

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

(c) The State plan may include standards for determination of the Federal share of the cost of art programs and projects approved in the State for assistance under this Act; except that no such standards shall provide for a Federal share of more than 50 per centum of the cost of any such program or project. The Secretary shall approve any such standards and any modifications thereof which are not inconsistent with the purposes of this Act.

ALLOTMENTS AND PAYMENTS TO STATES

SEC. 5. (a) (1) For the fiscal year beginning July 1, 1961, each State for which a State plan has been approved under section 4(b) of this Act prior to or during such fiscal year shall be entitled for such year to an allotment not to exceed \$100,000 (as determined by the Secretary within the limits of available appropriations).

(2) Of the total amount appropriated under section 3 of this Act for the fiscal year beginning July 1, 1962, and each succeeding fiscal year, each State which on the first day of such fiscal year has in effect a State plan approved by the Secretary under section 4(b) of this Act shall be entitled to an allotment equal to such amount divided by the total number of such States.

(3) Each allotment made under this section shall be available for payment of the Federal share of the costs of programs and projects carried out under a State plan approved by the Secretary under section 4(b) of this Act.

(b) The Secretary shall determine the payments to be made under this Act and certify to the Secretary of the Treasury the amounts thereof. Upon receipt of such certification, the Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, pay in accordance with such certification. Sums allotted to a State for a fiscal year under this section and remaining unobligated at the end of such year shall be made available to such State for the same purposes for the next fiscal year in addition to the sums allotted to such State for such next fiscal year.

(c) For the purposes of this section, the term "Federal share" with respect to any program or project means the proportion of the cost of such program or project to be paid by the Federal Government, and shall be determined as follows:

(1) If the State plan contains standards for the determination of the Federal share of such cost approved by the Secretary as provided in section 4(c), the Federal share with respect to such program or project shall be determined by the State agency in accordance with such standards.

(2) If the State plan does not contain such standards, the Federal share shall be the amount, not more than 50 per centum of the cost of the program or project involved, as determined by the State agency and approved by the Secretary.

WITHHOLDING OF CERTIFICATION

SEC. 6. Whenever the Secretary, after reasonable notice and opportunity for hearing to the State agency, finds—

(1) that such agency is not complying substantially with the provisions of this Act or the terms and conditions of its State plan approved under this Act;

(2) that any funds paid to such agency under this Act have been diverted from the purposes for which they were allotted or paid;

(3) that any assurance given in the State plan is not being or cannot be carried out; or

(4) that adequate State funds are not being provided annually for the direct administration of the State plan,

the Secretary shall forthwith notify the Secretary of the Treasury and the State agency that no further certification will be made under this Act with respect to such State agency until there is no longer any default or failure to comply or the diversion has been corrected, or, if compliance or correction is impossible, until the State repays or arranges the repayment of the Federal funds which have been improperly diverted or expended.