

We give what we call program grants to these laboratories and make an agreement with them about their responsibilities under such a grant. But they have considerable flexibility of authority for the use of these program grants within the broad purposes which they outline to us.

Mr. ERLNBORN. Do most of these or all of them take the form of a not-for-profit corporation with whom you contract?

Mr. HOWE. Yes; they do.

Mr. ERLNBORN. And was this required in the authorizing legislation or was this a form that you suggested as a matter of administrative handling?

Mr. HOWE. I believe the latter, but I will check it.

This is Dr. Louis Bright, Associate Commissioner of Education for Research.

Mr. BRIGHT. The law is broad enough to permit contracting with any type of organization. In the legislative discussions of the regional laboratories the intention there was, as I recall it, to contract either through universities or special nonprofit corporations.

That is in the legislative history.

Mr. ERLNBORN. The direction you have taken is exclusively for nonprofit organizations?

Mr. HOWE. Yes. We do have a number of organizations which are very much like regional laboratories but somewhat narrower in scope called research and development centers. These receive program grants, also. These are located at the universities and there we are in the business of working with the universities.

Mr. ERLNBORN. Does your office suggest the form that they should use, the not-for-profit corporation? Do you suggest to them the structure? Most importantly do you suggest to them the salary scales that the employees of the lab should receive?

Mr. HOWE. Only in a very broad sense. We say to them that we want to be assured that there is a responsible structure of government for the private corporation, that it has an appropriate board of directors that is responsive, that is involved in its affairs. We want them to demonstrate that this is true before we give them major program grants.

We have given what you might describe as planning or development grants to groups that are in the process of reaching that form of government for their corporation.

On the other part of your question, here, again, we provide what you call broad guidance. We say that the salaries particularly for the top-level personnel in the laboratories should be commensurate with top-level public salaries for similar kinds of work. This would be leadership personnel in colleges and universities, or other public endeavors, in the vicinity where the laboratories are.

We allow them reasonable flexibility in this area, but we call it to their attention when there seems to be a problem developing. We don't enter into their detailed salary negotiations.

We say to them, also, that persons who are being employed by the labs may, of course, receive salary increments in the process, but that these should be reasonable.

Mr. ERLNBORN. Would you tell me what the average salary of the director of a regional lab is among these 20?