education  
18 is not whether your parents live on a Federal reservation or  
19 whether they work for the Federal government, but whether they  
20 live in Federally assisted housing, and there is almost  
21 nobody who doesn't live in Federally assisted housing, so you  
22 have lost completely any kind of focus if that would be the  
23 funding. So I would have no hesitancy in recommending a  
24 veto of the Senate bill as it stands now.

25 My understanding is that the House bill, as it has

1 passed the House is a bill that could be recommended.

2 MR. CARLUCCI: I would agree with that. The Senate  
3 Title I formula is no change at all.

4 QUESTION: Are the Trotter and Bell appointments to  
5 be announced today, and if not, why the delay?

6 SECRETARY WEINBERGER: There isn't any particular  
7 delay, and we have hopes that we may be able to conclude an  
8 announcement on the important subject of the positions,  
9 highest positions in the educational establishment, very  
10 shortly.

11 QUESTION: Will you confirm those names?

12 SECRETARY WEINBERGER: I am not confirming anything  
13 until we can get an announcement made and, anyway, I hadn't  
14 even called on that hand.

15 QUESTION: Is the Administration going to remain  
16 firm on its decision not to provide transportation money for  
17 busing in its desegregation assistance?

18 SECRETARY WEINBERGER: Well, the Administration  
19 supported the amendment that was adopted in the House by  
20 Congressman Bsch, and I think that would represent the fair  
21 statement of the Administration's position on the subject.

22 QUESTION: You did not say anything about bi-lingual  
23 education?

24 SECRETARY WEINBERGER: We did say quite a lot about  
25 bi-lingual education before the Committee, and Secretary

1 Carlucci was the one who said it, and I think maybe he should  
2 answer that.

3 MR. CARLUCCI: In terms of bi-lingual education we  
4 find the House provision, which is the section of Title VII,  
5 acceptable. The Senate provision would really go to full  
6 cultural pluralism and I don't know how the local school  
7 districts could handle that. In addition, we have, as you  
8 perhaps know, agreed to submit a budget amendment in effect  
9 doubling the funding for Title VII and adding some money in  
10 the compliance area and in the research area in bi-lingual  
11 education. This results, at least partially, from the Lau  
12 decision.

13 QUESTION: Who will have the responsibility, the  
14 teacher or the student in the bi-lingual program as to what  
15 they learn

16 SECRETARY WEINBERGER: Our position is that the  
17 determination of what kind of a bi-lingual program should take  
18 place in an individual would would be up to the people in that  
19 school. We would have in our Civil Rights Division overall  
20 responsibility for seeing that that particular bi-lingual  
21 program met the criteria laid down by the Supreme Court in  
22 Lau vs. Nichols.

23 QUESTION: Is the President going to sign H.R. 12253?

24 MR. CARLUCCI: The Tydings Amendment.

25 SECRETARY WEINBERGER: Yes.

1 QUESTION: He is going to sign it?

2 MR. CARLUCCI: We can't say yes or no. The  
3 Secretary has recommended that it be signed.

4 SECRETARY WEINBERGER: We think that will be signed.  
5 We are also seeking a bill which will enable us to spend the  
6 Basic Opportunity Grants money beyond this fiscal year, which  
7 is somewhat the same kind of problem as the Tydings Amendment.

8 QUESTION: On a more general note, could you say  
9 something about the attitude of the Administration toward the  
10 multiplying as against the dwindling number of private  
11 church-related schools and colleges?

12 SECRETARY WEINBERGER: Maybe I don't quite get the  
13 thrust of your question. It is with respect to the Admini-  
14 stration's opinion or views as to attempt to aid the private?

15 QUESTION: To aid the public supported as against  
16 the private supported?

17 SECRETARY WEINBERGER: Well, our proposals, I hope,  
18 would be clear with respect to the public schools, because  
19 the section of Education Act proposals and the budget figures  
20 and all the other programs are, I would hope, self-evident at  
21 this point. With respect to the private schools, the  
22 Administration's commitment to try to solve the various  
23 constitutional questions involved in assistance to these  
24 schools and church oriented schools, that commitment remains  
25 firm and the attempt to solve the problem continues. We haven't

1 lost any of the commitment that the President expressed last  
2 year as to the importance of doing this or the reasons for it.  
3 The desire to have variety and differences within the edu-  
4 cational system so that commitment remains firm. The consti-  
5 tutional problems remain also very difficult to solve because  
6 various decisions of the Court indicate that attempts that  
7 have been made by various states, for the most part, are found  
8 to be outside the permissible limits of Constitutional author-  
9 ity. We do have some that have been approved, Title I  
10 contains some additional assistance. Some of the voucher  
11 experiments look in those directions. We are trying, but the  
12 Constitutional problems involved are substantial. The commit-  
13 ment to try and be of assistance to the schools has not been  
14 weakened in any way and the commitment with respect to the  
15 public schools I think is clear and I hope --

16 QUESTION: Mr. Secretary, there is a growing thought  
17 throughout the country that only the very rich and the very  
18 poor are going to have the educational benefits from now on,  
19 and the middle income group is going to have to pay the  
20 freight?

21 SECRETARY WEINBERGER: You are speaking of post-  
22 secondary education?

23 QUESTION: Yes, higher education. In your proposal  
24 or in your thinking, are you giving consideration whether  
25 there ought to be a tax relief or a low student loan program

1 because the middle income people are really getting it in  
2 the neck?

3           SECRETARY WEINBERGER: No, we have no quarrel with  
4 that at all. It is true that with the costs of college edu-  
5 cation rising as rapidly as they are, even some proposals that  
6 one of the ways to handle this is to increase the tuition even  
7 more in public schools, that there is a very substantial burden  
8 being created for middle income families. In many ways it is  
9 comparable to the health problems, and one of the reasons we  
10 are so anxious to have health insurance adopted is again  
11 because the very rich and the very poor are able to do something  
12 about these problems. All the rest of us in the middle are  
13 having some difficulties so that is why we do feel that in  
14 addition to the BOGs which are designed for low income groups,  
15 that there has to be a middle income program. But again,  
16 Undersecretary Carlucci has testified two or three times on  
17 the kind of middle income aid and has been instrumental in  
18 having some of these inserted into programs that are moving  
19 through the Congress. So I think he should detail those.

20           MR. CARLUCCI: While the Tydings Amendment proposal  
21 is before the President, we regard that and its liberalization  
22 of the guaranteed program, as a temporary measure. We have  
23 a more far-reaching proposal which we have presented to the  
24 Congress on guaranteed student loans which we think would make  
25 the loans much more readily available to the middle income

1 student than the present program. In essence, the proposal  
2 would move away from the subsidized loan concept and put the  
3 subsidy for the low income student in the BOGs grant, and once  
4 you free bankers of the responsibility of worrying about the  
5 means tested subsidy, we think the funds would begin to flow  
6 more readily. In addition we would up the loan ceiling from  
7 \$10,000 to \$25,000, have greater latitude in the administra-  
8 tive margin that we would allow the bankers to try to get  
9 the guaranteed student loan money flowing more readily to the  
10 middle income students.

11 QUESTION: Mr. Secretary, you also said nothing  
12 in your remarks about the "super whiz kids", the gifted  
13 students. Do you plan anything, does the Government plan any-  
14 thing for them?

15 SECRETARY WEINBERGER: Yes, my remarks were intended  
16 to be mercifully short, and I could have occupied the entire  
17 time of the seminar if we covered everything we hope to do.  
18 But we do have a very great interest in the gifted children,  
19 and in the need for developing programs to utilize their time  
20 and keep them free from the boredom that sometimes afflicts  
21 children in this category in a regular school classroom and  
22 to not only utilize but develop to the fullest the potential  
23 that is in every child, particularly gifted children. We are  
24 working on programs specifically for this point. Senator  
25 Javits has been a leader on the legislative side of these

1 matters and we are working with him as well as within our  
2 own Office of Education to develop and to improve the special  
3 training of the gifted, the identification of these children  
4 and recommend programs and curriculums that could be applied  
5 by the schools throughout the country if they wish to do so.  
6 It is a very important point.

7 QUESTION: What kind of things are you thinking  
8 about?

9 SECRETARY WEINBERGER: Well, we are thinking about  
10 the identification. We are thinking about separate curriculum  
11 or curriculum they could pursue, while others in the classroom  
12 are pursuing the standard curriculum. We think it is important  
13 certainly to mix for at least a portion of the school day  
14 those children who have been identified as having special  
15 gifts and we think it is very important also that the gift  
16 rebound to the benefit of the entire student body, if that can  
17 be done.

18 We are also not at the stage at this point of  
19 recommending a program with specific funding, but we do have  
20 a number of different demonstrations and tests in mind because  
21 I think it is one of the -- it is certainly a part, a big part  
22 of the great national resource that all school children are --  
23 and it is very important not to waste it or plunder it or  
24 discourage this type of --

25 QUESTION: Is there any particular sentiment in the

1 Congress to fund these programs?

2 SECRETARY WEINBERGER: I haven't encountered any.  
3 We haven't had any formal proposals that have moved very, very  
4 far. Senator Javits has put in a generalized proposal and I  
5 think he has been joined by one or two members in the House.  
6 It has been, I think, of particular priority in the Congress  
7 but it is clearly a priority as far as our work is concerned  
8 and I am hopeful that we might get something that would be very  
9 useful and could be beneficial not only to these children but  
10 to others with whom they come in contact. As I said, we are  
11 not at the stage of recommending some specific funding for  
12 demonstrations or pilots or that kind of thing, but we are  
13 doing a considerable amount of work within the Department, - -  
14 within our existing authorities, expect to continue that,  
15 expect to continue working with Senator Javits, and I would  
16 like to see something come of this because I think it is an  
17 important field.

18 MR. CARLUCCI: Title III money can be used.

19 QUESTION: I believe we are overlooking a very,  
20 very important subject, Mr. Secretary. I wonder if you have  
21 any statistics on the percentage of children, especially, we  
22 are speaking of youngsters who had had major surgery, opera-  
23 tions for cleft palates, soft cleft palates, hard cleft palates  
24 and I would not call them handicapped after they are success-  
25 ful surgery, and then when they are ready to enter in the

1 schools at the beginning age, do you now have a program for  
2 speech therapy and not to send them into any institution for  
3 the handicapped child because they are not handicapped, which  
4 this has been going on in the past. And the children that had  
5 the successful operations for hard cleft palates or the soft  
6 cleft palates were overlooked and denied their speech therapy  
7 training at the schools when they went into the elementary  
8 schools and all the way into the high schools. This is a fact  
9 that has happened and I am wondering now what the condition  
10 and situation is now. I hope that these children who had  
11 these types of operations are being considered for speech  
12 training. There had been children that had these operations  
13 in Hollywood High School and because they were not a child of  
14 a person who was movie star and they got their drama training  
15 in the schools, and the ones that had the operations were  
16 denied that speech therapy.

17 SECRETARY WHINBERGER: Well, my inability to answer  
18 you in specific detail doesn't denote any lack of concern on  
19 my part or the Department's part, and I gather from a hopeful  
20 signal from one of our technical experts that we will be able  
21 to have an answer.

22 MR. MATTHEIS: To the best of our knowledge there  
23 would not be any of these children who would be institutional-  
24 ized because of it although there could be instances across  
25 the country. On the other hand, they certainly would be

1 supportal in various programs of speech therapy, speech cor-  
2 rection, and so on, in the regular classroom setting almost  
3 entirely. The situation you present, I think, would be a  
4 very extraordinary case.

5 QUESTION: It has been, it has happened.

6 MR. MATTHEIS: We don't feel that would be the  
7 excepted practice.

8 SECRETARY WEINBERGER: That is Duane Mattheis.

9 QUESTION: Secretary Weinberger, you stress  
10 strongly that education is a real priority for the Nixon  
11 Administration, but in fiscal '75 the net increase in the  
12 Department of Defense budget is more than the total amount  
13 given to the Office of Education for pre-school through post-  
14 secondary. Perhaps I misunderstand.

15 SECRETARY WEINBERGER: Well, I think you do. First  
16 of all, let me say that without a strong defense we would not  
17 have any public schools or private schools, so we will start  
18 with that. And then let's make a somewhat more meaningful  
19 comparison. We don't have any, fortunately, private or state  
20 or local armies in the United States, so we have a difference  
21 in functions and a different division in intergovernmental  
22 responsibility. As far as the Federal commitment to education  
23 is concerned, we have almost doubled since 1969 and we have  
24 an extra, particularly large amount in 1974 which some people  
25 have identified only from the point of view that it appears

1 there is a decline in '75 and the extra large amount in '74,  
2 of course, is for the forward funding that we have much hope  
3 will be granted by the Congress. But overall in the budget  
4 figures since 1969 to 1975 there has been almost a doubling  
5 and we do have, of course, the difference in Federal functions  
6 with respect to education and with respect to defense.

7 QUESTION: Getting back to the House and Senate  
8 Bills, were you suggesting before that the House bill had  
9 reached the outer limits of acceptability for the Administra-  
10 tion and any compromising compromise with the Congress would  
11 run the risk of getting a Presidential veto?

12 SECRETARY WEINBERGER: It is a little difficult to  
13 be quite that rigid with respect to any of these matters. It  
14 is extremely important that an acceptable bill that contains  
15 the basic principles that I tried to outline is available and  
16 before the President prior to June 30. I don't feel that the  
17 House bill is a tremendous model that should be held up to the  
18 nation, but it is a bill that can be signed. The Senate bill  
19 is very clearly, in my opinion, a bill that cannot be signed.  
20 I would hope that ultimate wisdom would prevail and out of  
21 the conference would come something better than the House  
22 bill, but that is essentially what I think should be said  
23 about it at this time.

24 QUESTION: You noted that the Federal Government paid  
25 something less than 10 percent for the cost of education?

1 SECRETARY WEINBERGER: Total, yes.

2 QUESTION: Does that seem to you to be a satisfactory  
3 Federal percentage, do you see any realistic hope for it  
4 increasing?

5 SECRETARY WEINBERGER: To my mind that represents a  
6 satisfactory percentage. I am not so concerned with per-  
7 centage or portions of the GNP, or whether it is bigger than  
8 Defense, as I am that I think these figures enable local  
9 governments and states and school districts and institutions  
10 of higher education to do their job and it seems to me that  
11 this is a proper allocation of the available Federal resources  
12 for that purpose.

13 QUESTION: Would you explain the unexpected with-  
14 drawl of support by the Office of Education for the Metro-  
15 politan Planning programs?

16 SECRETARY WEINBERGER: I don't think there has been  
17 any, but maybe someone from the Office of Education is here  
18 who would like to get into that.

19 MR. MATTHEIS: I believe the one referred to is the  
20 piece of legislation that was eliminated by the Congress and  
21 we strongly supported that it be included and made a special  
22 plea that it be continued included. The appropriation was  
23 eliminated and we had requested that there be an appropriation  
24 for that particular activity.

25 SECRETARY WEINBERGER: Let me interject one

1 additional point in response to the next to the last question.

2 Secretary Carlucci reminded me that the state  
3 governments, of course, are running very substantial surplusses  
4 as compared with the Federal government which is in far worse  
5 shape. And the other point that I think is never really brought  
6 out and should be is that some \$640 million of general revenue  
7 sharing funds have already been apportioned for and use for  
8 local education by State and local governments, so this, I  
9 think, is an indication of additional Federal assistance of  
10 the kind that we think is particularly effective, free funds  
11 that can be used for any educational purpose that the States  
12 or local governments would like to use them for.

13 QUESTION: What is OES thinking on priority on  
14 career education?

15 SECRETARY WEINBERGER: Career education is still a  
16 very definite part of the Office of Education's work and we  
17 believe that there is a specific item in the budget that is  
18 designed to assist us in the development of that. And we again  
19 believe that the way in which we can help most here is to  
20 develop a number of different courses and a number of different  
21 factors about career education and present those to the school  
22 districts and indicate through them and through that work the  
23 importance and the priority that is attached to this. Career  
24 education was never designed to be a substitute for academic  
25 education or education of a more traditional nature, but it

1 was indicated and emphasized as being something that was  
2 important for schools to emphasize both in the makeup of their  
3 own curriculum and their presentation of it, and our work  
4 continues to be an attempt to develop the best methods of  
5 trying to do that for dissemination to the school districts.  
6 We consider it an important priority of the Federal government,  
7 one that should be and is being continued.

8           QUESTION: There has been much attention to programs  
9 for disadvantaged children, but the cities have never been able  
10 to replace the only and very unattractive buildings. Is  
11 there any hope that the Federal government will help on that  
12 problem?

13           SECRETARY WEINBERGER: Let me restate it, and  
14 correct me if I am wrong. This is a question with respect to  
15 the possibility of Federal assistance for replacement of dilapi-  
16 dated school buildings.

17           I think the answer to that again is general revenue  
18 sharing, because the general revenue sharing funds that are  
19 not available for education for local school districts can be  
20 used for capital improvements, and there has already been a  
21 significant use of those funds by local governments for capital  
22 improvements in the educational field. Somewhere in the  
23 neighborhood of \$45 million out of the first few months' dis-  
24 tribution of those funds. I don't know of any other program  
25 that is designed directly to assist in construction in local

1 school districts, but the availability of general revenue  
2 sharing funds for this purpose remains and is being use for  
3 that purpose.

4 QUESTION: Earlier this month Mr. Flood asked Mr.  
5 Ottina policy questions which he wasn't really able to get  
6 an answer to. Let's take one of these. What do you think  
7 should be the Federal role in equalizing per-pupil expendi-  
8 tures between states?

9 SECRETARY WEINBERGER: My feeling about the equali-  
10 zation problem is that it is primarily, both under the existing  
11 court decisions and generally, a matter that should be done  
12 within the State. I think that in the absence of any evidence  
13 that a State is not going to equalize --

14 QUESTION: I am sorry, sir, the question was  
15 between states.

16 SECRETARY WEINBERGER: In the absence of any evi-  
17 dence that a State is not going to equalize -- and there is a  
18 lower court decision in California last week directing the  
19 State to increase the degree of equalization within the State -  
20 in the absence of any evidence that the State is going to do  
21 that, it would seem to me not proper for the Federal govern-  
22 ment -- in the absence of the evidence that the State is going  
23 to refuse to do that -- it would seem to be improper and  
24 unnecessary for the Federal government to order any kind of  
25 national equalization. I think that with the percentages that

1 we have been discussing, the greatest effect that will come  
2 from proper equalization is equalization within the State and  
3 most of the decisions. Serrano, and others, have gone to the  
4 point that there are educational disadvantages caused by  
5 reason of the fact that some counties or some school districts  
6 have a greater opportunity to raise property taxes or other  
7 funds for their school districts than other counties, and  
8 therefore there should be a recognition of this and there  
9 should be funds distributed. In California, again, for  
10 example, we have several counties where the Federal government  
11 owns almost the entire county in the form of National Forests  
12 or land of that kind, and there the State has recognized this  
13 and the State has adopted formulas that put a great deal more  
14 state money in an attempt to equalize the educational oppor-  
15 tunities within those counties.

16 I think your major thrust for equalization should  
17 come from revisions of state laws and state formulas that  
18 recognize there are imbalances within the States and those  
19 should be equalized by allocation of State raised funds, and  
20 we may come in some States, although I am not necessarily  
21 advocating this, so some kind of statewide tax for the benefit  
22 of public education within that state. Again, I would prefer  
23 to leave it up to the States to do it, but to have an examin-  
24 ation by the courts as is presently being done to see if that  
25 equalization process has been adequately carried out. Perhaps

1 after that if there is some evidence that States are refusing  
2 to do it, we could then look at the possibility of Federal  
3 intervention, but at this point I would oppose and not see as  
4 necessary or desirable any Federal effort to require equali-  
5 zation on a national scale.

6 QUESTION: Mr. Secretary, do you envision the basic  
7 student grants as taking the place of all institutional aid in  
8 higher education eventually?

9 SECRETARY WHINBERGER: You are including loans and  
10 all of that?

11 Not at all, no. I think there is some room for  
12 some institutional aid in certain specific cases. I don't  
13 like to be doctrinarian about this and we are continuing  
14 institutional aid with respect to the additional training or  
15 maintaining the same amount of aid with respect to doctors  
16 or other areas. I think there are certain areas where we can  
17 see some desirability, or some necessity, for securing a  
18 desired result by institutional aid, but basically, generally  
19 speaking, I think we get much greater student assistance if we  
20 give the dollars to the student. Let him make his own choice,  
21 let the institutions continue to apply their own admissions  
22 standards, let them, if you will, compete with each other --  
23 which I think is a bad thing for students -- and let the  
24 student be able to pick the special needs he may have in mind  
25 or the special kind of training he wants and not have the

1 situation where a student will apply to "X" college because  
2 that college happens to have more student aid available to it  
3 to disburse and this would skew this choice in an undesirable  
4 way. So generally speaking, I would prefer greatly a much  
5 greater emphasis and use of student aid, individual student  
6 aid rather than institutional aid but there are some special-  
7 ized situations, certain specialties, certain situations where  
8 only a few schools can provide particular kinds of necessary  
9 nationally needed skills where I would not oppose insti-  
10 tutional aid. And developing institutions as Secretary Carlucci  
11 reminds me, of course, is an area where we have not only  
12 funded but increased the funding by something over \$100  
13 million this year.

14 QUESTION: Will students currently receiving aid from  
15 programs that are being phased out, like National Defense  
16 loans, Educational Opportunity Grants, will they be guaranteed  
17 the same amount or close to the same amount?

18 SECRETARY WEINBERGER: From the individual student  
19 who is getting an allocation from a program that is being  
20 phased out?

21 QUESTION: Yes, would he be guaranteed.

22 SECRETARY WEINBERGER: Yes, because in all cases  
23 those students would fully qualify for the BOG program and  
24 I think that kind of assurance could be given.

25 MR. CARLUCCI: The NDA loan program has a revolving

1 fund that can be used to continue to provide assistance to  
2 those students but they would obviously have to meet the BOGs  
3 criteria to qualify for the BOGs loan.

4 QUESTION: Are there some students who would not  
5 qualify for the BOGs and now qualify for the loan?

6 MR. CARLUCCI: There conceivably could be, yes.

7 SECRETARY WEINBERGER: The phasing out of these other  
8 student loan programs is a recommendation of the Administration.  
9 One more question.

10 QUESTION: Mr. Secretary, you gave high priority to  
11 education for youth. However, in light of the developing  
12 interest in lifelong education, what are your priorities and  
13 plans for adult education and drop outs?

14 MR. CARLUCCI: The provisions of the Adult Education  
15 bill are being extended and we do intend to continue with our  
16 adult education programs. We think that some of the individual  
17 categories in those programs might well be consolidated, but  
18 we didn't receive a great receptivity on the Hill on that  
19 particular point, but programs in adult education will con-  
20 tinue.

21 SECRETARY WEINBERGER: Thank you very much.

22 MR. HELM: We now have a 20 minute break until  
23 10:30. At that time the Acting Assistant Secretary for  
24 Education, Mr. Saunders will be on, followed by Thomas K.  
25 Glennan, Jr., Director of the National Institute of Education

of NIA.

(Recess.)

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2 MR. HELM: The next speaker today is the one that  
3 several of you have complained about acting for so long.  
4 He is the Acting Assistant Secretary for Education, Charles  
5 Saunders, and he has been acting since November of '73.  
6 Nothing is every certain, but we anticipate that there  
7 will be an announcement of the appointment of several major  
8 education positions today at the White House, and if the  
9 announcements are made today at the White House as we  
10 anticipate, we'll hope to have the people drop by at 1:15 p.m.  
11 So there might be some announcements as to new appointments.

12 At long last, Charlie Saunders will go maybe. We've  
13 been pulling for that. But if all of this takes place, at  
14 1:15 p.m. we will have whoever is announced come on by, and if  
15 no one is announced then no one will come by, but we will get  
16 geared up.

17 Charlie has been acting since November of 1973,  
18 and normally he has been acting pretty well. In this post he is  
19 both the chief spokesman for the Education Division, which  
20 is made up of both the Office of Education and National  
21 Institute of Education. He was Deputy Assistant Secretary  
22 for Legislation in 1971. And in 1957 he started on the Hill  
23 as a Legislative Assistant to the late Senator Smith of New  
24 Jersey. In between these, Charlie spent eight years at  
25 Brookings Institution, and he has written books on education

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1 and training there. He has been an elected member of the  
2 Board of Education in Maryland.

3 Charlie will now tell us all about how to act  
4 since November, and what else he plans to do.

5 MR. SAUNDERS: That is, Lou, I am not even a member  
6 of the school board any more.

7 MR. HELM: I am going to go over here and make a  
8 few phone calls.

9 MR. SAUNDERS: I wish you would. Sometimes they  
10 tell you pretty subtly around this place.

11 I love this Government terminology, though. After  
12 six or seven months of acting, I look forward to going back  
13 to my normal posture of being totally inert. I do have  
14 a statement in your packet pointing out some of the new  
15 directions, the high priorities for the Education Division  
16 at H.E.W. and I am not going to walk you all the way through  
17 that straight. I would like to just mention a couple things  
18 in passing.

