

Mr. SMITH. I am sorry I didn't make a point about that, that the requirement with these funds is that they be committed by the end of fiscal 1968 through programs that are funded with fiscal 1968 money can begin, for example, as late as fall of 1968 and before the academic year 1968-69.

Mr. ERLNBORN. Then you do, in effect, have a 1-year advance funding?

Mr. SMITH. Yes, in effect we do. There are problems about it, however. One of the great ones is the kind of confusion there is in the States agencies in terms of what applies to a particular fiscal year when the questions do get settled rather late so that we have had confusing situations in our various States this year. Unless the information is in and is fairly definite, the amount of money and preferably the conditions under which the money will be available, what matching requirements there will be, it is difficult for a State agency to go through the proper procedures in developing an appropriate State plan which must be completed before the beginning of the fiscal year.

It is only a pious guess when what the funds are to be is not known. To say that x percent of the money will be spent on such and such when you don't know x percent of what, is making an unrealistic State plan. If you make an unrealistic State plan and request proposals, people are not quite sure what to do about making their proposals, and when the proposals come in, most of our State agencies especially in the States that have been particularly active in this program are concerned in many cases with further conversations with the college or the university that makes the proposal.

The college has not realized that certain expenses are not allowable, there is the possibility that they have not considered things that have been done in other places in presenting what there is and you go back to them. By the time you do this kind of negotiation, the time disappears. While we could theoretically fund all of the programs from fiscal 1968 as late as the last week in June of 1968, the kind of procedure that has to be gone through before you collect proposals is difficult to do in less than 3 months and the time that needs to be taken in making proposals for the different universities is usually a month or two, and then it is desirable to have as much as 6 months' operation between when these proposals begin to come in and when they can be cleared. So that, a full year's lead is all that we think we can reasonably ask for and is difficult enough to operate within.

Mr. ERLNBORN. Would it be true that most or all of the funds appropriated for fiscal 1968 are obligated in 1968 and spent in fiscal 1969?

Mr. SMITH. No; this varies considerably from State to State. Many proposals in various States for fiscal 1968 are already in operation. None of the proposals for 1968 in New York are yet in operation. There are many programs in operation but they are ones funded in 1967.

Minnesota has a somewhat different situation.

Dr. THOMPSON. We have a mixture. Some programs will not be started until later, but others we began as quickly as we were assured of the funding. In fact, the urgency to get certain programs started is so great that the university established a budget on faith and made