

[In millions of dollars]

Year	Federal cost	State cost	Total
1966.....	11.5	3.8	15.3
1967.....	5.7	1.9	7.6
1968.....	11.4	3.8	15.2
1969.....	11.4	3.8	15.2
1970.....	11.4	3.8	15.2
1971.....	11.4	3.8	15.2
1972.....	11.4	3.8	15.2
1973.....	11.4	3.8	15.2
1974.....	11.4	3.8	15.2
1975.....	11.4	3.8	15.2
Total	108.4	36.1	144.5
Percentage.....	75	25	100

(c) The percentage or proportion of these estimated needs may be ascribed to the following population categories:

(1) Cities with population of 50,000 or more: 14 percent.

(2) Cities and towns with population 2,500 to 49,999: 71 percent.

(3) Agricultural rural areas, cities, and towns with population under 2,500: 15 percent.

(d) The proportions of the estimated capital outlays expected to be expended by source are as shown:

(1) State governments or State agencies: 25 percent.

(2) Federal Government: 75 percent.

2. EXPECTED SOURCES OF FINANCING

The expected sources of financing for these prospective capital outlays by percentage distribution based upon projected trends and emerging developments are indicated below:

(a) Federal Government grant assistance (new program): 75 percent.

(b) Appropriations from tax resources: 25 percent.

The total foreseeable armory requirements amount to \$198.3 million and the projected armory requirements for the decade 1966-75 amount to \$144.5 million. This would produce a shortfall in the entire program of approximately \$40 million, which would require the extension of the program for a 3-to-4-year period at the same level as the projected decade. Under an extension of the program for an additional number of years, the funds would be supplied on the same basis as the projected program which allowed for 75 percent Federal and 25 percent State funding.

In consideration that the capital requirements for the decade 1966-75 exceed the funds provided for such purpose, then such shortfalls or gaps would be bridged by increasing Federal appropriations in the year or years following the shortfall. In the event Federal appropriations and authorizations are not available to bridge the gap or shortfall then the older, dilapidated, obsolete, inadequate facilities would be continued in use.