19 Some of the priorities have already been touched  
20 on in the Secretary's discussion, and the question period  
earlier.

21 Career Education, for example. On page two of  
22 my statement there is a discussion of what is already being  
23 done in the Office of Education, and N.I.E., which has a  
24 substantial research effort underway in career education.  
25 And I assume Tom Glennan will be getting into that during his

3 1 portion of the program immediately following me.

2 I think also the issue or the question about life-  
3 long learning, one of the last ones asked the Secretary  
4 reminds me this is certainly one of the prime areas of attention  
5 for the new Fund for Post Secondary Education. And Virginia  
6 Smith, the Director of the fund is here and I hope we will  
7 have some questions on the fund. It is because I  
8 think that is really one of the most exciting developments  
9 on the Federal scene in education in the last year or two.

10 So that it is a rather modest new program, but it  
11 is a program which I think is very significant and is one  
12 which has already won the respect and attention of the  
13 higher education community.

14 So I think I would appreciate the chance to talk  
15 more about that.

16 At the conclusion of my statement, I deliberately  
17 left until last the priority of research, because that is  
18 so clearly among the highest, and certainly among the fore-  
19 most of our priorities. And Tom Glennan, if you haven't  
20 already seen his statement in your packet, I think it is a  
21 very important discussion and a very disturbing discussion  
22 of the current state of affairs in an effort to mount a  
23 meaningful research program in education.

24 So I look forward to your opportunity to get into  
25 that question with Tom.

1 I would just like to restrict my preliminary  
2 comments to trying to knit a few themes together here. The  
3 Secretary has spoken about equity and the need for reform  
4 in education programs. One theme that runs  
5 through all our efforts is the need to rationalize the system.  
6 It is a system which has grown helter-skelter over a 15 or  
7 20-year period. It isn't very rational and that is not  
8 saying anything necessarily -- that is not making any  
9 criticism of anyone in particular. It is just the way the  
10 system has grown. And we have reached a point, we have long  
11 since reached a point where it is necessary, it is vital  
12 to simplify that system so that Federal aid can be provided  
13 more effectively with less red tape.

14 Now, some people, it seems to me, feel this is  
15 an idea that we have dreamed up on our own, something  
16 that has just come out of the blue and it is a lot of rhetoric.  
17 And they question the substance of it.

18 I would just like to point out that the need to  
19 rationalize the system isn't something we discovered. I  
20 think it was in 1965 that the House Committee appointed a  
21 subcommittee under Edith Green to make a searching examination  
22 of the Office of Education. That committee reported in  
23 1967 and the report of Edith Green and Al Quie, under their  
24 joint signatures, expressed serious concern about the  
25 proliferation of education programs, the burgeoning of red

1 tape, and expressed very serious doubt about the continued  
2 effectiveness of Federal programs as long as the categorical  
3 system which was then in effect was simply sustained and  
4 proliferated. They called for a major simplification. They  
5 were among the voices crying in the wilderness at that point.

6 As I say, their report came out in 1967. In  
7 1968, actually before this administration came into office,  
8 in the last year or year-and-a-half of the Johnson Administra-  
9 tion, the Office of Education did a very great amount of  
10 work on grants consolidation. It was the view of the office  
11 at that time that things had reached a point where there is  
12 a very serious need to simplify the whole structure of  
13 Federal aid, particularly in the field of elementary and  
14 secondary education. We inherited that work. We added to  
15 it.

16 And in 1971 we made our first proposals for  
17 reform and simplification of the structure of elementary  
18 and secondary education.

19 As another footnote to the way this whole thing  
20 has developed, I think it was in early 1971 that there was  
21 a Syracuse Research Corporation Report to the Congress on  
22 the effect of Federal formula grant programs in elementary  
23 and secondary education. And with the single exception  
24 of Title I, it found that the effect of the distribution  
25 formulas in Federal grant programs was what the report called

1 a national disgrace because of the inequitable distribution  
2 of funds and the fact that these programs continued  
3 to exist, these programs distribute a disproportionate  
4 amount of Federal aid to areas which have the least need  
5 for it.

6 I think this gets again at the equity issue that  
7 the Secretary was talking about, the need to target money  
8 where the needs are greatest. And we feel it is a serious  
9 waste of Federal funds to do otherwise and that is why,  
10 for example, we have asked for changes in the College  
11 Library Program. And when Congress refused to accept our  
12 changes, we asked for no money for that particular program,  
13 because that law as it stands now simply distributes up  
14 to \$5,000 to all college libraries across the country and  
15 Federal City College gets \$5,000 and Harvard and MIT get  
16 \$5,000. And I think this is an outrageous waste of public  
17 funds to just helter-skelter send out dribs and drabs of  
18 money on that basis.

19 This is one of the reasons, a matter of simple  
20 equity that we have asked for changes in existing  
21 school library programs, this is approximately the same  
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7 1 thing. There is no emphasis on need in that  
2 program. And in many states that money is just distributed  
3 to all school districts. And the wealthy suburban school  
4 districts get their Federal library funds. I guess it adds  
5 up to a dollar-and-a-half a kid, which is not going to help  
6 the school library, certainly not in the suburban schools,  
7 which soak up a lot of gravy.

8 Impact Aid. No relationship between the educational  
9 needs of a district and the amount of Federal property in  
10 a district. Or the land grant institution, aid to land grant  
11 institutions.

12 Here is a program which for a hundred years has  
13 been providing assistance which was very necessary in the  
14 early days, but at this point we have a situation where 72  
15 institutions out of some more than 2,000 in the country,  
16 many of them among the leading institutions in the country,  
17 and the strongest institutions in the country are getting  
18 Federal assistance, and the rest of them are not. That  
19 is not a very equitable kind of arrangement.

20 Of course, this is the basis, the equity issue  
21 is the basis of our concerns with the need for changes in  
22 the Federal Title I Formula, the need to target money on the  
23 districts which have the largest proportions of disadvantaged  
24 students.

25 Now, the reform thrust of our programs is closely



8 1 interrelated with this, The grant consolidation effort,  
2 as I say, is partly for reasons of equity. So simplify this  
3 mass of Federal legislation that has developed since 1967.  
4 And in making these recommendations for grant consolidation  
5 sometimes people charge us with not having enough respect  
6 for a particular program or failing to recognize the importance  
7 of this narrow categorical program. And it isn't as if  
8 we have anything specifically against any categorical program,  
9 obviously. They all were passed originally to meet some  
10 kind of felt needs, but it is an accumulative problem. That  
11 is a very difficult thing to measure, but accumulatively  
12 the amount of red tape, Federal rules, regulations, guidelines,  
13 reporting requirements, auditing requirements which encumber  
14 each of these programs has long since reached a point where  
15 it is necessary to do whatever we can to simplify the whole  
16 system.

17 So that those monies when their Federal funds are  
18 received in local school systems can be put to better use  
19 to meet the needs as seen at the local level. And I think  
20 we are hopeful of a major breakthrough in this area with  
21 HR-69. That bill does contain substantial consolidation.  
22 It is not as much as we asked for by a long shot, but we  
23 do have the commitment of Chairman Perkins to have hearings  
24 on vocational education, which was omitted, as you know,  
25 from HR-69. And they will be back in session this Spring,

9 1 we expect, considering further simplification of vocational  
2 programs. Right now there are nine different authorities.

3 So the need for simplification is not a matter of  
4 rhetoric. It is a very real problem. And I think it has also  
5 been charged that our consolidation efforts represent some  
6 kind of abandonment of priorities and nothing could be more  
7 false. We think we can deal with those national priorities  
8 much more effectively by simplifying the Federal approach,  
9 and instead of incumbering state and local educators with any-  
10 where from ten to 15 different authorities, to apply for  
11 and receive funds for the disadvantaged, say in various  
12 respects, we would like to see them get one pot of money to  
13 deal with the disadvantaged; one pot of money for vocational  
14 education; one pot of money for the handicapped, and so  
15 forth. And let them develop their own plans to meet their  
16 own needs. That is the basic reason we are asking for  
17 grant consolidation. And the basic reason we are optimistic  
18 about the House bill is because it does for the first time  
19 make a substantial step forward in this area, which was first  
20 identified as an urgent educational need by Edith Green and  
21 Al Quie in their 1967 report.

22 I have mentioned the fund and the work of the  
23 Fund for the Improvement of Postsecondary Education is  
24 stimulating new approaches in postsecondary. It is doing  
25 a great deal to increase access from all kinds of different

1 areas of the population, which have not traditionally  
2 received postsecondary education.

3 The NIE really, as I say in my statement, undergirds  
4 all our efforts in the sense that the research effort being  
5 mounted there is to try to provide the tested ideas to help  
6 school systems throughout the country improve their own  
7 educational process and performance.

8 So I think these themes of equity and reform are  
9 very much interrelated and I did want to just soliloquy on  
10 that for a little after listening to the Secretary's  
11 remarks and some of the questions. At that point I will  
12 just come to a halt and stop acting and try to answer your  
13 questions.

14 QUESTION: When the Federal Government has increased  
15 its spending, almost doubled since 1969, the percentage of  
16 the Federal share of total education spending has been  
17 going down, hasn't it, and isn't that your problem in Congress?  
18 All of these problems that are ticking off about impact aid,  
19 college funds and so forth have all met a roadblock in  
20 Congress. And why is it that Congress is listening to  
21 educational institutions rather than the Administration?  
22 And isn't it the fact that the percentage of the Federal  
23 commitment has been going down even though the total dollar  
24 amount has been going up?

25 MR. SAUNDERS: Not substantially. I think if you

11 1 look at the Federal contribution to elementary and secondary  
2 and higher education it is about the same, the percentage  
3 contribution -- I have some figures on that somewhere.

4 QUESTION: Look at the rise of inflation since  
5 1959.

6 MR. SAUNDERS: I am not sure what your question  
7 is. It drives at the issue of this Administration's support  
8 of education?

9 QUESTION: No, elementary and secondary education.  
10 The major problem is there is not enough money in that new  
11 package;

12 MR. SAUNDERS: The figures I have here indicate  
13 that in fiscal 1969 the Federal share of the total bill for  
14 public elementary and secondary education was 8.1 percent.  
15 As of fiscal '74, the Federal share is 8.2 percent. I don't  
16 see any decrease.

17 QUESTION: How about '75?

18 MR. SAUNDERS: I don't have the '75 figures. We  
19 have to wait and see what is appropriated. I am talking  
20 about what has been appropriated.

21 QUESTION: Following up on that in the budget  
22 hearings, I think it was over 1972 funds that there has been  
23 actual decline if you count in the inflation.

24 MR. SAUNDERS: You are talking about specific  
25 programs?

12 1 QUESTION: I am talking about elementary and  
2 secondary education. What we discussed at that time. And  
3 I think those figures were fairly clear.

4 MR. SAUNDERS: It is true that we have asked for  
5 ending of specific programs, but we have also asked that more  
6 money be put into other areas. I think one of the difficult  
7 problems we have -- you know, there are great headlines and  
8 news stories around the country when we ask for a cut. It  
9 is rather difficult to get the same attention when Congress  
10 cuts our requests and I can cite you two billion dollars  
11 worth of cuts in our requests for Federal aid to education  
12 that Congress has made in the last two years. We have asked  
13 for two billion dollars more than Congress has given us.  
14 They have given us money in old programs that we want to  
15 phase out. They have done it in other ways. They refused  
16 to accept our recommendations for reform. But we have been  
17 asking for more money. We have asked for a billion dollars  
18 at one point for BOGs, for example. Our requests for NIE  
19 doubled what Congress gave us. Our request for emergency  
20 school aid in the first year was \$500 million. Congress  
21 gave us \$270 million.

22 In our first request for the Fund for the Improvement  
23 of Post Secondary Education which we knew then as the Foundation  
24 for Higher Education we asked for a hundred million. Congress  
25 gave us ten million.

So we have been cut repeatedly in any number of

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programs.

As I say, I can cite you two billion dollars worth of cuts in '73 and '74. So I think you have to look at both sides of the thing.

QUESTION: But Congress can cite the same things back saying the Administration is cutting NIE also.

MR. SAUNDERS: Look at that one. Our request for student aid, overall request is something like a \$350 million increase for student aid all told.

QUESTION: \$115 million goes to SEOG?

MR. SAUNDERS: It is a very substantial increase we are asking for. The Under Secretary remind you this morning we have to count General Revenue Sharing funds in. That is \$670 million released to the states and used by the states for educational purposes. And that is just a preliminary report on the impact of revenue sharing. I think that is a valid thing for this Administration to claim as additional contribution to education. I don't think it is fair to leave that out of the accounting. So if you add that in, the revenue sharing component in, you have got figures which more than double over the five years of this Administration.

People tend to forget that education was running at a very level rate in the few years this Administration took office. President Johnson asked for a reduction of the

14 1 education budget for two years in a row. I think my  
2 recollection of the figures is that President Johnson's  
3 budget request, his last four budget requests amounted to  
4 an increase for education totalling two or three percent.

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6 And we had a 3.1 education budget when we took office. And  
7 now we are asking for 6.1 billion for the education division.

8 You add revenue sharing to that. There are an  
9 awful lot of other Federal programs where there have been very  
10 significant increases that have a very real impact on the  
11 educational world. The budget figures for total contributions  
12 and man power is \$16 billion proposed outlays for '75.

13 So I think this is a myth we have here going that  
14 education spending is being cranked  
15 down. It depends on if you are talking about narrow categorical  
16 interests, yes.

17 As I say, look at the library programs. We are  
18 asking for no money for the libraries, but we are asking  
19 for the same \$90 million for libraries to be put into the  
20 broader kind of grant consolidation program. That is what  
21 our budget shows.

22 QUESTION: I am heartened to hear the Secretary  
23 talk about the maze of red tape after I have been writing  
24 all these stories about how a lo2 is solving all these problems.

25 MR. SAUNDERS: We are working on that in any number

15 1 of different ways.

2 QUESTION: Could you tell us about the negotiations  
3 going on in regard to changing the formula for aid to  
4 disadvantaged children?

5 As I understand it, you are trying to change the  
6 formula?

7 MR. SAUNDERS: We have said that we feel the formula  
8 for title I in the House bill is reasonably satisfactory. It  
9 doesn't go as far as we would like.

10 For example, it doesn't target as much funds on urban schools  
11 as we would like.

12 QUESTION: What would you like?

13 MR. SAUNDERS: We have not devised a specific  
14 formula. We have been working with the committees, suggesting  
15 options, providing computer runs and all kinds of alternatives  
16 for them, and they have been selecting what they like among  
17 various options. As far as we are concerned, we think the  
18 House formula represents about as good a job as you can do of  
19 providing reasonable equity among all the states.

20 The Senate bill would simply in effect not have  
21 a formula change for the time being because they grandfather  
22 in or hold harmless all the states at a hundred percent of  
23 the current year. So we feel that is deferrent.

24 QUESTION: Why don't you have a formula of your  
25 own?

16 1           MR. SAUNDERS: Well, we did propose a formula  
2 initially a year-and-a-half ago and the committees have  
3 worked with it and indicated they wanted to see some changes,  
4 and we provided technical assistance for them, and it is a  
5 very lengthy process. I am certainly not saying that we have  
6 refused to give them our opinions. We have given them any  
7 number of different options for cranking greater concentration  
8 and greater equity into the formula. And I think they have  
9 made real progress.

10           QUESTION: There is one program under the direct  
11 responsibility of your office in which the Administration  
12 is proposing a very large cut in funding this year. And  
13 those of us who write about it don't have any rationale  
14 for why you are doing it.

15           MR. SAUNDERS: Emergency School Aid Act?

16           QUESTION: Precisely.

17           MR. SAUNDERS: I am glad you asked that question.

18           I should say that -- well, to begin with I should  
19 say that since 1971 with the Emergency School Aid Program,  
20 which was subsequently followed by the Emergency School  
21 Aid Act, we have put something on the order of \$700 million  
22 into aid for desegregation, something over \$700 million.  
23 If you count assistance under Title IV of the Civil Rights  
24 Act since the mid-sixties           the dollar figure for  
25 desegregation assistance goes up to over \$800 million. That

17 1 is approaching the magnitude we initially asked for a half  
2 billion dollars for emergency school aid.

3 The way the original authority was written, the  
4 emphasis was primarily on desegregation which had occurred  
5 under court order in the South. In effect, the first year  
6 or two of the program we are paying for past desegregation  
7 efforts. I think something like only 18 or 20 percent of  
8 the total amount of money under that program has gone for  
9 new desegregation. So that \$75 million budget request  
10 represents our best estimate of what is needed to fund new  
11 desegregation proposals from districts around the country.  
12 And, of course, if new court decisions change the situation  
13 in any way, you have the Denver situation, of course, just  
14 the other week. And that may be appealed back to the Supreme  
15 Court, I don't know. But we are taking a look at it.

16 Right now, \$75 million is our best estimate of  
17 the funds needed for new desegregation. We feel we have been  
18 helping to support additional costs of past desegregation  
19 for long enough and if, as I say, new developments in the  
20 courts indicate that there are substantial changes and new  
21 needs, we would certainly be prepared to submit a supplemental  
22 budget request.

23 But for now our budget request is \$75 million for  
24 that program representing our best estimates of the needs  
25 for current desegregation.

10 1 QUESTION: With regard to the ESAA that you just  
2 referred to, I understand there has been a battle over the  
3 racial questionnaire in New York City and other places.

4 I have a letter here from you to Chancellor Anker  
5 York City in which you say the situation has been resolved  
6 at the moment, but you do not fully agree with many of the  
7 objections that the New York City staff had.

8 What were the areas of disagreements that you  
9 still do not agree with?

10 MR. SAUNDERS: I think that is sort of plowing  
11 ancient history at this point because we are moving forward  
12 with New York and negotiating with them. We feel it is very  
13 important to devise measures of changes over time in the  
14 racial attitude of pupils involved in emergency school  
15 aid programs. That is one of the purposes of the Act, to  
16 accomplish those kinds of changes. In our research efforts,  
17 we are trying to measure it. New York City raised objections  
18 to some specific questions, the way they were asked. That  
19 was their judgment. Those particular questions happen to  
20 have been developed in our efforts on the basis of very care-  
21 ful review by a panel of outside association scientists,  
22 experts in racial relations.

23 It had been tested in hundreds of school districts  
24 around the country. The test had been administered to  
25 thousands, something on the order of 30,000 school children

19 1 around the country without anyone calling to our attention  
2 any concerns or problems and as I say New York felt otherwise  
3 and they called it to our attention very forcefully. We  
4 were simply unable to come to agreement with them on modifica-  
5 tions of the existing test. So at that point it seemed no  
6 sense in trying to go through with it and we dumped the test.

7 In my letter, which you referred to, it simply  
8 says we are still anxious to develop appropriate tests of  
9 racial attitudes. And we hope they will help us in that  
10 effort. And that effort is going on right now. And we are  
11 working with New York City.

12 QUESTION: Questions on bilingual education. The  
13 Secretary said that the Senate proposal would involve cultural  
14 pluralism and I infer that the House version you feel would  
15 not. But aren't there certain activities going on now under  
16 Title VII, which involve or are based on the idea of cultural  
17 pluralism?

18 MR. SAUNDERS: Very much so.

19 QUESTION: What is your thinking fundamentally  
20 about the purpose of the bilingual education?

21 MR. SAUNDERS: I don't think it is really accurate  
22 to describe the Secretary or Under Secretary as noting an  
23 elimination on the House bill. The House bill really extends  
24 existing programs. The Senate version has a broader multi-  
25 cultural dimension to it and in that sense, the House bill

20 1 is more limited simply because it extends what exists, but  
2 under existing authority we are working and funding multi-  
3 cultural projects and this is a high priority.

4 MR. MATTHEIS: The question we are trying to address  
5 and I think the Under Secretary just touched on this is what  
6 the Federal role ought to be in this entire area and in  
7 particular as it is trying to reflect the Lau decision. We  
8 have been having people discussing this question. It is not  
9 fully determined at this juncture as the Under Secretary  
10 stated in his testimony before the Committee. I think that  
11 at this juncture our position would indicate that we are  
12 concentrating on the language facility area more than the  
13 others, not to determine that that is where it is going to  
14 end up. And I don't think that is a question of parts of  
15 the legislation or anything, but there obviously is going to  
16 be a new federal effort. We have already indicated an  
17 addition amount of money that is going to be requested to be  
18 placed in the entire area of bilingual education.

19 QUESTION: Would you discuss the  
20 dilemma in balancing what you call the equity of funds under  
21 formula grants versus proliferation of red tape under project  
22 grants, ESEA?

23 MR. SAUNDERS: Would I discuss it?

24 QUESTION: Just comment basically on it.

25 MR. SAUNDERS: I guess I am a little reluctant

21 1 because that sets me off on a speech pattern which can go  
2 for 45 minutes. When we went up to testify before Congress  
3 initially about three years ago, we took a set of the guide-  
4 lines and regulations for all the programs we proposed for  
5 inclusion in grants consolidation. And there was a stack of  
6 papers that high. Some of them nice little printed jobs,  
7 others dirty multilith things. A stack of papers which as  
8 a unit, as a whole, is incomprehensible and obviously just  
9 totally inaccessible to any individual educator at the state  
10 or local level to such an extent that states and local  
11 communities have been hiring special staffs to weed their  
12 way through, find their way through the Federal maze.

13           When I was on the Montgomery Board of Education,  
14 we had two professionals spending full-time tracking Federal  
15 programs to grab off as much money as Montgomery County would  
16 and right there you have a problem because the wealthier  
17 districts like Montgomery County are able to hire that kind  
18 of special help. The poor districts who need it most are  
19 not able to get themselves that kind of assistance, but it  
20 was my observation that these two professionals had a very  
21 difficult time finding all the potentialities for possible  
22 support. Each one of these programs is liable to require  
23 different kinds of applications to different offices, different  
24 time tables, different funding arrangements. Some require  
25 matching funds, others don't. It is enormously complicated

22 1 as a process, and as I say accumulatively it reaches, it  
2 has long since reached the point where it represents a serious  
3 distortion of the effort of local school boards and local  
4 school systems in trying to deal with their own educational  
5 priorities.

6 I was on the Board of Trustees at Montgomery  
7 College one year when we actually figured we lost a great  
8 deal of money by putting in for Federal funds for construction  
9 assistance because we had to make changes in the building  
10 plans and this process went over and over and back and forth  
11 with the Federal authorities. And by the time we finally  
12 reached agreement as to what type of construction they were  
13 willing to agree to, the cost of construction had risen so  
14 that the building was much more expensive than we could build.  
15 We had to revise the whole branch and that meant we had to  
16 go back to the Federal Government again and file another  
17 application because the revisions were so expensive that we  
18 had to start all over. We would have  
19 saved a lot of time and money and effort if we had not tried  
20 for Federal aid in the first place.

21 This is true of a lot of marginal programs. The  
22 amount local districts get, even if they do qualify for the  
23 projects, is insignificant.

24 QUESTION: Don't the discretionary grants give  
25 you relatively more problems in that area than the formula

23 1 grants?

2 MR. SAUNDERS: Yes. There are a much larger number  
3 of discretionary project grants and that is where a lot  
4 of the proliferation exists.

5 QUESTION: Have there been suggestions of consolidat-  
6 ing them within the Administration?

7 MR. SAUNDERS: I don't know where we went wrong.  
8 Secretary Richardson gave a speech and I can't remember, I  
9 guess it was in early Fall of 1970, to the school  
10 administrators or the Chief State School Officers in Miami  
11 floating a trial balloon. And he said suppose we take all Federal  
12 aid to the education, elementary education he was talking  
13 about, have one big pot for the formula grants and another  
14 big pot for the discretionary grants and the formula grants  
15 you just get it automatically to deal with those broad  
16 national priority areas, handicapped, disadvantaged, support-  
17 ing services. The other pot will be free money for you to  
18 do whatever you want. And there was a tremendous response.

19 As I say, associations, the associations in elementary  
20 and secondary education for years have been writing resolutions  
21 calling for simplification of Federal programs and they  
22 applauded this speech by the Secretary, but then when we  
23 came up with some specific proposals, they had some concerns  
24 and were reluctant to -- well, one of the things we ran into  
25 was the old business of the devil you know is easier to deal

24 1 with than the devil you don't know. When it came right down  
2 to the crunch a lot of school systems took the attitude at  
3 least we are used to dealing with this complex mess right  
4 now. And we know approximately how to do it rather than  
5 support junking the whole thing for a new system when we  
6 don't know what that would really look like, we would prefer  
7 to have more money through the same old programs. That was  
8 their response the first year. It was the last spring and  
9 summer really when the education groups got going  
10 constructively and went to Congress and said in effect  
11 simplification is important and they all had different  
12 proposals, many of them identical to ours. A lot  
13 of them different, but in general what they told the House  
14 Committee in their testimony was that the kind of simplification,  
15 the objectives we were after was important and something  
16 that was supported by them. On that basis, the House, I  
17 think, acted.

