

Mr. HAZLETT. We, as I recall, spent practically the bulk of it.

Mr. ERLNBORN. When did your program begin? As I recall, fiscal 1966 was the first year of ESEA and it was not authorized nor were the allocations made until—well, the authorization was late fall of 1965 and allocations I don't believe were made until early 1966.

Mr. HAZLETT. We began our programing in March 1966.

Mr. ERLNBORN. In March of 1966?

Mr. HAZLETT. And continued through August 1966.

Mr. ERLNBORN. And in that period of time you spent approximately \$1,800,000, is that correct?

Mr. HAZLETT. Yes, part of that was due to the authorization of an addition to the school that was crowded to reduce class size.

Mr. ERLNBORN. Can you tell me approximately what percentage of that was spent on either construction or the acquisition of physical matter, teaching aids and so forth?

Mr. HAZLETT. The construction was approximately one-third. I don't have any figures with respect to the purchase of equipment, but there was a substantial amount. There was a mammoth summer school activity. Then through March, April, and May we incorporated within our designated schools and started the programs which we continued on then in fiscal 1967.

Mr. ERLNBORN. Do you feel beginning the program in March and carrying it through August you were able to really use these funds in an economical manner, or was there across the country, not just pointing the finger at Kansas City, a good deal of waste as a result of the fact that this arrived so late in the year?

Mr. HAZLETT. I think there is bound to be waste and inefficient utilization of funds unless they can be available early enough to incorporate in a plan starting at the beginning of the school year.

Mr. ERLNBORN. Many other areas, my own State of Illinois, for instance, felt that they could not spend these funds in an economical manner, that they could not get value from them. They did not spend the full authorization or allocation the first year. In the second year we then found that the appropriations had a proviso that no State would be allocated below the level at which they spent the first year.

I think you are familiar with this. I understand that that same proviso will be in the appropriations bill this year.

Do you think it is fair to those States that felt they were doing a job of weeding out profitable programs, which had no real opportunity to spend funds successfully and, therefore, save the taxpayers' money in the first year, to be hampered and penalized as a result?

Mr. HAZLETT. Very definitely that—I think that is true.

Mr. ERLNBORN. It is just not fair, is it?

Mr. HAZLETT. No, it is not fair, because in the exercise of prudence and good judgment they are being penalized.

Mr. ERLNBORN. Dr. Johnson, you mentioned, and I think this touches on the same point, that we should not just spend money because it is available, and must be spent before the authorization expires. Would you agree with some of the observations that Dr. Hazlett made or maybe that I have led him into making?

Mr. JOHNSON. Yes, I would agree. My statement was that if you were to spend money in September, prudently, wisely, and to the best