that some kind of in-kind matching rather than cash matching of the dollars would be possible, and we would see the latter alternative as a workable one.

In other words, we have many State dollars that we would lay aside just as we do in the Vocational Act of 1963 for salaries of teachers in institutions of higher learning. We could match that State expenditure against eligibility for vocational education money.

If we could get this in title V we would work it out. For example, in fiscal 1968 in education if you should follow appropriation with authorization in the amount of $845,000 and if the matching requirement should be written in on a 50–50 basis and we had to then present the legislature with a half-million-dollar matching bill at one time, I just suspect we would have some problems.

Mr. QUIE. If we don't provide matching but provide 100 percent Federal money, won't we see an expansion of a concept that I look on as dangerous—that of the employees who are hired with these Federal funds being looked on as Federal employees even though they are operating under the State laws?

When there is a question of whether the full amount or only a portion of Federal money would be forthcoming because of the lateness of the appropriation, then these "Federal employees" are the ones who are standing around wondering whether their jobs will continue or not.

If this concept is expanded and there ends up to be a large percentage of federally paid employees in the State office, don't you end up with a grave danger of the State department of education probably being an arm of the Federal Government eventually?

Mr. BUCHMILLER. I think the danger exists of the controls coming with the granting of those funds to the State department which are negligible so that the State can put its priority to work.

At least in our State the same set of civil service rules regulate both. On a per pupil cost for Wisconsin we get about $5.66 per pupil for the administration of our department. Of that, $3.06 comes from Federal money right now, and two dollars and some cents from State.

Mr. QUIE. But that comes along with the Federal money?

Mr. BUCHMILLER. Yes, title I, title III, and so forth.

Mr. QUIE. Do we include title V in that?

Mr. BUCHMILLER. Yes. I don't believe we would feel a danger to becoming an arm of the Federal bureau for the administration of Federal Government.

If this were a grant-in-aid to the State department to exercise its own priorities to fund within State philosophy, I don't see this as a problem.

Mr. QUIE. Not if it were granted to be commingled with State funds. I think you would have less of a danger if it were commingled. The employees would feel that at least a portion of their salary still would come from the State and they would not be out in the cold if no Federal money was forthcoming.

Mr. BUCHMILLER. We had a ruling from the Attorney General when the moneys were received in the State. They were then treated in the same manner as State funds, and subject to the same control.

Mr. QUIE. Being treated in the same manner but not commingled, some people are employed with Federal money. If that Federal money

73-728—67—pt. 2——35