18 QUESTION: The Secretary referred to mysterious  
19 opposition to education research in the Congress. And  
20 obviously he was referring to the cuts made by the Appropriations  
21 Committee in the NIE budget. You said you would like  
22 to talk more about cuts Congress makes. Can you discuss  
23 the reasons for that, your analysis to the reasons for that?

24 MR. SAUNDERS: Well, yes. You want my opinion.  
25 Tom can give you his official opinion when he gets on

25 1 in a couple minutes. NIE, I think, was the victim of an  
2 unfortunate political game that was played last year with  
3 the budget. You recall we had months and months of continu-  
4 ing resolutions of very uncertain funding pictures. The  
5 Congress was heading toward a budget which was substantially  
6 in excess of what we were asking for. We made a lot of  
7 announcements that if the budget came out that big it was  
8 going to be vetoed. The Appropriation committees, as they  
9 started their work, said now let's see what we can do to  
10 make sure that we can get out a bill that the President  
11 can't veto, and a very obvious option available to them,  
12 which they seized upon, was to keep in the excess money in  
13 the programs they liked and to cut the discretionary funds  
14 available to the administration. Salaries and expenses of  
15 the Secretary were cut 50 percent and discretionary funds  
16 in the Office of Education were cut 50 percent. And the NIE  
17 budget was cut 50 percent. And it was an across-the-board  
18 cut in all our discretionary programs. Purely part of  
19 a political game.

20 I think it is terribly unfortunate that one of  
21 the most important educational developments last decade  
22 happened to be the principal victim of that game.

23 So I think that is basically the reason it happened.  
24 Then they went on the Floor and they had to defend their  
25 recommendations and they looked back into the hearing record,

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1 and they found on hindsight that our justification for NIE  
2 had been delivered to Congress at a time when we did not  
3 have the Research Advisory Council in operation. We could  
4 at that point no statements about the future program. We  
5 could make no definitive statements.

6 So they went on the Floor in the Senate and held  
7 up the hearing record and said you see, they don't even  
8 know what they are going to be doing in NIE. And that  
9 is the reason they cut it 50 percent. And I think we got a  
10 bad rap and that is my honest opinion.

11 QUESTION: Everybody, including the Administration,  
12 is hopeful they will get a bill out by the beginning of next  
13 fiscal year, but it is possible that it won't happen. What  
14 will the Administration do, will it support a one-year  
15 extension or what will be the position?

16 MR. SAUNDERS: I think it is too early to  
17 conjecture on that, Marlene. We are doing everything we  
18 can to try to get legislation before the end of the fiscal  
19 year.

20 I might add it becomes even more critical because  
21 I think our problems are going to be redoubled as far as  
22 advance funding as we go into the next year, again because  
23 of the political games being played. Appropriations  
24 committees historically don't like to go to the Floor with  
25 budgets which are suddenly doubled. And that advance funding

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means essentially that, that you have to put into one pot the '75 money and the '76 money. That is what they would have to do unless we can pick up a supplemental on the end of this year's budget when the Congress is not that concerned about keeping those figures as they are initially. The easy way to do it is get a supplemental at the tail-end of this year's budget and then fund for '76 in '75. And the longer that situation goes, the longer it takes Congress to act on extension of ESAP, the harder it is going to be to provide the kind of stability and certainty and greater flexibility in the use of greater funding which we are after in our budget request.

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to fl.

1 MR. HIRLM: I think our next speaker has already been  
2 pretty well introduced. He is the first speaker of the  
3 National Institute of Education, Thomas K. Glennan, Jr.

4 Dr. Glennan received his Phd. in Economics from  
5 Stanford University. He will give you a status report on the  
6 first 18 months at the National Institute of Education, and  
7 tell us where he thinks it is going from here.

8 DR. GLENNAN: There is, I guess, in your folder,  
9 which they didn't distribute to me, but I assume it is there,  
10 a statement which I will paraphrase to some extent, but will  
11 try to get to questions as quickly as possible.

12 I have been asked to talk about the status of the  
13 National Institute and I think that status is in a very  
14 precarious position at the present time. I think the  
15 Institute is at a point, as an Institution, and as the begin-  
16 ning of a positive force in education where it will either go  
17 or it may fall back into something that perhaps ought not to  
18 be continued.

19 I think in the year and a half that we have been in  
20 existence, a little bit more than a year that I have been with  
21 the Institute, we have made some steady progress in trying to  
22 create an institution. We began with approximately 100 people  
23 and today we have assembled a staff of about 400 people,  
24 400 research and development specialists, support personnel  
25 and so forth.

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1           We have begun to put together an agenda of research  
2 in consultation with a wide variety of people across this  
3 country, an agenda of research and development which can lead  
4 to the improvement of education for all, and we are trying to  
5 reach that illusive national priority of equal educational  
6 opportunity for all members of our society.

7           We have made some steady progress, the discretion-  
8 ary programs in educational research. I hope that we have  
9 really begun to make inroads on some of the traditional prob-  
10 lems we have had at the Federal level in this area.

11           At the same time, of course, there have been very  
12 serious questions raised within the Congress -- Charlie has  
13 just alluded to many of those questions -- serious questions  
14 raised about the value of educational research and develop-  
15 ment at all, and about the appropriateness, desirability of  
16 the Federal role of the sort that has been envisioned in the  
17 legislation creating the Institute, the appropriateness of  
18 that role and its continuation.

19           There is a tendency, I think, on the part of the  
20 Congress -- has been a tendency on the part of the Congress --  
21 to want to put resources directly into programs which affect  
22 children, and I think that is a natural tendency, but I think  
23 maybe a little bit shortsighted.

24           We are trying, I think, to argue, I am arguing that  
25 an investment in the future of education, in

1 improvements in the coming decade, as opposed to improvements  
2 in the next six or eight months is something that is worth  
3 doing and has every bit as much importance, every bit as much  
4 importance as the investments that we are making to try and  
5 overcome cancer or heart disease or cut down on the deaths on  
6 the Nation's highways.

7           Moreover, I would question -- I do question -- I  
8 have questioned for years the degree of knowledge and the  
9 degree of certainty that exists on the part of some people  
10 that we know how to improve education. I am convinced we know  
11 how to do better, there is no question about that. I am  
12 convinced that improvements could be made, and could be made  
13 without educational research and development, but I am also  
14 convinced that educational research and development is nec-  
15 essary to make very large changes, to get beyond some of the  
16 incremental improvements that can be made in the short-term  
17 and that is what we want to go on to.

18           In the course of our work over the past year, and  
19 in response in part to the Congressional concern, we attempted  
20 to establish a series of priority areas within the Institute  
21 on which we would concentrate most of our work. The first of  
22 these -- and we have never tried to put them in order, you  
23 have to talk about one of them first -- the first one I want  
24 to talk about is the priority of finding ways to teach all  
25 students in this society the essential skills that are necessary

1 to function, to succeed. And our first years, first several  
2 years, will put an emphasis on reading. In part, I suppose,  
3 because virtually everybody feels that reading and skills in  
4 communication are the most crucial skills for success or for  
5 functioning in our society.

6 We have a series of statistics that show that 18  
7 million adults cannot read well enough to fill our applications  
8 for Medicaid or Social Security, or bank loans, or drivers'  
9 licenses, or any of a number of the forms that become a part  
10 of our public existence.

11 We do think that over the past decade a great deal  
12 of effort has been put into research and development that has  
13 permitted us to get at the early reading problems, the prob-  
14 lems of sounding out and recognizing words. The majority of  
15 people in our society do go on to develop good comprehension,  
16 but there is a distressing number, perhaps 10 or 15 percent,  
17 who don't. At least our initial effort is to find where we can  
18 make the best contribution in this area, but we hope to deal  
19 with reading from the fourth to the sixth grade level  
20 particularly with an emphasis on comprehension.

21 A secondary priority concern has to do with the  
22 question of productivity. The expenditures on education have  
23 increased phenomenally over the past two decades, from, as I  
24 recall, \$9 billion in 1950, to about \$90 billion -- \$96 billion  
25 I guess the Secretary said -- at the current time. A

1 substantial part of that is not due to inflation or not due  
2 to the increased number of students that are in the schools,  
3 but due to increased investments in education for each stud-  
4 ent.

5       The figures that I asked our staff to put together  
6 I think highlight the kind of concern we ought to have about  
7 productivity. In the past decade it is possible to look at  
8 the increase in investments, in educational investment in  
9 students over their lifetime in schools, in the average  
10 student coming out of school about ten years ago and how much  
11 was invested in his education by either himself or the public,  
12 and take the average student coming out of school today and  
13 through post-secondary experience, say, roughly the age of  
14 21. In the past decade that has doubled, that has doubled.  
15 We are spending twice as much on the average student in real  
16 terms, taking out inflation.

17       That is why the expenditures on education have gone  
18 up so extensively as a proportion of our gross national prod-  
19 uct. We think that kind of a sustained growth can't be  
20 continued indefinitely and yet the demands for education are  
21 going to continue, are still very much upon us.

22       So we do need to worry about questions of produc-  
23 tivity, questions of improving the use of resources through  
24 improved organization, through better use of technology,  
25 change, instructional patterns, through movement, to recurrent

1 kinds of education, continuing kinds of education, non-  
2 traditional forms of education.

3 There are an enormous number of ways we hope to  
4 rather systematically explore that over a period of time.

5 One of our big problems, as you can imagine, is the  
6 question of what is output in education. How do you measure  
7 that, how do you ever tell whether you have increased prod-  
8 uctivity? We have only the crudest approximations on that  
9 and we hope to work heavily on that so we can tell if  
10 productivity is increased.

11 A third priority. We have tried to talk about  
12 improving the relevance of education to work. We don't  
13 believe the only reason for education is to provide good  
14 career opportunities and success in careers, but we do believe  
15 it is one of the major concerns of education and we are  
16 continuing and expanding a program in that area. It is now  
17 the largest single priority program area which will, I hope,  
18 over the coming years, provide program models of tested  
19 quality for new and innovative ways to improve the relationship  
20 between education and work.

21 A fourth area of immense concern, but alluded to a  
22 number of times in this briefing already, is the area of deal-  
23 ing with the first learning requirements, learning interests,  
24 schooling requirements of individual groups within our society.  
25 We know that kids learn in many different ways. We know that

1 different communities have different ideas about what edu-  
2 cation should do and should be, and we feel that the Institute  
3 must carry out programs that will help to identify the differ-  
4 ences in learning styles, the differences in the interests  
5 of the communities, and provide programs, materials, program  
6 models, that will help local school districts to choose the  
7 best mix of programs for their students.

8           Included in this area will be our emerging work, just  
9 beginning work, really, in bi-lingual, bi-cultural education.  
10 Our work on the voucher program, the experimental school's  
11 program dealing with alternative schools and so forth.

12           Finally, our last area of priority deals with some-  
13 thing that we have called local problem solving. We think  
14 that the Federal effort in education has tended to look at an  
15 R & D that is largely external to the schools, research labs,  
16 universities and so forth, and that is a fundamental flaw in  
17 the way we look at educational research and development.

18           If we look at the experience of industry, research  
19 results, development results find their way into practice  
20 because there are people on the practical side that are working  
21 to solve problems and have some desire to look toward research  
22 for part of the solution to these problems.

23           In some school systems we have the beginnings of  
24 local research and development capabilities or teacher centers  
25 where teachers are going about solving their problems but it

1 is not widespread. We don't have any clear models of how to  
2 go about doing that, so our beginning efforts here are to seek  
3 out first at the school building level, the teacher level,  
4 some exemplary practices to attempt to provide some resources,  
5 to document and improve those practices and to carry on an  
6 evaluation which will be unique in the sense it is not  
7 intended to produce written reports that sit on somebody's  
8 shelf.

9 It is an evaluation that is intended, and I must  
10 say we are not sure how to do this yet, it is intended to  
11 create a capacity to provide technical assistance and useful  
12 understanding to other school systems that might want to carry  
13 on similar kinds of activities.

14 The aim is over a period of time, obviously, to  
15 create an R & D system which not only consists of centers of  
16 excellence in higher education and laboratories in other non-  
17 profit organizations, but also has a distributed problem  
18 solving capability among the Nation's school districts.

19 Those are the five priority areas.

20 But we do carry activities on in other areas. One of  
21 the most important, is dissemination. Dissemination is the way in  
22 which we try to get the results of research, whether it is  
23 sponsored by ourselves or others in the Federal government or  
24 local and State levels, into the hands of people who can use that  
25 information. It has not been a very successful system up to

1 now.

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2           There are some programs we can point to with some  
3 pride, but we have a long way to go. The importance we attach  
4 to that area is indicated by the fact that we are increasing  
5 the proportion of our resources going into dissemination from  
6 about 4 percent last year to about 11 percent in our fiscal  
7 '75 budget request. We are attempting to involve the States  
8 as a primary agency of dissemination and we will be working  
9 with various professional association and others to find  
10 people who have need for information.

11           We also have a fundamental research program, and  
12 I suppose in the broadest sense it is looking to finding out  
13 more about how kids learn, how schools decide what they teach,  
14 how schools organize themselves, and so forth. Fundamental  
15 research that over a long period of time builds a knowledge  
16 base, allows us to work on the practical problems that can  
17 make a difference in schools.

18           We are also beginning a policy research effort that  
19 focuses at providing the kind of information that the Execu-  
20 tive and Congressional people need as they create legislation.

21           Well, we think we have got an exciting program. We  
22 think we are on our way. We still have a long way to go, but  
23 institutions are not built overnight. It is not clear that  
24 we have been able to convey that to the Congress with the  
25 sense of enthusiasm that I feel. I think Charlie's analysis

1 of last year is in a broad sense quite accurate.

2 There are probably a lot of other factors we can  
3 talk about, if you want, but I personally feel this is a  
4 terribly important national priority. One of the most  
5 legitimate of the Federal roles in education, and I hope  
6 that we can move forward with it.

7 Any questions?

8 QUESTION: Does NIE now offer any information to  
9 local systems? That is, if a local system wrote in a question  
10 to NIE now, such as what do we know about year-round school  
11 programs, could NIE answer that or would they say we are not  
12 in that business, we are doing research, go and look it up at  
13 the library?

14 DR. GLENNAN: We do our best not to do that. I  
15 wouldn't be surprised if you can't find people who may have  
16 gotten that if they happened to end up with an individual  
17 researcher. Year-round school is a good example. A couple  
18 of years ago we commissioned a synthesis of experience on  
19 year-round schools which was put into something we called a  
20 "prep report", and if somebody writes to us asking for  
21 information on year-round schools, the first thing they would  
22 get is that report. In addition to that if they want liter-  
23 ature that exists on year-round schools, within limits we will  
24 do searches of our computer based information retrieval system  
25 which stores a great deal of educational research and make that

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1 available to individuals. At a minimum we can suggest where  
2 they can get that done for a fee. Beyond that, in areas where  
3 we have personal competence, anybody that comes to us would  
4 have the opportunity to spend time with our staff. That, I  
5 think, is a part of our responsibility. I don't think you  
6 would find that we in fact have personal competence on the  
7 year-round school question. That would have been achieved  
8 outside of the Institute with institute funding.

9 Finally, I think we are working toward a situation  
10 in which we can help local people through the ERIC system  
11 which is our information system, to learn where other experts  
12 are. One of the most important ways of transmitting informa-  
13 tion is not finding a report or book but finding somebody whom  
14 you can talk to about it and a simple system that will give  
15 you a sense of where people are who are knowledgeable and can  
16 make information available to you is a very important thing.

17 So I don't know if that is a total answer but we  
18 certainly don't think of ourselves as just a research operation  
19 that tells people to go elsewhere to find the information at  
20 the library.

21 QUESTION: I am very happy to see that your first  
22 priority is reading. The various publishing houses that turn  
23 out reading programs may or in fact in some cases may not be  
24 founding their programs upon research. What plans do you have  
25 for coordinating your research with the ongoing research of

1 publishing houses that turn out the actual material that the  
2 children will be using.

3 DR. GLENNAN: We have tried throughout our initial  
4 planning activities to involve members of the Publishers  
5 Association, with the expectation that they would bring to  
6 our attention areas where they know the work is going on.  
7 That is a normal kind of procedure for us, and in the initial  
8 planning conference, as I say, there were representatives  
9 there. I am not under the impression that the publishing  
10 houses typically support research. In fact, they have made  
11 it clear to us from the beginning of our planning process that  
12 one of the reasons for their support for the Institute  
13 indeed that we carry out the kind of fundamental research that  
14 they would like to draw on, or have their authors drawn on,  
15 as we go further down the line, and that is what we would  
16 intend to do.

17 Of course, we do support some activities which  
18 ultimately involve publishers in our regional labs and centers,  
19 such as the Wisconsin Reading Activity, I think it is McGraw  
20 Hill, if I am not mistaken, and Swerl on the West Coast, and  
21 there is an interaction of the research community and the  
22 development community and the publishers that occurs.

23 QUESTION: You gave a fleeting reference to continu-  
24 ing education in your talk. It happens to be a pretty hot  
25 subject in many circles. I also understand that HBW is

1 thinking about reviewing the operations of local licensing  
 2 agencies in professional circles to determine the efficiency  
 3 of these agencies, and they are talking now about Professional  
 4 and Peer Reviews, and you know the story. How far is this  
 5 going? Right now it is in the health care field. Are you  
 6 going to examine state licensing agencies as part of this  
 7 continuing education field?

8 DR. GLENNAN: Part of the Institute's plans at the  
 9 current time -- our interest in recurrent education -- have  
 10 been preliminary so far. We did co-sponsor a conference with  
 11 OCED last spring and there is a new volume that has just come  
 12 out that results from those papers, a fairly esoteric volume  
 13 by and large. We are trying within our educational work to  
 14 understand where a research and development institution can  
 15 make its contribution. The Fund, of course, has major  
 16 responsibility for post-secondary education, demonstrations  
 17 and some catalytic activities. OE would have the responsi-  
 18 bility for it.

19 MR. SAUNDERS: I would say our role in the whole  
 20 accreditation process is under study at the present time.

21 MR. MATTHEIS: A study was done for the Office of  
 22 Education Brookings Institute. It is not completed yet. It is  
 23 in the process of being completed and will be coming in and  
 24 will receive reaction. It is an area of increasing concern  
 25 to the Office of Education, that whole area of accreditation,  
 whether

1 it be post-secondary institutions or the regional accrediting  
2 associations, and the criticism being leveled against them by  
3 various quarters. Also of concern is the entire area of  
4 proprietary schools and their accreditation.

5 We have been working very closely with the States  
6 encouraging them to accept increased responsibility. It is a  
7 very, very fluid problem at this juncture and is being worked  
8 on in many quarters. I don't think anything of any particu-  
9 lar nature has been resolved; it is a problem.

10 I think another problem area that some of you people  
11 are familiar with has developed in the area of the guaranteed  
12 student loan program. Some of the pay-backs and some of  
13 the problems students have had with institutions in trying  
14 to secure education for which they were using loan dollars,

15 is just a very large problem that we are aware of.

16 Dr. Muirhead will be here this afternoon and for some of the  
17 other details you might want to corner him on that.

18 QUESTION: It is my understanding that high  
19 education officials have said in effect to the states develop  
20 a PSOL program as you can and infer that if you do not estab-  
21 lish one yourselves then we will have to do it for you?

22 DR. GLENNAN: High officials have been stated it in  
23 different ways. Why don't you wait until John Otttina is  
24 here this afternoon and ask him.

25 QUESTION: You have made note of the fact that

1 Congress doesn't seem to have any deep affection for R & D.  
 2 Is half of NIE nothing at all?

3 DR. GLENNAN: I think we made the point we are at a  
 4 very precarious stage.

5 QUESTION: If they are not going to fund the whole  
 6 thing, would you just as soon they kill the whole thing?

7 DR. GLENNAN: Well, that's being a little strong.  
 8 I will be very frank. We have attracted, I think, a superb  
 9 staff, the beginnings of a superb staff. They are bright and  
 10 I think pretty knowledgeable. I think anybody that can take  
 11 the time to come in and spend some time in the Institute and we  
 12 would be delighted to facilitate that, goes away with a feeling,  
 13 hey, here are some people who are thoughtful, not out just  
 14 concerned with their own ideas. I think that is the biggest  
 15 asset we have got right now, but if the funds are cut so far  
 16 back that the only thing we do is spend time figuring out  
 17 how to cut back what we have as commitments and what we have  
 18 tried to make into solid and good ongoing programs and not  
 19 to think about new things, those kind of people are going to  
 20 go elsewhere because there are other options. That is the  
 21 problem, it seems to me, in a nutshell. My feeling is we  
 22 deserve, we ought to have the funding we have asked for, and  
 23 we will keep fighting for that. If they cut us back a little  
 24 bit it is not going to be the end of the world, but if they  
 25 cut us back to \$75 million we are going to be in deep trouble.

1           QUESTION: You have a statement here that research  
2 indicates dramatic differences in the way children learn  
3 ranging from oral presentations, written text, and so forth,  
4 as though this was an unchangeable fact of existence, and you  
5 suggest that you are trying to find ways the schools can  
6 accommodate themselves to these differences. Are you doing  
7 anything in the light of finding ways in which these children  
8 can be taught to be more versatile in the ways they learn?

9           DR. GLENNAN: I guess you are asking whether we  
10 should accept the learning styles of the children as they are  
11 or try to find ways to change those learning styles.

12           QUESTION: Not necessarily one or the other. But  
13 there is no indication that you are doing research in the area  
14 that would help the child make his learning skills more  
15 versatile, which would, of course, give him an advantage the  
16 rest of his life rather than just letting him be as he is and  
17 let the schools change?

18           DR. GLENNAN: I am not an expert in any of the fields  
19 the Institute deals with. I am supposed to be a manager.  
20 My impression is that in fact what one is interested in doing  
21 is developing a variety of modes of learning, oral learning,  
22 or learning through the written word, or what have you. You  
23 want to try to get to them in ways where we can succeed from  
24 the beginning and move from there to develop other kinds of  
25 capacities. If we insist that the first approach of a learning

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1 task is of one sort without any sense of a child's relative  
2 capacities, you may end up with this demoralization of a child.  
3 I think the point you make is worthwhile and I would hope that  
4 our program does in fact deal with it.

5 QUESTION: Earlier you spoke about giving high  
6 priority to reading and there has been some research in the  
7 New York State Education Department recently which indicated  
8 that in schools which were comparable the successful school did  
9 better because of the rapport between teacher and pupil. Do  
10 you think such rapport is measureable, and if so, what research  
11 is going on in that field?

12 DR. GLENNAN: Well, certainly the term "rapport" is a  
13 very difficult term to define. I think that there are attempts  
14 in, say, the examinations of the follow-through programs to  
15 develop observational measures that do in fact try to measure  
16 in a very crude way the interaction between teacher and student  
17 and I guess I would propose at least as a first cut that the  
18 form of that interaction, who initiates it, or how distributive  
19 that initiative is, that is if both of them initiate it, would  
20 be a measure of what I would understand to be rapport. We do  
21 know on the basis of those first experiences with attempting  
22 to use classroom observations, we do know they are very crude  
23 and that programs that you and I would be able to as a first  
24 approximation go into a classroom and look at and say these are  
25 different, when you try to reduce that to a more quantitative

1 term, if you will, it does not turn out to work very well.  
2 So that is an area needing real development, measures,  
3 observations, situational measures are needed for us to be  
4 able to describe better what goes on in the classroom. We  
5 have been much, much too crude in doing that up to now and  
6 that is why many say our evaluations have fallen very much  
7 short of the mark.

8 QUESTION. What are the prospects for funding of  
9 Constitutional voucher?

10 DR. GLENNAN: The question is what are the prospects  
11 for funding a Constitutional voucher project for aiding  
12 non-public schools.

13 The question of whether it is Constitutional, I  
14 guess, can only be decided by the courts ultimately. The  
15 issue that would have to be faced by HEW in deciding whether  
16 or not to create the opportunity for that test by providing  
17 resources for such a test is one of whether on the basis of  
18 our reading of the decisions that have recently been made,  
19 there is a sufficient chance that it would be found  
20 Constitutional, that is worth a try. That is an evaluation  
21 or a judgment that is currently under review within HEW and  
22 I really can't say what the probabilities are on the outcome.  
23 There are clearly grave Constitutional questions. It is not  
24 a cut and dried case. My own assessment is probably we are  
25 leaning toward its unconstitutionality. I am leaning toward

19  
1 it. But the General Counsel is the one that finally makes  
2 that judgment.

3 QUESTION: You said that career education was one of  
4 the largest in the priority area. I understand that was a  
5 controversial subject. What are the traditional values of  
6 post-secondary education. There is fear in some academic  
7 circles that this is going to lead to a Camp Run Amuck.  
8 Is there a position in terms of that fear? The debate is  
9 going on.

