

about the cities, as I think John Lindsay would advocate, were he here today, how can we do it unless we expand the funding?

I suspect further that if you were to ask Mayor Lindsay or, indeed, Governor Rockefeller or Jim Allen, in New York, they would say they could profitably and usefully spend substantially more funds; that they have the teachers and there is the need.

My query is, then, Why don't you expand the fund?

Mr. HOWE. I think a partial answer to this is in funds that will become available in many of the cities through Operation Follow-Through, but that is not a complete answer.

I think we would hope over the years to do exactly what you suggest. Our 1968 budget is not set at this amount. But at least we have arrived at a position which in no way diminishes what is available to the States and, of course, we are operating under a principle here that the Congress has approved in the form of law.

Mr. REID. Thank you.

Chairman PERKINS. Mr. Carey?

Mr. CAREY. Thank you, Mr. Chairman.

Mr. Commissioner, my own impression of your presentation this morning is that I hope we can arrange another day when you will come back with your staff, and most importantly, with Mr. Hughes, the Budget Officer, on title I.

As far as I am concerned, we are placed in a predicament here. Sure, we have legislated a formula and you are now apportioning funds on that basis, but when we make the formula changes we envision an orderly progression of increased expenditures to accommodate these formulas.

Let me point out what I mean. I have been conferring with Mr. Hughes during the testimony. I want to emphasize that, by reason of the events of last evening, I serve as the senior New York member now on this committee.

The underfund in this year of New York City, based upon the recommended change in the formula, recommended by the administration, the up-to-date count of the AFDC children, in other words counting the children on AFDC in the latest available year, should have caused a funding in New York State of \$167 million.

On the basis of this year's allocation of funds available, you will be underfunding New York State, on this basis alone, this recommended amendment, by over \$53 million.

Is that correct?

Mr. HOWE. I believe your first figure was on the basis of full authorization?

Mr. CAREY. Working on the basis of the authorization which was, in turn, based upon your recommended amendment to include AFDC children, the latest available year.

Mr. HOWE. That is correct: if we were funding at full authorization. Maybe Mr. Hughes has further interpretation.

Mr. HUGHES. The administration recommendation on AFDC, Mr. Carey, was to postpone the addition of the 1965 AFDC until fiscal 1968. It was the House committee's action on the bill which accelerated that updating to fiscal year 1967.

Mr. CAREY. Now, John, you know very well that that was your original recommendation, but in conference after conference with