I would be very seriously concerned over our ability to keep this new asset with an extension of only 1 year.

In fiscal year 1969, in recognition of current national austerity, our authorization request and budgetary plans are based on an intention just to sustain the life of the State Technical Services program for 1 more year.

Mr. KEITH. I note you have eliminated part of your script. Is that because it is unnecessary or no longer true?

Mr. REILY. On page 10, I eliminated a paragraph which I would like to deal with on the basis of more current information in response to the chairman's opening statement.

Earlier, I eliminated an example of special-merit work just in the interest of saving time.

Mr. KEITH. There is no change in the evidence you want to offer. You are doing it to sharpen your testimony.

Mr. REILY. Yes, sir, and also to give you more current information. But I would not consider it a change.

Mr. KEITH. Thank you.

Mr. REILY. Looking ahead to fiscal year 1970 in the hope that important domestic programs such as this may begin to develop, our regional program officers have estimated the level of State program activity for which the individual States will be able to generate matching support, as follows:

Fiscal year 1970 State funds to be matched

	(Millions)
Northeastern	$2.89
Southern	3.19
Midwestern	3.00
Western	3.00
Total	13.73

Including special-merit programs, referral services, and administration—as authorized and directed by the act, this would indicate a level of nearly $20 million in fiscal year 1970.

ROLE OF THE OFFICE IN WASHINGTON

We now have 2 years of work behind us in this new program and are well into the third with the fourth planned for in detail.

Of the 46 States expected to have technical-service programs in operation by the end of fiscal year 1968, 24 will have 3 or more years of experience in such work, and 17 will have 2 years of experience; five States will be starting new programs.

In the course of our work with the States—which includes 54 State plans and approaches 113 State-program-years—we have gained a large and growing fund of knowledge of what works and what doesn't work, of what inviting avenues of approach are really dissappointing blind alleys, and of what the true cost of programs will be.

We are at the center of a brand new, thoroughly decentralized, and capably staffed national program, and we have learned a lot in a very short time.

This new knowledge is tremendously valuable to the States and to developing regional activities. It is the foundation for the sort of