10 DR. GLENNAN: I think it is fairly absurd that notion  
11 that somehow if one is dealing with the work world it is not  
12 humanistic in any sense. If you talk to some of these kids in  
13 some of these experience base programs it is very clear that  
14 their experience is far more humane in a work setting with the  
15 kind of attention and kind of interest that is there than  
16 anything they have been getting in school systems.

17 I think it is really unfortunate that we equate,  
18 somehow, vocational education or vocational training or skill  
19 training as somehow not humane. I don't think it has to be  
20 that way at all, and certainly we wouldn't want it to be  
21 something of that sort.

22 I think part of the controversy about it is that  
23 people are rather uncertain as to what it is, and that there is  
24 a continuing debate as to whether we want to define it very  
25 specifically or leave it sort of open as a national movement

1 without great specificity. We have, I think, essentially tried  
2 to duck that issue. We have said we are interested in three  
3 major classes of things. We are interested in understanding  
4 the relationship of education and work experience. We want  
5 to make sure that if people take off into this area that they  
6 understand the limitations that education has in dealing with  
7 many of the problems of getting into good jobs and progressing  
8 in good jobs.

9           There has been much too much tendency over the past  
10 decade to feel that somehow education can solve all problems  
11 by itself. So one of the things we feel is important is  
12 research that provides a context, provides some sensible  
13 limitations as well as the potential of education, so we  
14 get realistic answers.

15           The two other areas we are interested in is those  
16 kinds of activities within school systems and outside of  
17 school systems but generally what we feel lead to improved  
18 career access. Counselling, better curriculum, curriculum  
19 that provides a better understanding of career options.

20           We are very concerned with the questions of the  
21 stereotypes that are introduced into career, perceptions of  
22 career opportunities by the materials used, the sex role  
23 stereotyping or any other kind of ethnic role stereotyping or  
24 what have you. So that is the second major focus, and the  
25 third one has to do with career progression. How can education

d-21

1 help to improve the progression of people within careers once  
2 they get started, and there, I think is where the continuing  
3 recurring education ideas come in, because the notion of a  
4 continuing education process with a moving in and out of  
5 school or educational activity seems to me to be an exciting  
6 way to facilitate that kind of progress.

7 QUESTION: I was glad we finally got reference to  
8 when you talk to kids. In your Research Committee how much  
9 input do you get from the customer we are dealing with? How  
10 much do you know, for example, and what processes have you  
11 worked out for finding out what kids feel, about disenchant-  
12 ment with the school, and what great changes they want?

13 DR. GLENNAN: The question is how much input do we  
14 have from kids in our program, what have we done to try to  
15 understand what they want.

16 Certainly, the level we are planning at, very little.  
17 I have children in school and I do talk to them a little bit  
18 about their schools, and I visited last week or the week before  
19 in Fairfax County a very interesting project and I did brief  
20 my son on his experience with it before he went. It was a  
21 very informal exercise, but in reality I think that formally  
22 it has been relatively low. I do think, though, that if you  
23 look at some of our career education activity and the evalu-  
24 ations that are done as part of the development process, the  
25 kids do have a fair role in that.

22

1 QUESTION: Beyond career education do you know, for  
2 example, how eager kids are today for courses in the political  
3 process, for example? †

4 DR. GLENNAN: I guess we have not at this point in  
5 time, not yet at this point in time evolved a policy here in  
6 the Institute as to the degree with which we are going to  
7 become involved in curriculum development beyond those  
8 associated with the priorities I have already established.  
9 We do have some things we inherited. We have some art pro-  
10 grams. We have some fairly advanced math programs and so  
11 forth. But the question about whether we should be into  
12 social studies curriculum development or what have you is an  
13 open one. We are trying to work with the Endowment for the  
14 Arts and the Endowment for the Humanities which more clearly  
15 are responsible there to see what our relative roles ought to  
16 be.

17 QUESTION: What conclusions can be reached from  
18 existing research on EO and NIB in terms of vouchers, and  
19 essentially what will be the practical impact of NIB programs  
20 over the next five years?

21 DR. GLENNAN: In terms of the voucher activities,  
22 it is still too early to understand all of what or much of  
23 what is important in coming out of Alum Rock which is the one  
24 voucher site. First a couple of limitations on what is coming  
25 out of Alum Rock. It is not in the usual voucher fanatic

23

1 sense a voucher program. It is a program that involves  
2 voucher-like activities but within the public school system  
3 and there are limitations on the numbers and new alternatives  
4 that can be created or the sources of those alternatives. It  
5 also is a program that has substantial increments of Federal  
6 funds that are associated with it, so it is difficult to  
7 disentangle the effects of that choice mechanism that is -here  
8 from the effects of those funds. With those as caveats, if you  
9 will, it appears that within those school systems that  
10 teachers have had opportunities for program development and for  
11 program control have seized those opportunities and found them  
12 very satisfactory.

13 It appears that parents have exercised to some  
14 modest degree a kind of degree I always thought it would be,  
15 10 or 12 percent of them, the option of choosing a different  
16 school for their child. There has been some option for them  
17 to change in the middle of the year based upon, if you will,  
18 their negotiations with the teacher and I would like to  
19 believe the teacher has been able to say to the parent as well  
20 as the parent to the teacher, that we just are not making  
21 music together, so let's try something else.

22 The question there seems to be increased satisfaction  
23 and belief on the part of almost all of the participants  
24 within that thing that is a useful activity and a good  
25 activity. We don't have any effect that I know of on students'

1 performance, things like that. That is still to come.

2 That leads to the feeling that we do need one or  
3 two more sites anyway to begin to get a handle on a couple  
4 of issues. We have not fairly asked the question yet about some  
5 of the regulations or the importance of some of the regulations  
6 with respect to some of the pernicious effects voucher  
7 opponents felt would occur and I think we need to do that.

8 Perhaps more importantly, at least from my point  
9 of view, we have not dealt with the question of what happens  
10 if this kind of system is installed without lots of additional  
11 money and both of those are priorities on our future agenda.

12 The second question, I will give a couple of examples.  
13 I would hope that within the next five years that you would  
14 find that there are some materials available that have been  
15 widely used in schools and found very, very effective from  
16 the point of view of the kids and from the point of view of  
17 teachers and their parents. I think we do see some of that  
18 on what has been frequently referred to as the junk we  
19 inherited from OEO which I do not think is junk. There are  
20 some very exciting things done by the University of Wisconsin  
21 and University of Pittsburg. They are now into a program and  
22 expect to expand that to 2,000 schools next year. I would  
23 hope the experience base program in career education would  
24 lead to a number of communities being able to take on at  
25 lesser cost than we have had the building of a program in

1 which kids get real work experience in business settings,  
2 employer settings and that that has caught on an been done  
3 more effectively than the work study programs which I think  
4 have been quite effective.

5 QUESTION: Given the premise that education is  
6 preparation for something, what is it preparation for in  
7 your view?

8 DR. GLENNAN: I will give you a personal opinion.  
9 I don't believe it is my job to make that determination for  
10 the country. I think it is really preparation for a satis-  
11 fying and rewarding life and that means that it gives you  
12 the skills that are necessary for you to function within  
13 the society to the best of your ability. It gives you, I  
14 hope it provides some cohesiveness, some sense of the meaning  
15 of our society so that we share some common values and can  
16 work together instead of working totally as individuals.  
17 But that is pretty general and as I say I think it pre-  
18 sumptuous of me to speak for the Institute in that regard.

19 Thank you very much.

20 MR. HELM: Before you leave, at this moment in  
21 the White House Press Office they are making two announce-  
22 ments on education appointments. The first announcement is  
23 of Ted Bell of Salt Lake City to be Commissioner of Education.  
24 And also, Virginia Trotter to be Assistant Secretary for  
25 Education. These are being announced in the White House Press

1 Office at this time. I have copies of the statements.  
2 They have been handed out there. I will be glad to make them  
3 available to you now. Hopefully at 1:15, as previously  
4 mentioned, the new nominees will be here in the room to say  
5 hello.

6 QUESTION: What about Mr. Ottina?

7 MR. HELM: John Ottina is going to take another  
8 position over at HEW, I understand.

9 QUESTION: It doesn't say when?

10 MR. HELM: The Secretary will say that.

11 QUESTION: Did you forget to announce that I will  
12 become the next Senior Administrator. My name is Veronica  
13 Adams. I am kidding now but I probably could be serious.  
14 Will you please ask the President to make me the next Senior  
15 Administrator because I stand for VA.

16 MR. HELM: Is there a second to the nomination?

17 We do have these press releases here and they will  
18 be available if anybody wants to pick them up.

19 (Whereupon, at 12:00 o'clock noon, the hearing  
20 was recessed to reconvene at 1:15 p.m.)

21

22

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25

## AFTERNOON SESSION

1:15 p.m.

1  
2  
3 MR. HELM: I would like to introduce our next speaker,  
4 but I am not going to use the same introduction that I used  
5 this morning. So, I will say that our next speaker is  
6 Secretary Weinberger.

7 SECRETARY WEINBERGER: It is a very nice and pleasant  
8 duty that I have now, which was slightly anticipated by some  
9 spoil sport this morning who did not wait until the proper  
10 time for the announcement this afternoon.

11 In any event, it is a great pleasure now that every-  
12 thing is official for me to be able to present to you three new  
13 nominees within the Department.

14 The first that I would like to present is Dr. Virginia  
15 Trotter, who has been nominated today by the President to be  
16 the Assistant Secretary for Education  
17 and whose name will be sent to the Senate for confirmation.

18 Dr. Trotter is, of course, the Vice Chancellor now for  
19 Academic Affairs at the University of Nebraska. She is also  
20 a Professor of Education and Family Resources in that  
21 institution.

22 From 1970 to 1972, she was Dean of the College of  
23 Economics. She was also Associate Dean of the College of  
24 Agriculture at the University of Nebraska.  
25

1 It is not possible for her to take questions of the  
2 variety and depth that I was subjected to this morning not because  
3 of her inability to handle them, but because of the fact that  
4 she is going up for confirmation, and that requires a whole  
5 new outlook on life until the confirmation proceedings are  
6 completed.

7 All she can do this afternoon will be to say a few  
8 words that will not be in any way offensive to the United  
9 States Senate.

10 I am delighted to have the opportunity to present her  
11 to you now, Dr. Trotter.

12 DR. TROTTER: Thank you, Mr. Secretary.

13 I am delighted to have an opportunity to say hello to  
14 you. I am looking forward to meeting and working with you  
15 during the next year or two.

16 I am going to say that I have spent all of my career  
17 life in education, and I have a very strong feeling about the  
18 importance of what it means to the country. Again let me say  
19 that I hope very much to work with you closely. Thank you.

20 QUESTION: Mr. Secretary, you seem to express now,  
21 when she is coming up for confirmation, that she should not  
22 express her opinion.

23 SECRETARY WEINBERGER: I don't imply that at all. I  
24 say it. There is a long standing and inviolable tradition which  
25 has only been broken once, to my knowledge, by one of my  
colleagues in the cabinet at the present time, and I don't think

1 we should encourage breaking it anymore.

2           The President has always been most explicit, and I  
3 agree fully, that nominees who are subject to confirmation  
4 should make their statements before the Senate Committee. This  
5 is a matter which is not only normal prudence, but one which  
6 the Senate appreciates and particularly requires.

7           All right, now we have another nominee within the  
8 Department of Health, Education, and Welfare, in the Office of  
9 Education, whom I would like to present to you under the same  
10 circumstances.

11           He is, of course, Dr. Ted Bell, who is no stranger  
12 to you who have covered the Office of Education activities in  
13 Washington.

14           He is the superintendent of schools in the Salt Lake City  
15 area at the moment. He was an Associate Commissioner. He has  
16 been Deputy Commissioner. He has been Acting Commissioner of  
17 Education, and he has been superintendent of public instruction  
18 for the State of Utah. So he brings massive credentials to his  
19 office.

20           I would like to present him to you at this time.

21           DR. BELL: It is a pleasure to join the Administra-  
22 tion again, and to join my colleagues, some of whom are here in  
23 the front rows, in the Office of Education.

24           I did have the opportunity to work in OE for two years  
25 back in 1970 and 1971, during the time that Sid Marland was

1 Commissioner.

2           So it will be a great pleasure to work in the Office  
3 of Education. It will be a great pleasure to join Secretary  
4 Weinberger's team, and I express my appreciation for this  
5 appointment and for this opportunity to be of service again on  
6 the national level.

7           Thank you very much.

8           SECRETARY WEINBERGER: Thank you very much, indeed.

9           We have another announcement that I want to make, and  
10 it concerns your next speaker, who has been assigned broader  
11 responsibility within HEW and whose appointment today as  
12 Assistant Secretary for Administration and Management is being  
13 announced.

14           Dr. Ottina has done a great job in every way as  
15 Commissioner of Education. We have a substantial number of  
16 concerns as to whether anybody who has done such a good job  
17 should be moved. We are only induced to take that step because  
18 of the quality of his replacement, who is available, and  
19 because of the strong need of the Department for very  
20 strong, very able, very dedicated administrative and management  
21 techniques. Under the policies that we have followed in the  
22 past year, it has become an extremely important and very  
23 necessary office to have filled by the very best available  
24 person.

25           So, I am delighted that we are able to announce this

1 triple play today and to have Dr. Ottina serve as Assistant  
2 Secretary for Administration and Management.

3 This is a position that does not require confirmation  
4 by the Senate, so feel free to pepper him with anything you  
5 wish.

6 I do want to say before we formally present Dr. Ottina  
7 to you, that the position that Sidney Marland vacated last fall  
8 to take the position in New York with the College Entrance  
9 Examination Board has been very able filled by Charles  
10 Saunders, who has served in an acting capacity with extreme  
11 loyalty and dedication and skill.

12 He has greatly eased and lightened all of our tasks  
13 by the skill with which he has discharged his duties. I am  
14 delighted that he is here today so that I can pay this public  
15 tribute to him, because it is one that is very much deserved.  
16 I am the one who is the most appreciative of his service, and  
17 I want to say this as publicly as I can.

18 Charles, I would like to have you stand and be  
19 recognized.

20 Dr. Ottina is here, and in his closing appearance  
21 as Commissioner of Education he is going to talk about student  
22 financial assistance. He will, I am sure, welcome your questions.

23 It is a great pleasure to introduce Dr. Ottina, who has  
24 served with great ability and skill in his position and who is  
25 on the threshold of very exciting activities as Assistant

1 Secretary for Administration and Management.

2 STATEMENT BY JOHN OTTINA  
3 U.S. COMMISSIONER OF EDUCATION  
4 U.S. DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

5 DR. OTTINA: Let me for a moment, before we speak  
6 about student aid, express something to you in the audience,  
7 and by you I mean not only the working press, which is here,  
8 but also the few members of the Office of Education staff.

9 The three years that I have been with HEW and the  
10 Office of Education have been, without doubt, the most  
11 interesting, challenging, broadening, and difficult experience  
12 that I have ever had.

13 I could for the next hour talk about what it has meant  
14 to me as a person to serve in my various capacities. But the  
15 one thing that has perhaps meant the most to me is the  
16 opportunity to meet and make many friends. I can look  
17 across this audience and say that I have worked with you and  
18 with your help.

19 To each and every one of you I say thank you for your  
20 help and your support. You have made my job a lot easier.  
21 Thank you very much.

22 Let me now talk about student financial aid. As I am  
23 sure you are aware, the Administration has for a number of  
24 years, since 1971, been very intent about trying to find a way  
25 to provide equal access and equal opportunity in higher or  
postsecondary education through student financial aid.

1 This stretches back to the message by the President on February  
2 22, 1971, and came into real being with the passage of the  
3 Amendments of 1972, specifically in the Basic Educational  
4 Opportunity Grants.

5 As you know, this program has been funded for one year  
6 and has been in operation for one year and at the first-year  
7 level only. The second year has been funded but is not yet  
8 operational, because it is for students who enroll in the up-  
9 coming school year 1974-1975.

10 This school year will see the program expand to  
11 first and second-year students. The first year's program  
12 has been very difficult for a number of reasons -- late  
13 appropriations, difficulties in the completion of family  
14 contribution schedules, changes in the law, difficulties  
15 in providing forms early enough so that the children were  
16 still in school.

17 So, as we look at the first year of operation, it has  
18 not been totally successful. I think that next year, the year  
19 that we are talking about, starting in September, will be  
20 much better.

21 First of all, the appropriations level is not  
22 \$122 million, but \$475 million, and this will make the Basic  
23 Grant to each student much more attractive. We are way out  
24 in front of the schedule. Already we have in the hands of  
25 high school counselors and in many places throughout the land,

1 the forms for application by the students. As a matter of fact,  
2 as of last week we had already received 100,000 applications.

3 I think that this year will see the program move  
4 much more strongly, and we hope that the increased acceleration  
5 will continue for 1975 and on.

6 Let me remind you that in the budget we have asked  
7 for \$1.3 billion for this program for funding students in all  
8 four years:

9 The second element of the student financial aid  
10 package has to do with another program, the Guaranteed  
11 Student Loan Program, which, during this last 12-month period,  
12 has also been a source of very deep concerns and problems.

13 Some of them are problems that are easy to explain,  
14 and some of them are problems that are most difficult to  
15 understand.

16 Clearly, I think, we can all point to the problems  
17 that we are all acquainted with, the increasing interest  
18 rates this country went through in the last year, the fact that  
19 the Congress changed the needs analysis once and perhaps twice  
20 during the year.

21 I think we can point to the fact that many lending  
22 institutions were concerned about equity. I think that we can  
23 point to the problems with Sallie Mae.

24 Now, there are other more subtle factors that have  
25 entered into the picture, but I think that those three or four

1 factors we can all agree on.

2 Clearly, the year that we have just passed has been a  
3 year in which the volume of loans that we had anticipated  
4 was not reached.

5 We will for the academic year 1974 show a decrease in  
6 Guaranteed Student Loans, a decrease that in percentage terms  
7 is less than we had earlier anticipated, but nevertheless a  
8 decrease.

9 As you are undoubtedly aware, some of the problems  
10 that I have cited we have tried to remedy by various steps,  
11 and our prospects for 1975 are brighter than our experience  
12 in 1974. I believe that the volume of loans will again  
13 achieve and surpass its early high water mark.

14 The last element in the area of student aid is the  
15 element that deals with Work-Study and Cooperative Education.  
16 As I am sure you recall, Work-Study is the one institutionally  
17 based program for which there has been in the last three years  
18 consistently a budget request.

19 The Administration believes very strongly that  
20 the Work-Study program provides a set of opportunities for  
21 the students and for the college, or postsecondary educational  
22 institution, that is unique and complementary to the general  
23 education program being offered.

24 Therefore, again, we have supported and requested  
25

1 funding for this particular program.

2 We anticipate that we will be serving students also,  
3 through the Cooperative Education program, in developing  
4 associations between the world at large and the university.

5 In summary, then, the student financial aid package  
6 that is proposed by the Administration is basically these  
7 four pieces. With that, let me stop and ask for your  
8 questions on the matter of student aid, or anything that you  
9 would like to talk about.

10 QUESTION: How are you going to overcome the problem  
11 of banks that do not give out Guaranteed Student Loans,  
12 especially to women and minority groups? How are you going  
13 to overcome these problems?

14 DR. OTTINA: Let me very quickly point out that in  
15 terms of loss, the banks have very little to lose, because  
16 they are guaranteed by the Federal Government for the full  
17 amount plus interest.

18 QUESTION: But a lot of them will not give them out  
19 anyway.

20 DR. OTTINA: Yes, we noted that, too. Let me be sure,  
21 for the record, that everybody understands that it is the  
22 full amount of the loan plus interest that is guaranteed by  
23 the Federal Government.

24 Let me also mention that the problem you cited  
25

1 is a combination of many things. One is, as I alluded to  
2 earlier, the yield on the paper that the banks are talking  
3 about.

4 I think, as you may have noted from our testimony,  
5 that we are beginning to better appreciate that a wider spread  
6 of yield is necessary to encourage banks to make that type of  
7 loan.

8 As we set the special allowance, which is the amount  
9 over and above the seven percent, which is set quarterly, we  
10 will be more conscious about the fact that the yield from the  
11 lender's point of view needs to be a wider spread than before.

12 Secondly, the President has asked the Secretary and  
13 us to try to bring in the lending community, to renew their  
14 interest in the program, to work with them to see if we can  
15 overcome some of the criticisms they have of the program.

16 Among the criticisms they have is the excessive  
17 paperwork involved. We will be very quickly looking at the  
18 paperwork problem from the lenders' point of view, to see if  
19 we can streamline, eliminate, or cut out portions of that, to  
20 make it a program which fits more into normal banking practice.

21 Therefore, we will eliminate not only paperwork, but  
22 eliminate some of the confusion that exists in the handling of  
23 certain materials which are different from what they are used  
24 to handling.

25 Next, we will be trying to work with Sallie Mae so

1 part of the problems of liquidity and reserve that the banks  
2 have can be overcome.

3 In that regard, perhaps we can find ways to change  
4 some of the regulatory aspects of the program which were in  
5 place prior to the contemplation of the Sallie Mae organ-  
6 ization.

7 The banks have, until this past year, supported the  
8 program very well indeed and, as I pointed out, the level of  
9 support for this program is now \$7 billion.

10 It would appear that if the President signs the bill  
11 that is on his desk now, and the banks do not have to get  
12 involved in the means test, they may very well go back.

13 Let me put this in number terms. We, at one time,  
14 were looking at what we thought might be a short-fall of 30  
15 to 40 percent over prior years. Our short-fall looks more like  
16 10 to 15 percent now. That is point one.

17 Secondly, the change in the \$15,000 is, as you know,  
18 sitting on the President's desk now. Putting it back in the  
19 program is familiar in terms of the lending institutions and  
20 financial aid officers. I am sure that this will spur  
21 additional activity.

22 QUESTION: You say that the reason for that is the  
23 increased availability of loans. Congress has failed to see  
24 eye to eye with that for some time, and it is the students who  
25

1 ultimately lose this battle.

2 I am sure that you know Congress is not about to  
3 settle for that again this year. At least that is what they  
4 have so stated.

5 DR. OTTINA: First of all, I am sure hat you have  
6 heard the spokesman, or person for the Administration, say many  
7 times that the budget is the only vehicle that the President  
8 has in terms of trying to enunciate the policies of funding  
9 from this office.

10 So, the proposal in the budget is really a proposal.  
11 It is the President's and his officers' best view on how funds  
12 should be appropriated in the coming years. It is not atypical,  
13 I believe, that a view would differ from body to body, or from  
14 person to person.

15 It is also true that NDSL is institutionally  
16 operated, which means that the basic problem is having  
17 a match between a student who wants to go to an institution and  
18 an institution which has money to loan.

19 Therefore, in order to promote open choice, or greater  
20 choice from the student's point of view, we have been  
21 interested in trying to strengthen the Guaranteed Program,  
22 because that is not institutionally powered.

23 Point three, though we do not ask for funds for NDSL,  
24 there is created in the history of the program, which is over  
25

1 15 years old, \$165-plus million which is in the hands  
2 of the lending institutions, which can be recirculated, so  
3 that even though a Federal capital contribution is not made,  
4 the program does not cease and desist as of that moment. As  
5 a matter of fact, it can continue to live with a return of  
6 capital from previous borrowers almost indefinitely.

7 QUESTION: It was said twice this morning that the  
8 library program is ripe for consolidation. The implication was  
9 that the money from these programs would come back into  
10 college budgets through student assistance, I guess. Would  
11 you explain how this works?

12 DR. OTTINA: Let me give you some answers.

13 In terms of library programs, there are three library  
14 programs basically. There are the Elementary and Secondary  
15 Title II programs, which are being recommended for consolida-  
16 tion of funding at the same level. Let me put that one  
17 aside.

18 Let me talk about LACA. LACA consists of a number of  
19 titles. It is a program which deals with public libraries and  
20 it is a program which operates on an allotment formula that  
21 after a kick-off point allows a discretionary portion to provide  
22 funds for demonstrations and other kinds of services.

23 This is a program that the Administration in prior  
24 years has recommended for zero funding. This year you will  
25 notice that our budget consists of two pieces in that program.

1 One piece is a piece for the traditional programs of  
2 \$25 million, which is a phase-down but not a phase-out of the  
3 prior year's appropriated amount by the Congress, which was  
4 approximately \$44 million. So, there is a reduction there.

5 In addition, we are proposing in another way to add  
6 to the list of fundable programs a set of legislation, which  
7 would deal with the problems that we see that the Federal  
8 Government should be addressing.

9 Basically, our view is that the Library  
10 Act has allowed, permitted, helped, and encouraged States to  
11 build a basic library program and a library structure at the  
12 state level.

