

supporting him. These same universities in many cases are forbidden to pay their own faculties on the same basis.

3. Given expectations for the same educational product, the cost to the public is higher when private contracting is used. Institutions of higher education could not and would not have cause for protest if private organizations could deliver the same or better educational product at lower cost.

Inasmuch as complete data are not available on this point, we believe it merits further consideration by this committee.

4. In our dealings with private organizations who have contracted to manage a number of national training programs such as Headstart and Job Corps, we have been seriously disturbed by the lack of understanding of institutional needs and requirements on the part of the contractors.

This has resulted in unnecessary agonies for all concerned and a waste of extremely scarce staff and faculty resources on our campuses. The additional cost to the Government has not as yet been measured but we believe it to be considerable.

Our members have no desire to become embroiled in a struggle with private organizations. The cause of education would receive a setback and ultimately the people of this country would suffer from such a conflict.

We are convinced that our nonprofit educational institutions and corporate enterprises have a mutual need for each other. It is our hope that this committee would take cognizance of the problem before it develops further and provide the leadership to resolve it in the best interests of the people of this country.

Madam Chairman, those are our prepared remarks.

Mrs. GREEN. Thank you very much, Dr. Goerke.

I must say I am in agreement with many of the comments in your statement and I think your points are well taken.

Let me turn to two questions. On page 4 you support the allocation of 10 percent of the appropriated funds to the Commissioner and, if I understand what you are saying correctly, that there would be a greater chance to carry out innovative, experimental and regional projects if the Commissioner had this authority.

Why is this true? Why wouldn't a grant to an institution result in just as innovative and just as experimental and good a project if it were given on the allocation of funds State by State as if the Commissioner deals with it directly?

Dr. GOERKE. The way the act is structured it specifies program areas in the legislation and sets up broad categories in order to direct programs. It delegates responsibility to the State level to the Governor, or designated State agency who in turn appoints an advisory committee. Everybody submits programs on a State plan which further outlines requirements on specific proposals.

A State plan is a little outside this framework of dealing with community problems. University and community leaders pretty much have to come up through these channels as outlined now. This might be changed. It does not provide for work on an area basis.

In other words, the administrative structure is in-State, Florida and Georgia could not go to work on one program that might be beneficial as it now stands.