

(10) in the event that, in the opinion of the Commissioner, a State plan or the implementation of a State plan fails or will fail to meet the needs of eligible children without regard to race, color, sex, religion, or national origin, in the operation of Headstart or Early Years programs provided herein, the Commissioner shall withhold the allocation provided for that State until a satisfactory plan and implementation meet the requirements of the Commissioner. In the absence of such satisfactory plan or implementation, the Commissioner is authorized to make grants from such State allocation directly to community action boards in order that Headstart and Early Years programs may be provided on an equitable basis by contract arrangements or otherwise.

(11) provides for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this title; and

(12) provides for making such reports, in such form and containing such information, as the Commissioner may reasonably require to carry out his functions under this title and to determine the effectiveness of the program in meeting the purposes of the title, and for keeping such records and affording such access to as the Commissioner may find necessary to assure the verification of such reports.

(c) Amendments of applications shall, except as the Commissioner may otherwise provide by or pursuant to regulations, be subject to approval in the same manner as original applications.

(d) During the fiscal year ending June 30, 1968, the Commissioner may approve applications of eligible agencies in those States for which there is no approved State plan, providing that the application meets all the requirements of this title except those relating to a State plan, and for any fiscal year thereafter the Commissioner may in like manner approve applications in any State which has failed to designate or create a State commission.

PAYMENTS

SEC. 705. (a) From the amounts allotted to each State under section 701 the Commissioner shall pay to each applicant in that State which has an application approved under this title an amount (subject to the requirements of section 704(b)(3)) equal to the total sums expended by the applicant under the application for the purposes set forth therein.

(b) Payments under this title may be made in installments and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments.

(c) The Commissioner shall immediately cut off funds to any applicant agency when he determines that such agency is not complying with the conditions for grant approval in section 704(b).

(d) Payments made under this title are to be considered and treated by the State commission as Federal funds and shall be kept entirely separate from any State funds.

ADVISORY COMMITTEE

SEC. 706. (a) The Commissioner shall establish in the Office of Education an Advisory Committee on preschool and early elementary programs, consisting of the Commissioner, who shall be chairman, and eight members appointed, without regard to the civil service laws, by the Commissioner with the approval of the Secretary.

(b) The Advisory Committee shall advise the Commissioner in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including the development of criteria for approval of applications thereunder. The Commissioner may appoint such special advisory and technical experts and consultants as may be useful in carrying out the functions of the Advisory Committee.

(c) Members of the Advisory Committee shall, while serving on the business of the Advisory Committee, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time; and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.