13 That being in place, or largely in place,  
14 the Federal Government, perhaps, now should turn to trying to  
15 find ways to take what is there and encourage greater use of  
16 that through inter-library, inter-regional methods and techniques  
17 to make existing resources deal with problems that your libraries  
18 can never hope to deal with.

19  
20 We have proposed \$15 million in the budget for this,  
21 and we would think, in this particular area, that we would  
22 stimulate and ask for cooperation with not only the traditional  
23 public library, but higher education libraries, because they  
24 are very much part of the national resource that needs to be  
25 looked at.

1           The third program is under the Higher Education Act.  
2   For that,, we have again asked for zero funding. One of the  
3 very, very basic problems with this particular program is, in  
4 our view, that it is not determined on need, but every eligible  
5 institution has a flat \$5,000.

6           So that most well endowed libraries as well as the  
7 most poorly endowed libraries receive exactly the same amount  
8 of money at the level of funding here. We have proposed this  
9 one, which amounts to about \$30 million, not be funded.

10           Now, there is a portion of the funds which deals with  
11 the preparation of librarians. Perhaps this is the aspect  
12 which Charlie had in mind when he talked about supporting  
13 students.

14           That is all I can really help you with.

15           QUESTION: I was talking about the higher education  
16 point. I was wondering what replacement you had in mind for  
17 the HRA II-A and B provisions?

18           DR. OTTINA: We have no direct replacement other than  
19 the aspect of the new program we are proposing, and that would  
20 not be, in essence, a building of resources of Title II, but  
21 really a way to cooperatively build by using, or making  
22 available, the kinds of resources.

23           QUESTION: Would you say something about the prospects  
24 for using the National Science Foundation and the National  
25 Foundation for the Arts? Would that go up or down in terms of

1 funding?

2 DR. OTTINA: I have no idea. I cannot answer that  
3 question.

4 QUESTION: In higher education, why is the Administra-  
5 tion ignoring the provisions of the Education Act of 1972 to  
6 aid the institutions which are chosen by the Federally assisted  
7 students?

8 DR. OTTINA: I believe what you have reference to  
9 there is the institutional aid part of the program. It is a  
10 very simple answer.

11 We are dealing with a very limited and fixed amount  
12 of resources. We feel that the first order of priority is the  
13 student aid. Therefore, with the limited resources we have, we  
14 recommended funding of the student aid portion of developing  
15 institutions.

16 But that particular program addresses a slightly  
17 different aspect of the program you had in mind, because it  
18 does not relate one to one with the institution which is the  
19 recipient of the student as was intended by the amendments of  
20 1972. But, we are asking for an increase of about \$20 million,  
21 from \$100 to \$120 million.

22 That program, you see, is targeted in areas where we  
23 believe the need more clearly exists.

24 QUESTION: Secretary Weinberger or somebody said  
25 this morning that you were expecting to aid the middle income

1 students by putting more money into your BOG, and I did not  
2 quite understand that reference. Could you clarify that,  
3 perhaps?

4 DR. OTTINA: No. I am not able to either. BOG  
5 money in the sense that you are asking the question do not  
6 relate.

7 The number of students who are eligible is the same  
8 regardless of what funding level you have with the one exception  
9 of the freshman-sophomore-junior-senior problem. This increases  
10 the number of students but does not change the range in terms  
11 of income levels.

12 So, if we look at any funding level  
13 the amount of money we see will be different, but it would not  
14 change the character of the eligible recipient.

15 I don't know whether that makes any sense to you. In  
16 the Guaranteed Student Loan program, however, we are trying to  
17 take up help for the middle class students.

18 Did I confuse you?

19 QUESTION: I never did understand the Secretary's  
20 reference this morning.

21 QUESTION: Has the Federal Government considered or  
22 worried at all about the idea of having, let us say, 70 percent  
23 of the next college generation come out of college indebted  
24 either to a bank or the Federal Government for a substantial  
25 amount of money?

1 Has this been raised as a potentially harmful effect  
2 on society in general? Have any studies been done, any Federal  
3 studies conducted in the area?

4 DR. OTTINA: The answer is no, yes, and yes.

5 There is a large number of proposals that have been  
6 discussed and are being studied. We are not in a position  
7 today to be able to recommend anything new on that score.

8 The position you have heard, which I enunciated today,  
9 is where we sit today. Very clearly, though, there is a set of  
10 alternatives including the ability to pay deferred type loans  
11 contingent upon income received, social security type of  
12 concepts. All kinds have been studied, and are being studied.

13 The basic notion that we talked about, though, I need  
14 to say just a word. Education is something that society  
15 generally supports, so that if we take it out of the realm of  
16 higher education, postsecondary education, a young person coming  
17 out of secondary school has been supported by society at large  
18 and has not had to be supported by the Federal Government.

19 What I am saying is, and I think that we are saying  
20 this together, this particular Nation believes  
21 that postsecondary education is something that needs to be  
22 available to all young people.

23 Postsecondary education is a more expensive problem,  
24 because it has attendant with it not only cost of instruction,  
25 tuition, which is not fully borne by the public at large as is

1 tuition in high school, for example, but also it is the  
2 beginning of the emancipation of the student from the family.  
3 So, part of the student himself becomes a consideration and  
4 educational cost.

5 So, I think what our society is saying is that it  
6 wants to see a higher level retained, and it wants that  
7 responsibility to be assumed jointly by the family, the student,  
8 and by the Government.

9 QUESTION: I write for something called "College  
10 Professor." You said that everyone likes education. I think  
11 that the rhetoric is there, but the action is not.

12 What we get in our offices are hundreds of college  
13 newspapers that say "students just cannot afford a college  
14 education."

15 You have all these wonderful programs, but they are  
16 not working. BOG, which is supposed to provide that extra  
17 amount of money for people who have no other kinds of funds  
18 available, basically the reaction we get is that it is a fraud,  
19 that the BOG provides enough to buy textbooks.

20 DR. OTTINA: Look at what has happened. BOG is  
21 funded at \$122 million. We all know that it takes at least  
22 \$1.3 billion to fully fund BOG's. So, we are short  
23 \$1.2 billion in that one item.

24 That one item, fully funded, represents at best 50  
25 percent of the cost of instruction, and at best means for

1 institutions with low cost, or \$2,800 or below.

2 There is not the willingness on Congress's part as  
3 yet to fund that program at that level, or even at the level  
4 that the Administration has proposed in the preceding couple  
5 of years.

6 The statement that you made about its not working.  
7 Of course, it is not working. First of all, the funds are not  
8 there to support it. Secondly, it is a brand new program,  
9 with a terrible start-up problem.

10 What you are criticizing, as I understand it, is not  
11 the BOG, which historically has not been there.

12 QUESTION: The Nixon Administration's desire for  
13 access to higher education being available to all, but it is not  
14 willing to provide the funds. Where is the money coming from,  
15 that is the question? If you fully funded BOG, it would not  
16 put the student through school.

17 DR. OTTINA: Let me take you back to what I ended up  
18 saying in response to a question. Is the view we hold  
19 that the total cost of education should be borne 100 percent by  
20 the Federal Government and society, the tax payer?

21 Or is it the view that clearly some portion of some needy  
22 student should be borne, and other resources be made available  
23 to match the 100 percent need?

24 It is the second view that is being taken right now.  
25 That is that there is an obligation not only on the Federal

1 Government, but on the recipient of the benefit, the student  
2 and the family and others to make the 100 percent.

3 If that thesis is not one that is accepted, you can  
4 very quickly come to another set of conclusions. So, I think  
5 that this is a privilege.

6 QUESTION: Isn't it inevitable that if BOG got fully  
7 funded without the cost of education grants to the institutions,  
8 that the institutions have only one course to pursue, which is  
9 to raise tuition?

10 If they raise the tuition, then the BOGs become  
11 worthless.

12 DR. OTTINA: There is a possibility that the institu-  
13 tions would chose to raise tuition. If that is done, I think it  
14 would have to be done in the context of all students who attend.  
15 Those who are eligible for BOGs are not 100 percent of the  
16 population attending those postsecondary institutions. They  
17 would be somewhere around 15 to 20 percent.

18 So, if the institutions raised tuition, they would  
19 have to face the problem of the other 80 percent as well, or 85  
20 percent; and if you look at that in terms of BOG, you are  
21 spreading -- if the scenario that you are predicting is a  
22 correct scenario -- that amount not only over BOGs but others.

23 If that does happen, it seems to me that what happens  
24 is two things. The percentage of the Federal contribution, or  
25 the \$1,400, might be altered, or both events might happen.

1           It seems to me, though, that only time and the full  
2 funding of the program and operation of the program for a little  
3 period of time can tell us the answer to that. What we have  
4 seen of BOG is very inconclusive, because of the very slow start  
5 of the funding of the program at the beginning of the year.

6           QUESTION: What percentage of these loans is defaulted  
7 at the colleges, the guaranteed student loans?

8           DR. OTTINA: In our history, that is looking at the  
9 number of loans that have been defaulted to a certain date  
10 divided by the number of loans that are outstanding and payable  
11 as of that date. Taking aside those loans in which there has  
12 been death or disability, the percentage is 5.7 percent under  
13 that definition.

14           Now, if instead of that definition, one tries to say  
15 what are our anticipated default rates, one can obtain,  
16 depending upon the set of assumptions you would like to make,  
17 numbers that are higher than that by a little bit, perhaps even  
18 dramatically higher than that.

19           The program has changed over the years by making  
20 eligible a set of institutions, which at the early stage of the  
21 program were not. We have in the program now a number of  
22 students who are only one year or less. So the maturity of the  
23 program, and the rate of maturity, instead of being four years  
24 plus a grace period, which we will set at five, has a much  
25 quicker turn-over of paper.

1 In some areas that has, in essence, made projections  
2 become more difficult for us, and that is the reason for some  
3 of the ambiguity when we talk about future expectations of  
4 default of loans.

5 Let me also add that experience between segments of  
6 the program is also different. I was talking about that  
7 portion of the program, basically, that is federally operated.

8 There is, as you know, a number of States that operate  
9 State programs, and they will also experience different kinds  
10 of rates than Federally operated portions.

11 Also, if you look at the Federally operated portion,  
12 you will find that, as a function of the kind of lender, you  
13 will see differences.

14 The lowest rate of default or delinquency seems to be  
15 coincidental with a lending institution. Higher delinquency  
16 and the higher default rates seem to go along with schools,  
17 both vocational and proprietary, and traditional colleges and  
18 universities when they become lenders.

19 Thank you all very much.

20 MR. HELM: The top Civil Rights Officer at HEW is  
21 Peter E. Holmes. He was appointed Director of the Office for  
22 Civil Rights in April, 1973.

23 In this post, Peter is responsible for Civil Rights  
24 policies and programs, programs which impact the lives of nearly  
25 all citizens, and which currently have significant impact on

1 our schools and colleges.

2 Since coming to HEW in May of 1969, Peter Holmes has  
3 served as Special Assistant for Policy Coordination and Director  
4 of Public Affairs in the Office of Civil Rights. Before that  
5 he was executive Assistant and Legislative Assistant to a U.S.  
6 Senator from Michigan. He has also been an editor and  
7 legislative officer for the Congressional Quarterly.

8 With a staff of more than 600 persons, the Office of  
9 Civil Rights administers Title VI of the Civil Rights Act of  
10 1964, Titles VII and VIII of the Public Health Act and Title  
11 IX of the Education Amendment of 1972.

12 The Administration of those acts and its impact on  
13 education is the subject of his remarks today.

XXXX 14 STATEMENT BY PETER E. HOLMES  
15 DIRECTOR, OFFICE FOR CIVIL RIGHTS  
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

16 MR. HOLMES: Thank you very much.

17 I have a brief statement, so let me go to that, and  
18 then I will take your questions.

19 It has been 20 years since the Supreme Court's  
20 decision in the Brown versus Topeka Board of Education case that  
21 started the Nation on the road to desegregation of the dual  
22 school system.

23 It has been 10 years since enactment of the Civil  
24 Rights Act of 1964, with its Title VI prohibition against use  
25 of Federal funds for programs that discriminate as to race,

1 color, or national origin.

2 Ten years ago, there were virtually no Blacks in  
3 school with White students in the 11 Southern States. By 1968,  
4 a total of 19.4 percent of the Black pupils in the South were  
5 in majority White schools, rising to 39.1 percent in 1970, and  
6 to 44.4 percent in 1972.

7 Perhaps of greater significance, the Black pupils in  
8 100 percent minority schools in the South decreased from 68  
9 percent in 1968 to 14.1 percent in 1970, and to 9.2 percent in  
10 1972.

11 We do not have the new figures for the current school  
12 year compiled yet, but they will probably show slight gains in  
13 the South, with a mixed picture of gains and losses in the  
14 metropolitan school districts in the North and South.

15 In the past 10 years, enormous change has taken place  
16 in the public elementary and secondary schools with regard to  
17 the desegregation of students. As these gains have been made,  
18 we have been able to expand our Title VI enforcement for the  
19 first time to reach national origin minority students -- Spanish  
20 surnamed, Asian American, and American Indian children.

21 Our goal is to assure that they receive equal delivery  
22 of educational services, with particular emphasis on language  
23 barriers.

24 As you know, we are moving into a new area now under  
25 Title IX of the Education Amendment Act of 1972, which prohibits

1 sex discrimination in education programs receiving Federal  
2 financial assistance.

3 Now, we are also involved in a complex new area --  
4 the desegregation of dual state higher education systems in 10  
5 states. The U.S. District Court for the District of Columbia in  
6 the Adams versus Richardson case, decided in February, 1973,  
7 that we must obtain such desegregation plans from Arkansas,  
8 Florida, Georgia, Louisiana, Maryland, Mississippi, North  
9 Carolina, Oklahoma, Pennsylvania and Virginia.

10 That decision was upheld by the U.S. Court of Appeals  
11 for the District of Columbia in June, 1973, and since that time  
12 we have been involved in extensive negotiations with state  
13 higher education officials.

14 We are currently reviewing plans submitted by all  
15 of the states, except Louisiana, which has declined to submit  
16 one. The Louisiana case has been referred to the Department of  
17 Justice, which has filed suit for a desegregation order in that  
18 state.

19 The Office for Civil Rights has these options under  
20 the terms of the order in Adams versus Richardson.

- 21 1) To obtain acceptable plans through negotiations.
- 22 2) If negotiation fails, to initiate administrative  
23 enforcement procedures under Title VI of the Civil Rights Act.
- 24 3) Or to refer cases to the Department of Justice  
25 for court action.

1 As I mentioned, this is a new, complex chapter in the  
2 history of civil rights enforcement. Unlike the issue of  
3 elementary and secondary school desegregation, there has been  
4 very little case law developed by the courts to give us legal  
5 guidance in the area of higher education desegregation.

6 Twice we have obtained extensions of deadlines set in  
7 the Adams case to give us more time to negotiate for voluntary  
8 compliance. The deadline by which we must accept, reject, or  
9 take legal action has just recently been extended from April  
10 8th to June 21st.

11 Now, with about two months to go, we are holding a  
12 series of meetings with officials from each of the nine states  
13 to set forth ways they can further improve their plans before  
14 we must make final determinations on their acceptability.

15 Last November, we provided each of the states with  
16 detailed letters of analysis keyed to their particular problems.  
17 Now, with the revised plans, we are trying to narrow the focus  
18 to our major concerns and questions. We are doing this  
19 verbally at the April meetings, and subsequently in writing.

20 In order to give you a sense of how we are proceeding  
21 in our dealings with the nine states, I would like to draw  
22 our attention to certain underlying principles that are  
23 guiding our negotiations.

24 First, careful statewide planning and state-level  
25 coordinated approaches are needed to accomplish desegregation

1 of former dual higher education systems. For example, the  
2 allocation of financial resources between institutions and  
3 the placement of new or specialized course offerings can have  
4 a significant impact on desegregation.

5 Individual institutions, acting alone, cannot make,  
6 by and large, the necessary decisions and carry them out. In  
7 addition, a coordinated statewide approach to student recruit-  
8 ment can have significant impact on efforts to emphasize the  
9 positive attributes of the predominantly Black institutions  
10 for White students, and vice versa.

11 Secondly, the principle of free choice is well  
12 established in higher education. The Government is proposing  
13 no actions that would infringe on the exercise of individual  
14 choices of institutions. Quotas or forced reassignment systems  
15 are not being proposed or suggested, explicitly or implicitly.

16 It should be recognized, however, that a student's  
17 choice of institution is often affected by such things as  
18 the quality of a college's facilities, the breadth of academic  
19 offerings, the reputation and quality of the faculties, and by  
20 the role or mission established by the state for its institutions.

21 And, finally, desegregation does not contemplate the  
22 downgrading or dissolution of the predominantly Black  
23 institution. In fact, just the opposite is contemplated.

24 We expect that the predominantly Black institutions  
25 will be upgraded, and made full, viable partners in the state

1 higher education systems, able to compete for and attract  
2 students regardless of race.

3 In addition, desegregation contemplates that the  
4 predominantly White institutions, through greater efforts in  
5 the area of supportive and counseling services, will be able to  
6 compete for, attract and retain greater numbers of Black  
7 students.

8 We view this new area of civil rights enforcement --  
9 the elimination of the dual structure of higher education --  
10 as both a challenge and an opportunity.

11 A challenge, because we are sailing in rather  
12 uncharted waters. An opportunity, because the ultimate impact  
13 on our and the states' actions will be a substantial broadening  
14 of higher education opportunities for minority children.

15 I will be glad to take any questions you may have.

16 QUESTION: Mr. Holmes, you cite statistics showing  
17 some very good improvement since Brown versus the Topeka Board  
18 of Education in the South. You talk about mixed gains when you  
19 talk about the North and South together, but you don't cite  
20 the North alone.

21 It seems to me that if you did that would show some  
22 net gains in certain instances, but if you look to New York,  
23 for example, where I do my education writing, you have a  
24 system of one million school children, and you have the same  
25 thing here in Washington, and the same thing in Detroit.

1           Doesn't it seem to you that we are heading in the  
2 North for the same position that we were in the South before  
3 Brown versus the Board of Education, and if so, how do we  
4 combat such a thing, short of bussing?

5           MR. HOLMES: I would not suggest that in the North  
6 we are headed toward a situation that existed in Brown, or in  
7 the South prior to Brown.

8           The situation that existed in the South prior to  
9 Brown, and in the 10 years following Brown prior to the passing  
10 of the 1964 Civil Rights Act, was a continued forced segrega-  
11 tion of students -- a mandatory segregation of students in  
12 schools according to race.

13           Now, you are absolutely right, the degree of racial  
14 isolation as opposed to racial segregation is on the increase  
15 in many very large school districts, and you named New York  
16 City for one.

17           That is a fact, and we have the figures. I don't  
18 have the figures with me right now, but we do have the figures  
19 on the degree of desegregation or integration in the North, in  
20 32 Northern or Western states, and it has shown a slight increase  
21 but nonetheless an increase in the degree of racial isolation in  
22 those states.

23           We are concerned about those types of situations.  
24 The remedy to those types of situations, as you know, is  
25 difficult. It is also an issue now before the Supreme Court of

1 the United States in connection with the Detroit case.

2 We have, however, nonetheless, begun a review of the  
3 delivery of education services to minority children, not only  
4 Black, but Puerto Rican and other national origin minority  
5 children in New York City.

6 This is a very comprehensive review, and it is going  
7 to take us several years to complete it. It is very much  
8 involved -- data collection and analysis, utilizing new  
9 techniques in that area.

10 We are receiving the full cooperation from the New  
11 York City School Board in connection with that large under-  
12 taking, and we hope that the result of our findings is that it  
13 will result in the improvement of the delivery of educational  
14 services to students in those schools, even though those  
15 schools may be racially identifiable.

16 QUESTION: The delivery does not speak to the end  
17 result. The end result is that you are getting an increasing  
18 situation of racially isolated schools the same as you had in  
19 the South no matter what the reason is.

20 What can HEW do about that?

21 MR. HOLMES: There is very little we can do legally  
22 about the fact of the segregation, if it is de facto segrega-  
23 tion, but we are, as I noted, and I will repeat, undertaking  
24 a review of the delivery of services to the students, to see  
25 if there is a difference in the amount of financial support

1 within the New York City schools between racially identifiable  
2 and non-racially identifiable, non-minority schools.

3 That is a positive effort to try to get at some of  
4 the problems in a large metropolitan area school.

5 QUESTION: As in the Denver case, one case is brought  
6 to Court -- I am just following up his question -- when a case  
7 is brought to court, as in the Denver case, you get the  
8 judgment that much of this isolation is de juri segregation.  
9 Yet, you are not making any moves to bring court cases in the  
10 North, are you?

11 MR. HOLMES: We do not bring court cases. But we  
12 very much involved in such cases. We are involved in Tucson,  
13 Arizona, currently, and Fresno, California, and a number of  
14 other California schools, and many other Northern districts.

15 We are undertaking reviews to determine whether the  
16 isolation in the schools is a result of official school board  
17 action, de juri action, or if it is de facto.

18 QUESTION: You really consider as one of your major  
19 priorities turning toward an attack on segregation in the North?  
20 You listed three priorities.

21 MR. HOLMES: I would say that one of our major  
22 priorities right now is to complete the methodology and the  
23 technology that we hope to be using in the New York matter, or  
24 that we are currently using in the New York review, and to try  
25 to develop a program to deal with some of the problems relating

1 to, or affecting minority children in the larger urban school  
2 districts, where there are not available remedies to the  
3 condition of racial isolation which may exist in those  
4 communities.

5 QUESTION: Do you believe that the bussing amendments  
6 are constitutional if they survive the final bill?

7 MR. HOLMES: First of all, if you have read the  
8 Schellenback and Mackenbug decision in the Supreme Court,  
9 recognizing that decision, and that decision holding, bussing  
10 is permissible to be used in desegregation, and recognizing  
11 that there are certain limitations to the use of transportation.

12 The language used by the court is that the transport-  
13 ation may not be desirable or required in a situation where  
14 it would endanger the welfare, health and safety of the  
15 children, or significantly impinge on the educational process.  
16 That was limiting language from the Supreme Court.

17 Now, it is ambiguous and it is vague. The most  
18 recent amendment passed by the Congress attempted to impose  
19 limitations, and they are most specifically defined on the  
20 amount of transportation that could be used in connection with  
21 the elimination of situations of de juri segregation, should be  
22 found constitutional in light of the Swann decision.

23 I will admit that this is a matter of substantial  
24 debate among lawyers, and I am not a lawyer.

25 QUESTION: Following the questions and your response

1 about looking at funding in various school districts. Applying  
2 that to higher education, let us assume that in the great  
3 Heartland of America there is a college with about 80 percent  
4 state support, do you say that your office, or HEW, is going to  
5 look at that college and tell the state to give it more money  
6 if it looks substandard?

MR. HOLMES: We would certainly look at the situation  
8 in that example you used in Heartland. I don't know which state  
9 you are referring to. We would look at the situation to  
10 determine what the cause of the racial identifiability was for  
11 that institution.

12 If it were 80 percent Black, look at the reasons why  
13 it is 80 percent Black. Is it a result of former segregation  
14 of students by a state law or policy in that state. We also  
15 look at the resources.

16 Assuming that there was a policy of officially  
17 sanctioned segregation of students in the institution in that  
18 state, we would want to deal with that state, not with respect  
19 to the predominantly Black institution, but with respect to the  
20 predominantly White population.

21 Why are we focusing on the 10 states? These are the  
22 10 states that were named in the order, but that by no means  
23 suggests or precludes us from dealing with other states once  
24 we have completed our work with these 10 states.

25 QUESTION: You say that your office is concerned with

1 dual school systems. I just wondered if you planned to move  
2 to make sure that every state supported college is a balance  
3 of Black and White students?

4 MR. HOLMES: Maybe you don't have my statement, and  
5 if you do, you ought to read it.

6 In the last paragraph it makes very clear that  
7 desegregation does not contemplate the downgrading or the  
8 dissolution of the predominantly Black institutions, just the  
9 opposite is contemplated.

10 We expect that the predominantly Black institutions  
11 will be upgraded.

12 QUESTION: Are you going to see that these Black  
13 colleges that are state supported are upgraded to the level of  
14 the White colleges that are supported by the same states?

15 MR. HOLMES: The answer to that question is yes. If  
16 the student composition of that school is attributable to past  
17 discrimination in those states, that is exactly the reason that  
18 we are into the 10 states in the South.

19 There are other states in the Adams order. There are  
20 other states that have this situation. We are only able to deal  
21 with the 10 states right now in the very strict terms of the  
22 time-frame set in the court's order.

23 Yes, we would, I cannot tell you when, because our  
24 priority right now is to enforce this court order, but we would  
25 look at the situation that caused the existence of those schools,

1 and if it were as a result of past segregatory policies in the  
2 state, we would ask the state to take action with regard to its  
3 entire system.

