

thinking, effective expression and attitudes toward learning needed for post-secondary education success, necessary health services and such recreational and cultural and group activities as the Director determines may be appropriate.

"(b) In developing programs under subsection (a), the Director shall give priority to programs involving services or activities whose effectiveness has been tested in one or more community action programs, or in connection with other Federal, State, or local programs, public or private. The Director shall also cooperate with Federal and State agencies with a view to developing, pursuant to subsection (a), programs which will supplement or improve programs for which those agencies are responsible. Where appropriate, he shall provide for the operation of programs under subsection (a) by other Federal or State agencies, pursuant to delegations of authority or suitable agreements.

"(c) Programs under subsection (a) may include essential training, research, and technical assistance directly related to program development and implementation, and funds allocated for this purpose may be allotted and used in the manner otherwise provided under this title with respect to training, research, and technical assistance activities.

"(d) The Director shall provide for the continuing evaluation of the effectiveness of all programs under this section, including their impact in terms of the needs or problems at which they are directed, and their relationship to and effect upon related programs. For this purpose, he shall consult with other Federal agencies, or where appropriate with State agencies, in order to provide wherever feasible for jointly sponsored objective evaluation studies on a National or State basis. The reports of such studies, together with the comments of the Director and other agencies, if any, thereon, shall be public records and shall be reflected in the annual report of the Director.

"ALLOTMENT OF FUNDS; LIMITATIONS ON ASSISTANCE

"SEC. 223. (a) Of the sums which are appropriated or allocated for assistance in the development and implementation of community action programs pursuant to sections 220 and 221, and for special program projects referred to in section 222(a), and which are not subject to any other provision governing allotment or distribution, the Director shall allot not more than 2 per centum among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands, according to their respective needs. He shall also reserve not more than 20 per centum of those sums for allotment in accordance with such criteria and procedures as he may prescribe. The remainder shall be allotted among the States, in accordance with the latest available data, so that equal proportions are distributed on the basis of (1) the relative number of public assistance recipients in each State as compared to all States, (2) the average number of unemployed persons in each State as compared to all States, and (3) the relative number of related children living with families with incomes of less than \$1,000 in each State as compared to all States. That part of any State's allotment which the Director determines will not be needed may be reallocated, at such dates during the fiscal year as the Director may fix, in proportion to the original allotments, but with appropriate adjustments to assure that any amount so made available to any State in excess of its needs is similarly reallocated among the other States.

"(b) The Director may provide for the separate allotment of funds for any special program referred to in section 222(a). This allotment may be made in accordance with the criteria prescribed in subsection (a), or it may be made in accordance with other criteria which he determines will assure an equitable distribution of funds reflecting the relative incidence in each State of the needs or problems at which the program is directed, except that in no event may more than 12½ per centum of the funds for any one program be used in any one State.

"(c) Unless otherwise provided in this part, financial assistance extended to a community action agency or other agency pursuant to sections 220, 221, and 222(a), for the period ending June 30, 1967, shall not exceed 90 per centum of the approved cost of the assisted programs or activities, and thereafter shall not exceed 80 per centum of such costs. The Director may, however, approve assistance in excess of such percentages if he determines, in accordance with regulations establishing objective criteria, that such action is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, or services.