4 QUESTION: But only if it is as a result of past  
5 policies?

6 MR. HOLMES: That is right. We have to show discrimi-  
7 nation under Title VI of the Civil Rights Act has caused the  
8 situation to exist. If we cannot show that discrimination  
9 exists, then we have no legal basis for taking action.

10 QUESTION: On page 5 of your testimony, you say:  
11 "... desegregation contemplates that the predominantly White  
12 institutions, through greater efforts in the area of supportive  
13 and counseling services, will be able to compete for, attract,  
14 and retain greater numbers of Black students."

15 How do you propose this to come about?

16 MR. HOLMES: The states have been proposing this to  
17 us, and I think they have made some very good and interesting  
18 proposals with regard to providing more support to the services  
19 and to coordinate at the state level efforts to work with school  
20 counselors, and to make sure that they are channeling students  
21 to institutions on the basis of race, and that the student's  
22 choice is indeed a free choice as to the institution that he  
23 wants to attend.

24 So the states are coming forward with proposals in  
25 that area, which we are reviewing.

1 QUESTION: Is there any funding attached to this,  
2 any kind of training programs that will be established through  
3 that.

4 MR. HOLMES: The funding proposals are most of the  
5 proposals that come forward in this area by each of the states  
6 are funded out of state funds.

7 QUESTION: If you cannot show segregation under  
8 Title VI in the North, you cannot do anything about it. Is  
9 that what you are saying?

10 If in the North you cannot use the Title VI to show  
11 segregation, there is nothing that you can do. Therefore, all  
12 you can do is investigate?

13 MR. HOLMES: Title VI of the Civil Rights Act, which  
14 we enforce in the Office of the Civil Rights, prohibits  
15 discrimination in any Federally assisted program. Colleges and  
16 universities get Federal funds. Elementary and secondary  
17 schools get Federal funds.

18 Now, if we can show that discrimination has caused  
19 segregation, then we can act. If we cannot show that  
20 discrimination has caused segregation, then we cannot act.  
21 Now the burden of proof is much easier in the South than it  
22 has been in the North for the simple reason that in the Southern  
23 and Border states, each of those states had a state statute  
24 up until 1964 that made mandatory the assignment of students to  
25 schools on the basis of race.

1           A Black student could not go to a White school, it  
2 might be his neighborhood school. The White student could not  
3 go to a Black school that might be his neighborhood school.  
4 This was prohibited by state law.

5           Vestiges of that former system continue to exist in  
6 the South. And that, in the primary and secondary area, is  
7 what we have been focusing on since 1964, and have made  
8 tremendous gains at delimiting the classic dual-school structure  
9 in the South, and essentially eliminate it.

10           There continue to be schools that are racially  
11 isolated in cities like Atlanta, cities like Houston, not to  
12 mention the Northern cities like New York, or what-have-you.  
13 But, the distinction is that in the South there were state  
14 laws requiring the mandatory segregation of students, and in  
15 the North there were not such state laws.

16           Thus, if we see a situation in the North of an  
17 elementary school that is all Black, for example, we make  
18 inquiry, we make an investigation to determine what the cause  
19 of that was.

20           If the cause can be shown to be official school board  
21 policy, i.e., back in 1924, the school board sat down and said:  
22 "We don't want Black kids to go to White schools, and White kids  
23 to go to Black schools. We are going to segregate them." In  
24 that case, we have proof of discrimination.

25           Race discrimination has been proven in the City of

1 Pasadena, California, and there was a court order entered in  
2 1970, requiring the desegregation of that school system.

3 Discrimination has been shown in the City of Detroit  
4 in Judge Ross's decision, and there have been many other  
5 Northern school districts that have come under desegregation  
6 requirements.

7 QUESTION: How many districts in the 10 states do you  
8 think are out of compliance with the desegregation?

9 MR. HOLMES: I cannot say how many are out of  
10 compliance. I can say that currently we have about 20 school  
11 districts in the administrative enforcement proceeding that we  
12 have found, as a result of investigation and a failure to  
13 eliminate the discrimination, to be out of compliance and have  
14 initiated proceedings.

15 But, we continue. This is an on-going process of  
16 continuing reviews. In many cases, you will find there is  
17 discrimination and they voluntarily comply to correct it, and  
18 thus it is never a major question.

19 QUESTION: If you made a determination that the cause  
20 is segregation, wouldn't it be logical to explore the cause in  
21 several states before Federal funds are committed and how do  
22 you plan to do that?

23 MR. HOLMES: The question is with regard to the issue  
24 of segregation in higher education, and the determination as to  
25 whether discrimination existed and has caused that situation to

1 exist.

2 With regard to Central states, in Ohio there is a  
3 predominantly Black institution, wouldn't we make inquiry first  
4 as to what the cause of that being a predominantly Black  
5 institution is, before Federal funds are committed, I assume to  
6 assist the institution. We would not be making that determina-  
7 tion before hand.

8 QUESTION: You would rebuild it and then study the  
9 cause?

10 MR. HOLMES: The cause right now is irrelevant. The  
11 institution as an institution has been severely hit by the  
12 natural disasters in the midwest. I think that we should fund  
13 the institution, and no question about it.

14 I will take you back to my statement. We are talking  
15 about upgrading these institutions and providing additional  
16 assistance. The assistance that Dr. Ottina and others have  
17 discussed today is for that very purpose, to provide additional  
18 assistance for such schools, many of them being primarily  
19 Black.

20 QUESTION: If we are to assume that you really  
21 want to find solutions to the problem of racial isolation in  
22 schools in the Northern metropolitan areas, housing plays a  
23 major part in the predominantly Black schools.

24 What is your response to the approach suggested in  
25 the judicial directives in New York that not only the school

1 board and the school district were responsible, but that the  
2 housing authority, the police and everyone else play a major  
3 role in the shift of Whites out of neighborhoods, etc.

4 MR. HOLMES: I have not read the decision, but I know  
5 the decision that you are alluding to. I cannot comment on  
6 the decision. I prefer not to at the present time.

7 That was the considered opinion of individual Federal  
8 or District Court Judge, and it is based upon certain factual  
9 considerations that he made. I don't know whether the school  
10 system is appealing it or not, and I would prefer not to  
11 venture into that.

12 Thank you very much.

13 MR. HELM: We have three more speakers this afternoon,  
14 and we have a 15 minute break. We will be back at 2:45 p.m.

15 Peter has indicated that he will be here for a few  
16 more minutes, if anyone has additional questions that they  
17 failed to ask.

18 (A break was taken at this point.)

19 MR. HELM: Each year education seems to have a larger  
20 impact earlier and earlier in a child's life. Pre-school  
21 education programs that were rare 15 years ago are now an  
22 established part of our national educational system.

23 The responsibility for most of our pre-school educa-  
24 tion programs is now in HEW's newly-formed Office of Human  
25 Development, that office is headed by Stanley B. Thomas, who

1 holds the new position of Assistant Secretary for Human  
2 Development.

3 A native of New York, he was graduated from Yale  
4 University in 1964. Mr. Thomas came to HEW in 1969 from Phillip  
5 Morris, Inc., where he was manager of personnel relations. In  
6 1966 he served the City of New York as Secretary of the Anti-  
7 Poverty Operations Board and Aide to the Mayor.

8 Since coming to HEW, Mr. Thomas has also served as  
9 Deputy Assistant Secretary for Youth and Student Affairs. The  
10 impact of HEW programs on children is one of his main concerns.

11 I now have the pleasure of introducing Stan Thomas.

12 STATEMENT BY STANLEY B. THOMAS, JR.  
13 ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT  
14 DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

15 MR. THOMAS: I would like to introduce a colleague  
16 of mine, Mr. James Robinson, who is the Director of Project  
17 Head Start.

18 I am delighted to have the opportunity to address this  
19 audience of educational writers. I am looking forward to  
20 telling you about some new developments in the program you all  
21 know very well -- Head Start.

22 I should say that I will be departing initially from  
23 the text that was handed out to you this morning, but not in  
24 any particular substantive fashion.

25 I am sure that many of you have heard so much about  
26 this program over the past nine years that you may feel that

1 you know all there is to know about it, but significant new  
2 things are happening.

3 I am afraid that sometimes many of us take Head Start  
4 for granted, because it has been such a successful program.  
5 Because it has had so much impact on child development projects  
6 across the nation, and because it has become a household word  
7 many think of it as a kind of establishment program, settled  
8 into a comfortable educational pattern for preschool youngsters  
9 and their families, but that is not true.

10 When it was launched in 1965, Head Start was designed  
11 as an innovative, experimental project for young children from  
12 low income families, providing them with a better chance of  
13 reaching their full potential when they entered the regular  
14 school system.

15 One of the greatest mistakes we can make is to regard  
16 Head Start as a purely education program, designed solely  
17 to improve children's IQ and set their feet on a path of merely  
18 and simply academic achievement.

19 We like to think of Head Start as a "comprehensive  
20 child development program," which deals with the whole child.  
21 A hungry child cannot participate. Therefore, his nutritional  
22 needs must be taken care of.

23 An unhealthy child cannot participate. Therefore, his  
24 health needs must be taken care of. A child who comes from a  
25 family under stress is in all probability lacking in self-

1 confidence, self-esteem, and a feeling of self-worth. All the  
2 resources available to Head Start must be mobilized on behalf  
3 of that child.

4 New variations in the classroom-based program have  
5 been introduced to meet the needs of varied communities in  
6 different parts of the country. New pilot projects are underway  
7 to make Head Start more responsive to the special needs of  
8 individual children and their families.

9 Through the efforts of Head Start's staff and parents,  
10 we are revitalizing the experimental quality of the program.

11 As many of you know, Head Start is administered by  
12 the Office of Child Development, an agency of the Office of  
13 Human Development at HEW. Our Office of Human Development,  
14 which is just one year old, was created to design and coordi-  
15 nate innovative approaches to serving young children,  
16 adolescents, the elderly, and other Americans who have very  
17 special needs.

18 Before I tell you about the new changes at Head Start,  
19 let me take a moment to bring you up-to-date on the program and  
20 its accomplishments.

21 In nine years, Head Start has provided comprehensive  
22 educational, health, nutrition, social and other services to  
23 some 5.3 million low-income preschool children and their  
24 families.

25 Today, the program serves more than 379,000 children

1 annually in regular full-year programs, summer programs, and  
2 experimental projects.

3           Head Start has given these children an opportunity to  
4 receive the kinds of services and to enjoy the kinds of  
5 experiences they need for their full development.

6           At the same time, the program has provided  
7 employment opportunities for many of their parents, making it  
8 possible for them to play a more meaningful role in the  
9 the development of their own children and, in a number of cases,  
10 through jobs in the centers, to work their way out of poverty.

11           Project Head Start has played a major role in  
12 focusing the attention of the nation on the importance of early  
13 childhood development, primarily the first five years of life.  
14 In many ways, this pioneering program has had a dramatic impact  
15 on the thinking of educators, pediatricians, psychologists and  
16 specialists in the child care field.

17           For example, Head Start led the way in urging parent  
18 involvement as a vital factor in the education and development  
19 of young children.

20           The active, creative participation of parents in the  
21 governing councils of Head Start centers has encouraged many  
22 other early childhood programs and school systems to bring  
23 parents into their own planning committees.

24           Head Start has pioneered, also, making health care  
25 and nutrition a basic program component. It is now the largest

1 nationwide program providing comprehensive health care to  
2 preschool children.

3           Head Start has also shown how a program can work  
4 with other community services to enhance the effective  
5 delivery of those services.

6           As an example of this, some 200 Head Start programs  
7 have undertaken a special effort to make early and periodic  
8 screening, diagnosis, and treatment services available to  
9 about 125,000 children between birth and age six, who are  
10 eligible for Medicaid.

11           This effort encourages Head Start health programs to  
12 make maximum use of Medicaid for Head Start children who are  
13 eligible, and to provide health-related services to other  
14 Medicaid eligible children in the community, including siblings  
15 of children enrolled in Head Start.

16           The program has been of special interest to educators  
17 because of its wide use of research, evaluation, and monitoring  
18 activities to improve program services, its low teacher-pupil  
19 ratio, and its use of non-professional teacher aides in the  
20 classroom.

21           Head Start now employs more than 10,000 low-income  
22 men and women as teacher aides. Many of these aides are now  
23 enrolled in university training programs that will lead to  
24 their certification as child care workers.

25           In fact, this successful employment of non-professional

1 aides led to the development of Head Start's Child Development  
2 Associate Program, which is designed to develop a new kind of  
3 professional in the field of child care.

4 Child development associates will be trained child  
5 care workers whose credentials are based on their skills in  
6 working with children rather than on academic credits.

7 This year, some 5,000 Head Start classroom staff are  
8 working toward CDA credentials through Head Start's  
9 Supplementary Training Program.

10 Now to the future -- for Fiscal Year 1975, the  
11 President has requested a budget of \$430 million for Head  
12 Start, which is an increase of \$37.9 million over the 1974  
13 level.

14 Incidentally, this is one of the largest annual  
15 increases requested for Head Start since its inception. The  
16 additional funds will be needed to continue to serve the  
17 379,000 children in 1975, and to maintain the high quality of  
18 services provided to them.

19 Of the requested increase, \$15.7 million will be made  
20 available to Head Start grantees to cover indirect adminis-  
21 trative costs previously borne by Community Action Agencies  
22 from resources allocated by the Office of Economic Opportunity.  
23 The remaining \$22.2 million will provide an increase of about  
24 six percent to local grantees to meet the increased costs of  
25 wages, utilities, transportation and supplies.

1           In addition, we have requested an extension of  
2 Project Head Start for three more years, through separate  
3 legislation which places responsibility for operation of the  
4 program in our department.

5           I might digress for a moment to say that the program  
6 has really been under the auspices and direct authority of  
7 the Secretary of Health, Education, and Welfare, since 1969,  
8 but that legislation would make that formal.

9           To urge this three-year extension, I testified before  
10 a subcommittee of the House Committee on Education and Labor  
11 in February. We are now recommending passage of the Bill  
12 introduced by Congressman Steiger of Wisconsin on March 12,  
13 which would provide for this extension.

14           We believe that a three-year extension for Head Start  
15 will provide the opportunity to continue to evaluate the  
16 program, to proceed with improvements already under way, and to  
17 consider possible program changes with a sense of stability.

18           The extension will enable us to continue our  
19 activities within the present framework, and make it possible  
20 for Head Start to move ahead in significant new directions.

21           Now a word about some of these new directions. I have  
22 indicated that we want to return Head Start to its original  
23 purpose as a trail-blazing, innovative program for young  
24 children. Here are some of the steps we have been taking to do  
25 this.

1           We are now in the third year of Head Start's  
2 improvement and innovation program, which is a major effort  
3 to upgrade the quality of the programs throughout the country.

4           Improvements and innovation activities are being  
5 implemented in three ways: by encouraging grantees to adopt  
6 imaginative alternatives to the traditional classroom-based  
7 Head Start model; by strengthening local operation by means of  
8 new performance standards; and by introducing new experimental  
9 projects that will expand the horizon of Head Start and increase  
10 its responsiveness to the needs of individual children, their  
11 families and their communities.

12           I would like to begin with Program Variations. For  
13 a number of years, most Head Start centers offered enrolled  
14 children essentially the same five day a week, classroom-based  
15 developmental program. But experience has shown that the needs  
16 of children and their communities vary, and that to meet these  
17 needs more effectively, programs should be individualized.

18           Over the past few years, more and more grantees have  
19 introduced locally designed approaches in response to the  
20 requirements of children and families in their communities.

21           Taking this cue, in 1973 Head Start began to  
22 encourage local programs to adopt variations in the standard  
23 Head Start model, based on their special needs. We were  
24 convinced that local communities would know their own needs  
25 far better than the "Feds" ever could, based upon individual

1 and community needs assessments.

2 We felt that they should make the decisions, con-  
3 tingent upon parent approval and submitting proposals to Head  
4 Start program directors in Washington and the HEW Regional  
5 Offices.

6 All Head Start programs have now chosen one of five  
7 program options, and these options include:

8 First, the standard Head Start model which is the  
9 five days a week of center based activities.

10 Second, variations in center attendance to reflect  
11 the different needs of children and their families. For  
12 example, younger children often do better in short sessions  
13 scheduled fewer than five days a week, while children from  
14 families under stress may require more extensive services  
15 than those provided by the standard Head Start model.

16 Third, home based programs along the lines of the  
17 Home Start projects, now funded by the Office of Child  
18 Development, which are designed to help parents as educators  
19 of their own children in their own homes.

20 Fourth, double sessions involving two classes of  
21 children a day. Recognizing the need of such sessions in  
22 some communities to make better use of limited local Head Start  
23 resources.

24 Head Start permits double sessions only under certain  
25 conditions and with strict safeguard for children and staff.

1 Fifth, locally designed variations, enabling a  
2 grantee to design a program directly responsive to the needs  
3 and resources of its own community. In serving children whose  
4 families are in the migrant worker stream, for instance,  
5 adjustments have to be made in the number of hours a day to  
6 meet the needs of their families.

7 I have described the program variations that are  
8 playing a revitalizing role within Head Start today. Now, let  
9 me briefly tell you about a second development in Head Start's  
10 improvement and innovation program, which is a major effort to  
11 help all local centers achieve higher performance standards.

12 Monitoring data has shown considerable variation in  
13 the ability of local programs to meet Head Start performance  
14 standards. Some programs excel, and some clearly perform  
15 below expectations.

16 For example, by limiting their activities to  
17 intellectual achievements, while excluding other equally  
18 important factors, such as social and emotional development.

19 To meet this problem, the Office of Child Development  
20 has issued new guidelines outlining the full range of benefits  
21 that Head Start seeks to provide each child, and clarifying  
22 the methods required to meet the needs of the children.

23 All Head Start grantees have submitted specific plans  
24 to achieve these new performance standards. The grantees have  
25 received intensive, onsite assistance in improving services and

1 making better use of available resources.

2 As a result today every Head Start program is working  
3 toward meeting these performance standards.

4 The third major development in Head Start's  
5 improvement and innovation effort, and to me the most exciting  
6 one of all, is the continuation of new experimental projects  
7 that will increase the effectiveness of the program, and will  
8 undoubtedly influence the thinking of educators and child  
9 development specialists throughout the country.

10 Let me give you an example. The new Child and Family  
11 Resource Program, launched by the Office of Child Development  
12 in the spring of 1973. Until now most programs for young  
13 children have focused on certain limited age groups or special  
14 areas of a child's development.

15 While many of these efforts have achieved worthwhile  
16 accomplishments, none provided for the total developmental  
17 needs of children from the prenatal period right through to the  
18 early school years.

19 The child and family resource program draws on the  
20 most successful aspects of earlier Head Start projects to  
21 provide family-oriented, comprehensive child development  
22 services for children from the prenatal period through age  
23 eight.

24 There are now eleven child and family resource pilot  
25 projects across the country. Each project uses a Head Start

1 program as a base to develop a community-wide system linking  
2 a variety of services to children and their families.

3 Here, briefly, is how it works. First, a professional  
4 team, such as physicians, educators and social workers, will  
5 meet with parents to assess the needs of the child.

6 Then a program is set up to link each family to  
7 services offered by various community agencies, such as maternal  
8 and child health clinics, day care organizations, mental health  
9 agencies, and schools.

10 The goal is to make available to parents a continuity  
11 of services that will help them guide the development of their  
12 child from the prenatal period through the critical first  
13 eight years of life.

14 Then, there is our developmental continuity project  
15 aimed at promoting greater continuity of educational and child  
16 developmental services for children as they make the transition  
17 from home to preschool to school.

18 In collaboration with the Social and Rehabilitation  
19 Service of HEW, there is the major effort to make available to  
20 Medicaid-eligible Head Start children Medicaid's early and  
21 periodic screening, diagnosis and treatment program, to which  
22 I have already referred.

23 In cooperation with the Bureau of Education for the  
24 handicapped, there are 14 experimental projects to develop new  
25 approaches to serving handicapped children in integrated

1 programs with other Head Start, children.

2           Techniques developed in these projects will be used by  
3 Head Start programs to more efficiently carry out a Congressional  
4 mandate requiring that at least ten percent of Head Start  
5 participants be handicapped children.

6           You will be interested to know that to meet this  
7 requirement, enrollment of handicapped children has risen from  
8 17,000 in 1972 to about 38,000 today.

9           These are some of the experimental efforts now being  
10 developed through Head Start, and they follow such earlier  
11 experiments in early childhood development as the Parent and  
12 Child Centers, Health Start, and Home Start.

13           So, as you can see, significant and exciting things  
14 are happening at Head Start, and today I have tried to tell you  
15 about just a few of them.

16           This well-known nationwide program is undergoing  
17 continuous improvement. It is becoming an innovative,  
18 experimental program again, just as it was when first launched  
19 in 1965.

20           New activities are under way that will make Head Start  
21 more responsive than ever to the needs of children and their  
22 families, activities which will attract the interest of  
23 educators and child development specialists across the country.

24           To sum up, I think the big news about Head Start  
25 today is that, as a result of these changes and innovations,

1 the program will play a more important role than ever in  
2 helping to improve the lives of hundreds of thousands of  
3 America's children and their families with special emphasis on  
4 those who are still living in poverty.

5 I would like to make one additional comment about  
6 the new legislation which we submitted. What we basically did,  
7 recognizing that Head Start puts particular emphasis on  
8 community-based programs, and particular emphasis on the  
9 involvement of parents in those programs, our legislation  
10 basically permits us to do the same kinds of things, still  
11 emphasizing the demonstration of experimental elements of the  
12 program, and permits us to do the same kinds of things in the  
13 future that we have done in the past.

14 That is all I have to say, and I would be delighted  
15 to answer any questions.

16 QUESTION: Mr. Thomas, you have an Office of Child  
17 Development, and there is a director of that office?

18 MR. THOMAS: That is correct.

19 QUESTION: Am I correct that that position has been  
20 vacant for two years?

21 MR. THOMAS: Yes, it has.

22 QUESTION: The second part of the question. Is there  
23 a Director of the Children's Bureau?

24 MR. THOMAS: Correct.

25 QUESTION: Hasn't it been vacant for almost that long?

1           MR. THOMAS: The office of the Director of the  
2 Children's Bureau has not been vacant that long, not nearly  
3 that long, but we have been aggressively seeking to find a  
4 permanent director. We have had an acting director who had  
5 been deputy director for some time before that.

6           We are very aggressively pursuing the recruitment of  
7 a new director. I might add that we had someone in mind, when  
8 he told his Board of Directors that we were interested in him,  
9 they gave him a \$10,000 raise. These are some of the problems  
10 that we have had.

11           QUESTION: Have you made any recommendations to fill  
12 this position?

13           MR. THOMAS: I have not made any formal recommenda-  
14 tion to the Secretary, and the Secretary has not made a formal  
15 recommendation to the President.

16           QUESTION: You have not found anybody you could  
17 suggest?

18           MR. THOMAS: We have not found anybody in whom we  
19 were interested, who was not getting \$10,000 from his Board of  
20 Directors at the same time.

21           QUESTION: Why did you have to ask Congress for the  
22 Child Abuse ----

23           MR. THOMAS: As you know, the Child Abuse Bill was  
24 signed into law on January 31, 1974. We have alerted the  
25 Congress that we intend to make a request in Fiscal Year 1975

1 for an amendment to our 1975 Budget Request. The elaborate  
2 process of analyzing the bill, developing regulation, we just  
3 did not feel that we could have ---

4 As a matter of fact, we are very concerned about the  
5 fact that the House Appropriations Committee has voted a week  
6 ago \$4.5 million for that program, which would have to be  
7 expended before the end of the Fiscal Year.

8 We think that this would be prohibitive in terms of  
9 the kind of work we want to do, and the responsible way that  
10 we want to spend those resources.

11 So, we would make a 75 budget request. We don't feel  
12 that we have time in the Fiscal Year 1974 to spend the money  
13 as creatively and as well as we should.

14 QUESTION: In other words, the appointment of an  
15 advisory council must wait that long?

16 MR. THOMAS: You may have the statute confused. The  
17 statute requires the appointment of an intra-departmental  
18 committee with representatives of the various departments of  
19 HEW who have responsibilities in this area.

20 Indeed, the Secretary has already sent out to the  
21 various agencies of the Department the fact that he would like  
22 them to designate people to serve on that committee, which would  
23 be under the leadership of the Office of Child Development.

24 QUESTION: You said that Head Start permits double-  
25 sessions only under certain conditions. Would you like to

1 spell out what you mean by "certain conditions"?

2 MR. THOMAS: What we mean in simple terms is that we  
3 want to make sure that although the program can serve a larger  
4 number of children in double-session environment, that we do  
5 not sacrifice the very important elements of the program, or the  
6 quality elements of the program.

7 As I made reference to, we do find that in some  
8 instances the younger children are better off in a shorter time  
9 --- working with them over a shorter period of time. So, I  
10 think our basic agenda with that particular element is to make  
11 sure that we do not sacrifice the quality of the program, and  
12 we don't short-change the youngsters, even though we will  
13 permit that to occur.

14 QUESTION: I see that your budget is based on  
15 continuing to serve 379,000 people in 1975. Do you think that  
16 this is the total number of children who need this program?

17 MR. THOMAS: We think that the 379,000 figure is  
18 really well endowed for the full year. The full year figure is  
19 somewhere around 270,000 or 269,000. We have been moving to  
20 make as many of the programs full-year as possible.

21 We think that since this is an experimental program  
22 whose raison d'etre is not only to provide service but to  
23 develop new techniques, and new ways of providing free school  
24 services.

25 A universe much larger than that would make it that

1 much more difficult for us to have the kind of control and  
2 direction which we think is essential to getting the kind of  
3 innovativellon and experimentation that we want.

4           Indeed, there are occasions when we try new things  
5 where we look at how large is the universe of the children we  
6 are dealing with. Indeed, we are concerned that we may be  
7 getting a little too big now.

8           QUESTION: What part, if any, do the PTA's play in  
9 the Head Start programs, and has there been any parent or  
10 teacher selected to serve on the committee of the Head Action  
11 Programs?

12           MR. THOMAS: Parent-Teacher Associations, PTA's, as  
13 an element of the Head Start Program do not have as great an  
14 involvement in Head Start, which is preschool. PTA's are  
15 usually centered around elementary and secondary schools.

16           The particular involvement of parents of Head Start  
17 youngsters, which we call our parent involvement program, they  
18 have quite a sizable impact and involvement in actually  
19 designing the program.

20           I don't know what you mean beyond that. We have  
21 a specific policy which is meant to involve parents. We have  
22 the new developmental continuity activity, which I sort of  
23 referred to as that program where we want to bring more closely  
24 together Head Start, elementary and secondary education, and  
25 the kind of parent involvement we would want to see continued.

1 We do have an education for parenthood program, which  
2 is not under the specific auspices of the Head Start Program,  
3 but which is another activity of OCD. That program is where we  
4 have been working with the office of Education to develop a  
5 curriculum for secondary and elementary school students.

6 We have designed a curriculum with them, which we  
7 have circulated to various school systems, which is being used  
8 at the discretion of the particular system. Mainly, the youth  
9 organizations, such as the Girl Scouts, YMCA, and others, are  
10 participating in that activity.

11 QUESTION: What I was trying to draw attention to,  
12 also, was the PTA's interests. There are subjects that the  
13 school, the teachers and the policy of school would like to  
14 have parents consent to have certain subjects discussed and  
15 studied in the curriculum. Some parents disapprove.

16 My question, then, under HEW what could be a program  
17 set for the PTA's interest in any of this Head Start action?

18 MR. THOMAS: Separating our involvement in pre-  
19 school as opposed to elementary school, obviously the  
20 determination is in the PTA and the element is determined by  
21 the relationship between the PTA and the school district.

22 The Head Start programs, which we have direct  
23 authority for, we have put great emphasis on the parent  
24 involvement, and looking to link with those elementary school  
25 systems that would prefer to have that kind of involvement in

1 actual curriculum design.

2 QUESTION: HEW gives priority to community action  
3 agencies that have held the oversize responsibility for the  
4 Head Start program.

5 MR. THOMAS: If I might, I would like to set the  
6 stage for the question.

7 Many of the Head Start grantees, or community action  
8 agencies, we estimate, as a result of conversations with the  
9 Office of Economic Opportunity, that the vast majority,  
10 anywhere between 65 and 75 percent, of all CA's will be able to  
11 continue to operate.

12 We have sent out for comment new regulations which  
13 state that if we determine that that community action agency  
14 no long has 221 funding, OEO funds, if that community action  
15 agency through its other activities demonstrates its fiscal  
16 viability, that it is an institution that is fiscally viable,  
17 if they can demonstrate that they can continue to provide  
18 viable quality Head Start services, we will continue, obviously,  
19 to them as grantees.

20 Our basic intent is to provide as minimal disruption  
21 as we can, and we don't anticipate that that will be the case.  
22 But it should be noted that over 400 grantees, currently  
23 providing Head Start services are not community action agencies,  
24 and we call these limited purpose agencies.

25 The tradition of Head Start working with other

1 than CAA's is a very consistent condition of Head Start's  
2 history.

3 QUESTION: Why is Follow Through being phased out?

4 MR. THOMAS: You would be better off posing that  
5 question of my colleague, Charlie Saunders.

6 However, I can probably answer this question,  
7 because we work closely with them. It is a question of  
8 terminology. The general intent of Follow-Through was to meld  
9 that program into the on-going activities of school systems  
10 with disadvantaged youngsters.

11 As I understand it, we have submitted legislation.  
12 The Follow-Through was an experimental program, and as such it  
13 should run a normal course of years to prove something, or not  
14 prove something, and then on the basis of what has been proven,  
15 take that into account in future education policy decisions.

16 As I recall, without having it at my fingertips now,  
17 we are going to be starting in fact the phase out this fall.  
18 Those projects that have kindergarten children, they will not  
19 be taking any kindergarten children.

20 So, those that start with first grade people will not  
21 enter into a new first grade group. At the conclusion of the  
22 Follow-Through experimental program, I might add with regard  
23 to research, we have a more comprehensive understanding of  
24 the educational program.

25 In conclusion, we would hope that there will be some

1 significant findings with regard educational practices with  
2 those children, many of them are educationally disadvantaged.  
3 At the conclusion of that research, then, and after the analysis  
4 of it, we would hope that they would be able to implement it  
5 into other programs.

6 We have talked at great length about the possibility  
7 of using what we learned from Follow-Through in our large  
8 programs, such as Title I or in other programs that might be  
9 devised if necessary.

10 That is really the reason for the phase out of  
11 Follow-Through. It is an experimental program that has run its  
12 course. We will find out what we have learned from it. We  
13 have many models throughout the country to be used. Then to use  
14 that information in future educational programs.

15 QUESTION: You are going to phase it out, and then  
16 see if there are findings. I would presume that you would have  
17 findings now before you decide to terminate the program.

18 MR. THOMAS: No. The reason that it is being  
19 terminated is because it is an experimental program, and has  
20 run its course. It will take a period of years to accumulate  
21 enough data to study.

22 QUESTION: In Philadelphia, we have a particular  
23 problem with one of the Head Start programs. We found that one  
24 of the schools was violating the Head Start program, and the  
25 school principal had committed certain students so that he had

1 a group of students in the Head Start program that was  
2 socially, economically, and racially balanced.

3 The school Board agreed with the school principal  
4 that by having a group that consisted of children from low  
5 economic backgrounds, they were indeed depriving the children  
6 and not helping them.

7 They went to the state to get funding, because it  
8 was removed from the Head Start program. Is this kind of  
9 thinking something that you run across or do you find that most  
10 people are satisfied with your guidelines?

11 MR. THOMAS: I think that the latter is certainly the  
12 case. I think most people are aware that this is a program  
13 that is specifically aimed at poor children. Our mandate is  
14 that 90 percent of the children in the program be of poor  
15 family, and the 10 percent be non-poor.

16 We think that this is an appropriate mix. The  
17 statutory intent is that this program is clearly for poor  
18 children.

19 QUESTION: Isn't there a thinking that children learn  
20 as much from each other as they do from their teachers, and by  
21 mixing children of various backgrounds ---

22 MR. THOMAS: There is that feeling, and we feel that  
23 we meet that concern by enabling at least 10 percent, or a  
24 minimum of 10 percent of the children to be non-poor.

25 QUESTION: What is the level of poverty? Who

1 determines it, or does it vary from state to state?

2 MR. ROBINSON: You question is how do we determine  
3 the poverty level for participation of many youngsters in the  
4 program.

5 The poverty level is determined basically from the  
6 Census data. In other words, what we do within the Head Start  
7 program, and as a part of the community action agency, we have  
8 target areas defined by Census for us.

9 We expect programs to be established in those target  
10 areas to serve those children from those families, meaning that  
11 a certain percentage of the children, or the families within  
12 those target areas, must come from an income below a certain  
13 level.

14 The cut-off point right now is \$4,320. This is the  
15 basic cut-off point, which we are using as a result of the  
16 legislation passed for the Head Start program.

17 At the earlier point, we had a different set of  
18 figure for income guidelines, but after the passing of the  
19 1972 amendment to the Economic Opportunity Act, which required  
20 us to implement the fee schedule, then we adopted this set of  
21 figures, beginning at \$4,320 and graduating based on the number  
22 of children in the family, and the income level of the family  
23 going up in graduated steps, that determines who is eligible  
24 to enter.

1 QUESTION: Sir, you mentioned that there are  
2 now 38,000 handicapped children included in the enrollment  
3 of Head Start.

4 I understand that more than 50 percent of those  
5 children who have been labeled as handicapped are, in  
6 effect, mislabeled and do not meet the correct definition  
7 of that word from which they have specifically exempted  
8 children who have speech patterns that are not like the  
9 majority of speech patterns, children who need glasses  
10 and children who need hearing aids.

11 Do you have any comments on that?

12 MR. THOMAS: Yes, I have a comment. The comment  
13 that your information is inaccurate. We have just  
14 completed, as a matter of fact, and will be forwarding to  
15 the Congress in the next month or so, within three weeks,  
16 a report which will clearly indicate that we have met the  
17 Congressional mandate.

18 QUESTION: I was somewhat familiar with the  
19 report, sir, and I thought that it did state that there  
20 were more than 50 percent that was mislabeled.

21 MR. THOMAS: From Science Research?

22 QUESTION: Midwest contract, Syracuse; right.

23 MR. THOMAS: What did they say, now?

24 QUESTION: My understanding of the report is  
25 that they said more than 50 percent had been mislabeled;

1 that they are not severely handicapped as Congress had  
2 said.

3 MR. ROBINSON: I'm sorry. I guess we could  
4 debate this, but I would be willing to wager with you the  
5 fact that we have children, all of the children, and we  
6 are counting in this all children who will satisfy the  
7 definition set by the Congress in its requirements that  
8 we serve handicapped youngsters.

9 We expect to be questioned very closely on  
10 whether or not we are really fulfilling that mandate, and  
11 I'll wager my best suit that we are fulfilling that  
12 mandate absolutely and completely.

13 MR. THOMAS: Suffice to say that when the report  
14 comes out, we can show that and every indication that I've  
15 gotten is that that is not the case.

16 QUESTION: Our Head Start Program was one of  
17 those that was a half day and was forced to go to a full  
18 day.

19 Did you get a lot of pressure from groups like  
20 that?

21 MR. THOMAS: Not as to the basic decision as to  
22 where the Program would go, whether on a half day or full  
23 day, based on two things: basically what the community  
24 wants, and whether or not we have the resources to do it.

25 Those are usually the issues that are of the

1 greatest concern to us.

2 QUESTION: Are we allowed to go back?

3 MR. THOMAS: I think any program that has  
4 demonstrated that they can provide a service, that they  
5 can meet the needs in less than a full day, will obviously  
6 do that and take appropriate actions. Certainly, they  
7 are not precluded from doing that, but we're interested  
8 in keeping the interest of the children in this situation.

9 QUESTION: Senator Stafford has proposed putting  
10 the REHAB services under the OCD. Do you think this is  
11 a wise thing to do?

12 MR. THOMAS: It's not exactly an educational  
13 question, but Senator Stafford has introduced legislation  
14 to move the Rehabilitation Service Administration out of  
15 the Social Rehabilitation Service into the Office of Human  
16 Development and not the Office of Child Development.

17 I am sure that the Secretary feels that is the  
18 appropriate location for that program is where it is or  
19 else he would propose something else.

20 I am very confident that the Department should, if the  
21 issue comes to the floor, will continue to maintain the  
22 program where it is and the way it is. We will recommend  
23 that that will continue.

24 QUESTION: Since the CDA has not yet come out  
25 with anything, what about the credentials to men and women?

4 1 MR. THOMAS: There are two issues there.

2 We have Head Start Supplemental Training Program,  
3 which is a program where a lot of our people who are a  
4 part, or a participant, are staff members of the Head Start  
5 Program. The Child Development Degree is one that we are  
6 in a position to, and the question is really addressing  
7 the committee, is what other people, other institutions  
8 that are not currently participating in the program, what  
9 they would have to do in order to give out the CDA Certifi-  
10 cate.

11 We at the Head Start Supplemental Training  
12 Sessions already do that.

13 MR. ROBINSON: As far as Head Start is concerned,  
14 and as Mr. Thomas has stated, we are currently giving  
15 training to thousands of Head Start Staffers.

16 The Consortium has told us that they will have  
17 the ingredients by which to measure the ability of the  
18 staff person to do the work with young children. They  
19 will have this clearly defined and set up before the end  
20 of the year and that we will be in the position to give  
21 at least 5,000 CDA's.

22 Now, to be precise, they have not yet given us  
23 the precise measurements. They have not told us precisely  
24 what these will be. They have said to us that they will  
25 be ready by the end of the year.

5  
1 In other words, the competencies will be  
2 defined and a CDA credential will be issued.

3 QUESTION: What are they giving these people?

4 MR. ROBINSON: We have not given any kind of  
5 certification within Head Start, to be very honest. We  
6 have simply given them the opportunity to go to colleges  
7 and universities, community college, four year colleges,  
8 and in some instances, even beyond the graduate levels  
9 while they continue to work within the program.

10 We have not given certification at all.

11 MR. THOMAS: We have time for two more questions  
12 if there are two more. If not, thank you all very much.

13 SECRETARY HELM: Thank you.

14 As you can see in the program, our next speaker  
15 was to have been Donald E. Johnson, the Administrator of  
16 Veterans Affairs, but yesterday the President directed  
17 Mr. Johnson to conduct an inspection tour of VA Hospitals  
18 and right now he is in San Francisco.

19 Standing in for Mr. Johnson we have the Chief  
20 Benefits Director of the VA, who is Odell W. Vaughn, a  
21 veteran and career VA official. Mr. Vaughn administers  
22 Veterans' benefits totaling nearly nine billion dollars a  
23 year.

24 Mr. Vaughn is thoroughly familiar with the  
25 education benefits programs of the VA and will bring us

6 1 up to date on them now.

2 MR. VAUGHN: Thank you Mr. Helm.

3 It is indeed a pleasure for me to have an  
4 opportunity this afternoon to go over some of the educational  
5 benefits administered by the VA.

6 I'm sure that you're aware that neither the VA  
7 nor our educational program is any stranger to the media,  
8 particularly in the recent weeks. We have certainly been  
9 in the news in one way or the other.

10 I hope that during my brief remarks, plus giving  
11 you the opportunity to ask any questions that you have and  
12 try to answer them as candidly as I can, we will be able  
13 to give you a broader picture of what happens within the  
14 three billion dollar a year program that we administer  
15 to the Veteran's and dependants just in this one program  
16 that we do operate within the VA.

17 I hope that this meeting will give you a better  
18 understanding of the role that is played by the Veteran's  
19 Administration, as to what we can do and what we cannot do  
20 in the field of the educational program.

21 For example, we find that we are quite often  
22 confronted with people who charge us with benefits that  
23 they are asking for, that we cannot perform, and we cannot  
24 give because of the fact that the Congress has rightfully  
25 held the job to themselves to determine what benefits will

7  
1 be administered and the Veteran's Administration basically  
2 has the job of administering those as Congress releases  
3 them.

4 Much of the criticism that we have had leveled  
5 on us was concerning the benefits being too low, for  
6 example. The question of tuition payments.

7 Many people do not realize that those are beyond  
8 our control. Those things are definitely within Congress  
9 to act.

10 I'd like to give you a few facts on the GI Bill  
11 going back to 1944, at which time we had the beginning of  
12 the World War II Program. In moving forward to the Vietnam  
13 Program, we had some fifteen million veterans who have  
14 taken advantage of the GI Bill in that period of time.

15 Many people say that is probably one of the most  
16 enlightened programs in the history of any government in  
17 the world, and it is certainly the equivalent to providing  
18 benefits to some 17 States, for example, for the entire  
19 population. If you measure the number of veterans who  
20 have taken the training available, you will also find that  
21 in this program, and in the handouts that we have given you  
22 today, that some 29 billions of dollars have been spent  
23 in the educational programs of the Veteran's Administration  
24 since the beginning back in the '40's.

25 As the result of the 29 billion, we feel that it

1 has been an excellent investment, particularly when we look  
2 back at the World War II veteran and see that he has become  
3 the leader of the country today in the field of business,  
4 and in the field of government, also, and as the result,  
5 the amount of increased taxes that he would spend or  
6 pay back into the government over a period of years as  
7 the result of his increased earning capacity through the  
8 GI Bill programs, he will have paid back this money many,  
9 many fold; and we recognize that for this reason, the  
10 29 billion dollars has a true investment on the part of the  
11 United States Government.

12 The total amount of this 29 billion, and to try  
13 to put it in some perspective, is the equivalent, for example,  
14 of the total sum of seven million dollars more than  
15 was spent on the entire period of World War I.

16 We have two programs that are highly beneficial  
17 and I would like to touch on first before we go into the  
18 regular GI Bill as we see it today under the Vietnam  
19 Program.

20 Since World War II, the more seriously disabled  
21 veterans have had a special training for them, and under  
22 this law the Vocational Rehabilitation Act of 1943, which  
23 has moved forward, the same benefits are administered through  
24 all the war period since that time. There are 780,000  
25 disabled veterans who have taken advantage of this program,

1 whether we take the man through complete rehabilitation  
2 and pay for all of his costs of education, including the  
3 tuition to the school of his choice, if he chooses to  
4 go to school rather than on the job training.

5 This is a complete rehabilitation program with  
6 all of the tab picked up by the government, in addition  
7 to the payments that he would normally receive for the  
8 disability incurred or aggravated by his military service.

9 During the period of the Vietnam period, we  
10 have had 55,000 of that total 780,000; 55,000 have taken  
11 advantage under this Vocational Rehabilitation Program.

12 One of the interesting things that we often  
13 hear about in the VA, with reference to the cost of tuition  
14 in schools, for example, there are those who would indicate  
15 that the Vietnam veteran's reason for attending public  
16 school rather than the private school in many instances, is  
17 because of the lack of tuition as an extra entity in the  
18 Vietnam Program.

19 The interesting thing, however, if you will study  
20 the trend of the non-veteran, the total veteran population  
21 of school age, you will find that the trend has moved in  
22 that same direction in all fields. Eighty-one percent of  
23 our Vietnam veterans are attending public schools, and the  
24 reason for this mainly is that at the end of World War II,  
25 we had some 17,000 in existence.

10 1 We have moved into a much higher figure now with  
2 many, many junior colleges opening up throughout the  
3 country, and as the result, many of the veterans have  
4 chosen now to go to school nearest to their homes.

5 Under this Rehab Program, the trend has been  
6 exactly the same, although the indication is that the  
7 tuition has held the men back from going to the private  
8 schools.

9 Under the Vocational Rehabilitation Program  
10 for disabled veterans, we find the majority of those people  
11 also elect to go to the public school and they could go  
12 to the school that they wish, including Harvard. Harvard  
13 is the one that most people like to talk about.

14 In 1956, we had another program that was instituted  
15 which is an educational program for the sons and daughters  
16 of veterans who are totally disabled due to the war service,  
17 or who have died from a service connected cause.

18 In 1968, this law was broadened to include the  
19 wives and widows. of those same veterans, the veterans  
20 who had a seriously disabled condition or died from a  
21 service connected condition.

22 During the period that those two laws were  
23 enacted, we have 222,000 sons and daughters to attend  
24 school and 24,000 widows and wives. So, you can see that  
25 this is an ever increasing program under the different

1 educational GI Bill segment).

2 The Veteran's Administration has tried, in many  
3 ways, to point out that the Vietnam veteran, although  
4 many people would make him feel, has not taken advantage of  
5 the GI Bill because of it being a miserly program with  
6 a total lack of feeling on the part of the Administration  
7 not to pay the benefits in a timely way and this sort of  
8 thing.

9 We have tried to point out on many occasions,  
10 and we would like to give you some figures to indicate, that  
11 this is not true at all, that we are very proud, and  
12 when I say proud I mean not for us but for the Vietnam  
13 veteran who, of course deserves to be the leader of  
14 tomorrow just like the World War II veteran is now today,  
15 based on their education under the GI Bill. For this  
16 reason, we would like for it to be well known that the  
17 Vietnam veteran is definitely taking advantage of his  
18 GI Bill.

19 In this eight year, and we have not quite finished  
20 our eight year yet, there have been 4.7 million Vietnam  
21 veterans who have trained. At the present time, we have  
22 1,500,000 in training. This is a good indication to me,  
23 and I'm sure it is to you that they are taking advantage  
24 of this GI Bill to the greatest extent.

25 The Vietnam veterans participation, for example,

1 has been 51.5 percent to date, during this same eight year  
2 period.

3 During the same eight year period for World War II,  
4 the participation rate was 50.4 percent, and in the  
5 Korean Conflict, 42 percent.

6 So, this means that basically, the participation  
7 rate of the Vietnam veteran has now exceeded, and we are  
8 sure, based on the history of the World War II program,  
9 we are sure that it will move even higher percentage wise  
10 than it is today before we see a leveling off, and we do  
11 expect, because of the reduction in the separation from  
12 the armed forces, we do expect a reduction in the future  
13 years of the veteran in school.

14 This is also true to the limitation of his  
15 eligibility.

16 In the twelve year history of the World War II  
17 GI Bill, we had some 2.2 million veterans who went to  
18 college under the GI Bill.

19 In only eight years under the Vietnam Program, we  
20 have had 2.4 million. That is 2.4 as opposed to 2.2  
21 veterans who have attended college under the GI Bill.  
22 This means, that we have had actually some quarter of a  
23 million more veterans under the Vietnam Program who have  
24 actually attended school and colleges, than we had  
25 during the World War II period.

1           Some of the changes that have transpired under  
2 the Vietnam Program that were not available during the  
3 World War II are such things as entitlement for the veteran  
4 to attend high school and to get his high school diploma  
5 before going to college, and no charge against his entitle-  
6 ment.

7           This means that in addition to being able to  
8 complete high school, this veteran will also have his  
9 full eligibility to take courses and go all the way  
10 through college as opposed to the World War II veteran  
11 who was limited to the charge of his eligibility or  
12 of his entitlement for that high school period while he  
13 was preparing himself to go to college. This is a very  
14 important step in the right direction in making sure that  
15 we give complete education to the veteran.

16           In addition to that, we have added, and when I  
17 say we, I mean the Congress with the approval of the  
18 President, has added, also, a provision in the law that  
19 was not available to the World War II veteran that provides  
20 a tutorial service to veterans who find themselves in  
21 school and in need of tutorial assistance because of their  
22 being away from the school attitude for some several years  
23 and moving back into the classroom, they find a need for  
24 a tutorial service and the tutorial service is now available  
25 under the Vietnam period, which was not under the World War II.

1 Under the World War II program we had the rule  
2 that provided that if a veteran had over \$210 earned income,  
3 he was not entitled to his educational allowance, or  
4 subsistence, as they called it at that time.

5 Under the Vietnam Program, the veteran has  
6 no limitation as to earned income at the same time he  
7 attends. The maximum amount of educational benefit in the  
8 World War II Program was \$75, the Vietnam limit is \$220.

9 As I mentioned earlier, under the Seriously  
10 Disabled Veteran's Law, a 30 percent or more disabled  
11 veteran can attend school and there is no limitation as  
12 to what we can pay for in order to make certain he receives  
13 his education, and this has been true through all the  
14 laws.

15 I might point out in closing, that since the  
16 President took office we have seen an increase of over  
17 70 percent in the educational benefits. It started out  
18 prior to his taking office at the rate of \$100. It  
19 increased to \$130, and from \$130 to \$175 in 1970 and to  
20 \$220 in '72.

21 On November the 19th, the Veteran's Administration,  
22 at the direction of the President, submitted to the  
23 House of Representatives, a recommendation for a cost of  
24 living increase in the Vietnam GI Bill.

25 As of February the 19th, the House passed a Bill

1 of 13.6 percent increase in the cost of living, of course  
2 the cost of living has moved forward since the time we  
3 made the presentation in November.

4 The Senate still has not moved on this Bill and  
5 has just recently started hearings on it and they are  
6 still having hearings on the Bill, which means that back  
7 at the time when we had made the presentation in November,  
8 or within any reasonable period thereafter, there had been  
9 a law passed, we would see some many, many veterans who  
10 would be completing their schooling this year, or receiving  
11 a higher rate who will not, under the circumstances or  
12 the delay to act on the part of the Congress, the delay  
13 is causing these people to have lost part of the money  
14 that they would have been receiving during this period.

15 I feel that it would be best, at this time, to  
16 ask you for any questions that you might have and I will  
17 certainly try to answer them for you.

18 QUESTION: You indicated that the major criticism  
19 of the Administration has recently been a misunderstanding  
20 of programs.

21 Isn't it a fact that the real criticism that  
22 you're facing is that year in and year out a large percentage,  
23 many places, in fact practically all the veterans find  
24 their subsistence payments are simply not coming through?

The latest case history is that those of us that

1 live in this area who have seen, it was in one of the local  
2 papers two days ago, of another young man who simply  
3 couldn't make it because his check was six months late.

4 What, if anything, is the Administration doing  
5 with this rather recurring problem?

6 MR. VAUGHN: That is one of the major problems.  
7 I agree with you.

8 This misunderstanding was a problem in connection  
9 with the VA and the Veteran, and I  
10 think that you will see, in most instances, these are tied  
11 together when you have a discussion with a group of  
12 veterans.

13 I just finished a tour of four parts of the country  
14 meeting on campus with veterans to discuss just the  
15 problems that you are talking about. I find that we also  
16 end up with a discussion on the amount of money and a  
17 longer discussion and a greater one on nonreceipt, and  
18 then I also find that we get into the question of discharges  
19 which is a strong issue today, whether or not a man should  
20 be issued a dishonorable discharge.

21 Now, there are several things. First let me  
22 point out that whether there is only one veteran that  
23 fails to get his check, we are concerned, and I can assure  
24 you we are.

25 I do want you to be sure that you understand that

17 1 as of the first of this month we paid 1,400,000 plus  
2 veterans a check and we're doing this every month.

3 With the reference to the Advance Pay, there  
4 was some indication that it was a failure. It was not a  
5 failure. There were several big problems involved that  
6 caused the checks not to arrive on time under the Advance  
7 Pay System.

8 However, during the Advance Pay System we paid  
9 697,000 advance pay. So, it does work, the only problem  
10 is we lack a lot of having the perfection that we should  
11 have.

12 I could briefly speak on one of the veterans,  
13 the one that you were talking about that was in the paper.  
14 I think it is has become public enough that it would not  
15 infringe on his privacy to tell you that Mr. Blackenship,  
16 the gentleman who referred to the fact that he had to  
17 drop out of school, changed his address so many times.  
18 We have records, and the Treasury Department has records  
19 of sending his check.

20 His first reference was that he had not gotten  
21 his checks since November. This was his first charge, and  
22 this is when the NBC story came out.

23 There is a record, and the Treasury Department  
24 has a record of checks every month, sometimes a different  
25 address, but not in time to catch Blackenship.

18 1 In February, the 22nd day of February,  
2 Mr. Blackenship was contacted and we said, give us a good  
3 address because we are going to phone the Treasury to  
4 send you a check for this back period. We have already  
5 sent out one, a lump sum, and he failed to get that check,  
6 too.

7 He had not changed his address at the Post Office,  
8 and this can be confirmed at the Post Office. He had not  
9 changed his address with the VA.

10 On February 22nd, the Treasury Department was  
11 called and said, send him a check, and here is his  
12 address.

13 The check went out and Mr. Blackenship had  
14 moved and it was returned. On March 7th, it was learned  
15 that it was returned and on March 7th the Director of our  
16 office here, the Veteran's Administration here in  
17 Washington, called Mr. Blackenship and said I have in my  
18 hand your check, could you come to the Veteran's Adminis-  
19 tration and pick it up because of the problems that we  
20 have had in trying to get the check to the gentleman.

21 Mr. Blackenship went to the office and signed a  
22 receipt for the check on the date of March 7th.

23 Sometime after that, he hit the media again and  
24 he stated that he had to drop out of school because he  
25 wasn't being paid.

1 He had not notified the VA that he had dropped  
2 out of school, nor had he notified the school, and as a  
3 result, he dropped out of school on March 15th, after he  
4 received his check and not before and not because he  
5 couldn't get a check, and he failed to notify both of us  
6 and as the result, it created an overpayment against him.

7 This is the case that you were talking about.

8 MR. HELM: Is NBC here?

9 MR. VAUGHN: I would like to say that we have  
10 a massive study going on. There is a Task Force in the  
11 Office, in the field stations looking at closed cases where  
12 we have had to pay hardship payments, using those as a  
13 guide to see what has caused the problems, and we are  
14 in the midst now of making many changes that will be  
15 effective sometime between June and September, depending  
16 on when we can reprogram the computer.

17 QUESTION: The reason I raised the question is  
18 that as you know, the Task Force that the Administrator  
19 appointed several years ago raised this very point.

20 At the conclusion of that conference, we were  
21 all assured that the matter was under control. Six months  
22 ago, the LA Office was staffed around the clock because the  
23 problem was being solved, and yet our campus, at least  
24 everyone of them, continue to report and we're still having  
25 problems. As a matter of fact, on our campus at least, that

0  
1 every chancellor has had to create an emergency fund to  
2 keep people in. So, whatever is happening, still isn't  
3 good enough to make sure that those people who are entitled  
4 to their checks get them on time.

5 I don't know what percentage move out and don't  
6 give you their address, but one of the T.V. programs that  
7 I observed, indicated that there's a factor, and the  
8 percentage I don't recall, but the figure was in excess of  
9 100,000 veterans were not getting their checks probably  
10 because the computer is programmed wrong.

11 Now, it may not be any more difficult than,  
12 literally that. That's where the nub of the problem is.

13 MR. VAUGHN. There are several things that we  
14 have already started to move toward doing and are doing  
15 now. We know at this moment, for example, there are several  
16 actions that we are taking as of right now.

17 While this Task Force moves forward, we are making  
18 changes in order to be prepared to make certain we do take  
19 some action and not waiting until the end of the Task Force  
20 period.

21 Number one: We have already, as of April first  
22 of this year, taken the bug out of the computer that cause  
23 the failure to be able to put in Advance Pay and a late or  
24 early enrollment.

25 Number Two: We are taking the bug out of the

1 computer in order to get the man his Advance Pay although  
2 he has failed to submit us a cert card.

3 That is in process now of being placed in the  
4 computer.

5 We have already changed the Advance Pay when  
6 we discovered the Post Office was returning many of those  
7 checks, and put the school's name at the top of the check,  
8 and then the veteran's name second, because the Treasury  
9 Department objected to sending mass checks to anyone location  
10 to veterans.

11 These are some of the things, In addition to  
12 that, we have found that we need the assistance of the  
13 Veteran Coordinator on campus, because in the study that  
14 we made based on delayed and late checks, we found that  
15 the causes of late checks was, one: the veteran; two, the  
16 school and three; the VA.

17 Now, we do not say that the veteran in the school  
18 is totally at fault when we say they caused the delay,  
19 because I think that if we had had a better liaison with  
20 the school and a better understanding with the veteran,  
21 we could have avoided not only part of our own errors, but  
22 we could have also helped to avoid some of theirs.

23 So, what we have done is we have told our  
24 regional offices all over the country, just two weeks ago,  
25 to contact veteran coordinators on every campus and offer

22 1 them, number one; training; number two: offers to set up  
2 a committee with our people sitting in on this committee  
3 in order to give these people the opportunity to let us  
4 know the minute something goes wrong so we can take steps  
5 to do something about it. These are some of the things  
6 that we have already moved in, as of now. I think you  
7 will see within the next thirty days, the President has  
8 told the Administrator that within sixty days he wanted  
9 a complete new program, and I think you are going to see it  
10 in less time than that, and I think you are going to see  
11 a drastic change in our method of operation.

12 QUESTION: Mr. Vaughn, are you saying that the  
13 veteran and the schools are the major cause of the problems?

14 MR. VAUGHN: No sir, I did not say that.

15 I said that the causes are the schools, the  
16 veteran and the VA, and in the cases that we look at that  
17 are closed, it runs almost equal. They don't make the  
18 mistake; we goof the case in our operation.

19 The schools are late with enrollment, and I  
20 see you are shaking your head and I can name you one now  
21 because in our Monday morning report, we get a report now  
22 every Monday morning from every office, one station reported  
23 over 2,000 enrollments. I called that office, personally,  
24 and I said, you received 2,000 enrollments, and when did  
25 these come in and why did you get 2,000 of them. Is this

1 the summer enrollment starting, because I thought we were  
2 through with spring. And, the response was, no, we have  
3 2,000 spring enrollment that were just received on Thursday  
4 and Friday of this week, this past week. And, that  
5 station received 2,000.

6 The reason for it is many schools will not  
7 release their enrollment certifications until they have a  
8 shake-down period. I know this may not be true in the  
9 schools you talk to, but it happens.

10 We are hoping that we can resolve some of the  
11 problems like that before the fall enrollment. As I said,  
12 again, that even though I have said that some of these  
13 particular cases that we have researched and that we  
14 have measured, we find it almost equally divided as to  
15 what caused the problem, and I don't mean errors on the  
16 part of the school nor the veteran either one, I mean the  
17 timing of getting the material into the agency.

18 We can improve on that greatly and I think that  
19 in some of the campuses that I have just visited, and as I  
20 said there were five campuses around the country or four  
21 campuses and the meeting with the National Association  
22 of Concerned Veterans, and they indicated to me that there  
23 has been a better communication of recent weeks and they  
24 do feel the same as I do, that it will solve many of their  
25 problems, their own campus problems, with reference to

24 1 delayed checks.

2 QUESTION: I find that the statistics that you  
3 have given today, which are essentially the same that has  
4 been put out in the VA releases over the last several  
5 months are very one dimensional.

6 They tend to be defensive and compare what the  
7 World War II veteran had with what the veteran has today.

8 MR. VAUGHN: You are speaking about benefits?

9 QUESTION: In benefits, about how many have gone  
10 to college, how many billions here or how many billions  
11 there.

12 As far as I can see to say these things is  
13 absolutely meaningless without the context of where the  
14 rest of society is going.

15 Do you have any figures, or is the VA -- I  
16 don't consider this an objective set of figures and I  
17 want to know is the VA afraid to get involved in trying to  
18 compare? Like, do you have any idea what the GNP growth  
19 has been since World War II?

20 MR. VAUGHN: Yes, sir.

21 QUESTION: And, immediate income and what percentage  
22 of the rest of the population is in college?

23 MR. VAUGHN: First, I would like to point out that  
24 we do have figures that show the percentage of the rest of  
25 the population.

1 QUESTION: You mean that's in college?

2 MR. VAUGHN: No, no. I'm sorry, I don't have  
3 that. We do have the figures as to the comparison to  
4 the World War II veteran benefits with those of the Vietnam  
5 Period.

6 QUESTION: This is the point. The point I'm  
7 trying to make is that I've seen these over and over again,  
8 but what is the purpose of comparing the veteran of  
9 World War II with the veteran of Vietnam if you're not  
10 comparing the each group of veterans relative to society  
11 they are in? This is what ETS tried to do, and VA has  
12 consistently downplayed that side of their study and  
13 stressed just the one-to-one comparison, veteran to veteran.

14 That's keeping the social level and the rest  
15 of the economy static.

16 MR. VAUGHN: The problem with the ETS Study, is  
17 that they overstep their contract. Under Public Law 540,  
18 states that the Veteran Administration would hire a  
19 consulting firm to make a comparison on the VA benefits of  
20 World War II and Vietnam.

21 The ETS Study started out in that direction and  
22 then they have charts to show where they do start out in  
23 that direction comparing the benefits administered because  
24 we do not have any control in the Veteran's Administration,  
25 whatsoever, on anything except Veteran's Administration

16 1 benefits, so it would be of no value to me to go into the  
2 question of what it cost for a total livelihood during  
3 World War II and a total livelihood during the Vietnam  
4 period.

5 For example, Congress has indicated historically --

6 QUESTION: That is not the point, though.

7 That's the one statistic that we don't have. Are you saying  
8 that you do not have those figures; you don't want the  
9 figures?

10 MR. VAUGHN: No.

11 What I am saying to you is that Congress has  
12 historically stated, and if they want to change their plan,  
13 it is fine; Congress has stated that the Veteran's  
14 Assistance Allowance, and this came about in 1950 after  
15 they did a study on the World War II Programs, that any  
16 money to be paid was to be paid first, directly to the  
17 veteran in the future. That was one thing.

18 The second thing, Congress had pointed out that  
19 it was never intended for the training allowance to be a  
20 total livelihood, and that is why it is called an allowance.  
21 The intention of Congress, at that time, as I say Congress  
22 has the right to change that at any time, but until they  
23 do we have to go on that historical background and bring  
24 the cost of living into the picture based on the cost of  
25 living index, taking off at the point where they started and

1 moving forward.

2 For example, the Congress' intent to make this  
3 allowance, and the intent on their part according to the  
4 Members of Congress at the time the law was passed, and  
5 at the time of each increase, the intent on their part to  
6 recognize that the non-veteran already had some resources  
7 under which he could go to school or he wouldn't be going;  
8 and that this amount of money, this training allowance would  
9 be over and above that as a readjustment allowance, not a  
10 total livelihood.

11 This is why when you move forward on this, you  
12 have to operate on the presumption that Congress intended  
13 it to be that way until Congress changes it.

14 Congress has the right, tomorrow, to say that  
15 they want to change this and give the veteran total live-  
16 lihood if they want to. At this point, they're going to  
17 have to determine what is a total livelihood as opposed to  
18 an allowance.

19 QUESTION: Can we pursue that one step further?

20 My point, and I'm not trying to state it in  
21 personal terms, but my point is that if you're saying that  
22 a veteran today, and this is what the VA consistently  
23 argues in a defensive issue, that the veteran today is better  
24 off than the veteran of World War II.

25 My argument is that I'm a hell of a lot better off

1 than my father and I'm not a veteran.

2 Things have really changed since World War II,  
3 and there should be some comparison made there. Naturally  
4 the veteran today is better off than he was in World War II,  
5 but relative to what?

6 MR. VAUGHN: Relative to the dollar value.

7 When we talk about the veteran of World War II,  
8 again we are only talking about the benefits administered  
9 by the Veteran's Administration to the World War II veteran  
10 in comparison to those administered by the Veteran's  
11 Administration to the Vietnam veteran, because that is  
12 the limits of our control.

13 Now, when we say the Vietnam veteran is better  
14 off today, for example, in the ETS Study if you like to  
15 use that study, there is a page in there, a chart in there  
16 that will draft out the fact that some eighty-one percent  
17 of the veterans are better off under this Bill, and they  
18 use as the example the veteran with no dependents, of  
19 course you add on for the dependents, the veteran with  
20 no dependents over a period of years, of a year, would  
21 receive some hundred dollars, plus more using the same  
22 statistics for World War II and for Vietnam except tracking  
23 the cost of living index over that period of time.

24 For example, if the World War II veteran paid  
25 his tuition and the VA paid \$400 tuition for him, let's say,

1 and paid him only \$75 a month and held his earnings down  
2 to \$210 per month, as they did and that's a fact and  
3 we can prove it, that \$75 and tuition, over a period of  
4 a man's schooling entitlement, and I think they use a  
5 year period, you will find that by tracking the cost of  
6 living index, this \$220 that he receives today, and we're  
7 talking about some eighty-one percent, there are some 19  
8 percent of them that are in schools that would cause the  
9 cost to go higher.

10 But, in their own tracking and in our tracking,  
11 we show by the cost of living index that there is a greater  
12 amount of money being paid to the Vietnam veteran.

13 QUESTION: Could you state catagorically, and  
14 for the record, that given the cost of living increases  
15 and speaking of comparative facts, that the Vietnam veteran  
16 is receiving a comparable level and has a comparable access  
17 to secondary education as compared to the World War II  
18 veteran? Would you say that? Are you saying that it's  
19 comparable?

20 MR. VAUGHN: I'm saying that if you use the  
21 cost of living index to compare the amount of money that  
22 was received by the sverage World War II veteran and you  
23 track that cost of living index forward from that time to  
24 the \$220 per month that that man is receiving today, that  
25 some 81 percent, or the majority if you want to use the

1 turn majority because this can shift back and forth some  
2 percentage from day to day, of course, with the massive  
3 enrollment we have had; the Vietnam veteran today, based  
4 on our studies and the ETS study, shows that he is better  
5 off today.

6 QUESTION: I don't think I got you to answer the  
7 question quite specifically.

8 MR. VAUGHN: I don't know if he lived in the same  
9 house or not.

10 QUESTION: I'm asking about access now. Given  
11 the amount of money given to the veterans today, are you  
12 saying that veterans today have the same access support  
13 given that it's not a total of financial livelihood, but  
14 are you saying that Vietnam veterans have the same access  
15 level provided by GI benefits as World War II veterans?

16 MR. VAUGHN: I'm talking about in the pocket  
17 money.

18 QUESTION: I'm talking about higher tuition. It's  
19 gone up incredible, 19 percent from 1949 to the present  
20 time to 25 and 26 percent of the cost of tuition. The  
21 costs have really gone up incredibly and that access to  
22 education, I think, has dropped, and I want you to say  
23 that it hasn't dropped.

24 MR. VAUGHN: I am saying that as long as we can  
25 show you that already we have had a greater number of

31 1 veterans in training in education under the Vietnam GI Bill  
2 than we had in World War II, that, in itself, speaks  
3 that they are being able to accept education or have  
4 the access of the World War II.

5 Number two; when we see the percentage factor  
6 of the veterans of Vietnam who have gone to school and  
7 are going to school under the GI Bill compared with those  
8 of World War II and Korea, I think that speaks for itself  
9 in answering your question as to whether or not they have  
10 access, because they must have access because they are  
11 certainly going.

12 QUESTION: Would you go back to that statement  
13 that you had on who was responsible for most of the errors.  
14 Did you or didn't you put those three, the veterans, the  
15 schools and the Veterans' Administration in that order?

16 MR. VAUGHN: I'm glad that you asked that because  
17 I want to be sure that everyone understands that I said  
18 that the studies indicated that we had made, in a nationwide  
19 basis indicated that it was equally divided into three  
20 ways, and that we felt that the VA has responsibility  
21 beyond the third that was showing in those reports and we  
22 feel that we had not done what we should do in getting with  
23 the schools and the veterans to clear up the other two  
24 parts of the total problem.

25 As you reach the certain individual areas of the

1 country, this changes, this figures changes. For example,  
2 in California, the error rate on the part of the VA  
3 showed up as a greater percentage, in California, in the  
4 Los Angeles, I better clarify that, too, because it did  
5 not show up that way in San Francisco, but in the Los  
6 Angeles area, it definitely showed that the VA took the  
7 greater proportion of the tab of the error rate, which  
8 meant that we were more at fault in that area.

9 Again, I want to be sure that everyone understands  
10 that we are admitting today that we did goof. There are  
11 many problems encountered in a brand new program, at any  
12 time you go into a new program with over a million persons  
13 involved and receiving checks to this extent, you are  
14 going to have a problem.

15 QUESTION: Do you have the number in Texas?

16 MR. VAUGHN: No, I'm sorry. I don't have that  
17 with me.

18 QUESTION: The President of the Gold Star Mothers  
19 of San Francisco have asked me to bring back an answer to  
20 them. Can they from the Veteran's Administration, receive  
21 an I.D. card to purchase at the P.X.? Now, they are  
22 Gold Star Mothers of all the war periods.

23 MR. VAUGHN: The determination of eligibility  
24 for military benefits, which includes the post exchange and  
25 commissary, is held within the military.

1           Now, what the VA issues to a person to present  
2 to the military is a statement of the status of that person.  
3 Let me explain that to you. In the case of a widow, and  
4 this is the current interpretation of the military, in  
5 the case of a widow of a deceased veteran, the veteran  
6 died while he was totally disabled under the Veteran's  
7 Administration Regulations, that widow would be entitled.

8           We do not have any record of any entitlement  
9 on the part of the mothers but you would have to check with  
10 the military to be sure.

11           QUESTION: I have been with the Advocate General's  
12 Office at one time and the plan and the policy had been  
13 such as you so stated, however these are mothers of sons  
14 they lost in the services, not only World War II but  
15 Korean and so forth., and they are requesting and would  
16 like to have the I.D., because most of them are retired  
17 now.

18           MR. VAUGHN: They should go to the Department of  
19 Defense.

20           QUESTION: Department of Defense and they shall  
21 be issued that?

22           MR. VAUGHN: Well, I didn't say they would be  
23 issued, they make their own decisions. I don't make them.

24           QUESTION: Doesn't VA come in under that?

25           MR. VAUGHN: The only thing we do, the Department

1 of Defense wants, when a certain group of people are  
2 eligible, they tell us the type of letter they want from  
3 us and we issue the letter to you to take to them in order  
4 to get your I.D., but they make the determination.

5 QUESTION: One more short question.

6 Marriage is a wonderful institution, however,  
7 there are many women married to veterans more than 10 years.  
8 Let's speak on housing, purchasing of housing under the  
9 GI Bill. There are a lot of men today, that don't want  
10 the responsibility of buying their own home, however,  
11 the women now, being a mother and so forth, she runs the  
12 home and so forth, she finds that purchasing that home  
13 under the GI Bill if her husband is a veteran, honorably  
14 discharged, should be a consideration be given by the  
15 Congress or the Veteran's Administration that if he fails  
16 to sign to purchase a home, why not have the woman sign and  
17 get in the act because it's community property in some  
18 states, so it's going to be community property in one way,  
19 why not go all the way and have it?

20 MR. VAUGHN: I'm afraid I'd be infringing on  
21 most of the State laws in addition to the regulations of  
22 most mortgage people in this country today, they don't  
23 approve of the fact that the wife owns a house by herself  
24 under the veteran's entitlement.

25 SECRETARY HELM: Mr. Vaughn has agreed to stand by

1 for a few moments to be able to answer any additional  
2 questions later down the road.

3 Our next speaker just dropped by for a few  
4 moments and has several comments to make. His presentation  
5 will be brief. It is Kenneth R. Cole, Jr., who is an  
6 Assistant to the President and the Executive Director of  
7 the Domestic Council.

8 MR. COLE: Thank you very much.

9 I just want to get by and say hello and to  
10 express to you the President's appreciation and my own, for  
11 the time that you have taken today to learn about the  
12 Administration's Education Programs and proposals that the  
13 President has made to make the lives of American students  
14 a little bit better in years ahead.

15 I think it would be presumptuous of me to suggest  
16 any of the six hours of briefings that you have had by  
17 the experts today, either from our standpoint or from the  
18 President's standpoint, that there really is no higher  
19 priority in making sure that all of the children of America  
20 has the best basic education possible.

21 The first step in this is still pending before  
22 the Congress and that is the passage of the President's  
23 Elementary and Secondary Education Act, the Better Schools  
24 Act, which has passed the House. It is still before the  
Senate, before a Senate Committee. It is a Bill that he

1 would like to have very much; a Bill that he would like  
2 to have at the end of this fiscal year, June 30th. We  
3 would like to have it before that so we can move ahead  
4 with the President's proposal to provide advance funding to  
5 the schools across the country, and we are very hopeful  
6 that the Congress will act when they return from their  
7 Easter recess on this very much needed legislation.

8 I know also that Caspar Weinberger was over this  
9 morning and introduced to you Dr. Trotter and Dr. Bell.  
10 We feel extremely fortunate to have such excellent people  
11 to fill the post of Assistant Secretary for Education and  
12 Commissioner of Education, and the President and I are  
13 looking forward to working with these people as we move  
14 ahead on the education front.

15 That's about all I wanted to add. I imagine after  
16 sitting for as long as you have, you have probably sat  
17 long enough and I don't intend to take any more of your  
18 time except to say once again thank you, and I hope that  
19 you will make known the things that you have learned today  
20 to all of the people across this country so they have a  
21 better understanding of the things that we want to do to  
22 improve the education system.

23 Thank you very much.

24 SECRETARY HELM: John, I think you have a very  
brief announcement.

1 MR. OTTINA: During the break, someone asked  
2 if it would be at all possible to tour the White House.

3 Unfortunately, this afternoon, it is impossible  
4 because they have a State Affair planned and they're  
5 moving furniture and they will not allow anybody in.

6 However, we have arranged for a limited number,  
7 fifteen, at 8:00 o'clock tomorrow morning to receive a  
8 special guided tour. If any of you would like to do so,  
9 it would be conducted at 8:00. You go in as a group. You  
10 will be escorted, personally, for awhile and enjoy the V.I.P.  
11 tour, if there is an interest. If not, we will just drop  
12 it.

13 QUESTION: How long will it last?

14 MR. OTTINA: We can tailor it to your wishes.  
15 It is being done especially at your request and it can  
16 tailored to your request.

17 It was mentioned and for many of you that don't  
18 have the opportunity of having gone through the White House,  
19 I think it would be a very interesting place for you to  
20 visit.

21 SECRETARY HELM: Let's see the hands of those  
22 that would be interested.

23 Right after this, drop by and see Marge Putts  
24 at the stairway.

Again, Mr. Vaughn has agreed to stay and answer

1 additional questions, the same as Peter Holmes did.

2 We thank you for coming and we will mail  
3 transcripts to you after it is completed. It should be  
4 next week.

5 (Whereupon, at 4:20 the hearing was concluded.)  
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