

formation as he may prescribe, except that no such application shall be approved unless it—

(1) sets forth programs, activities, research, or development for which a grant is authorized under section 101, and describes the relation thereof to any program set forth by the applicant in an application, if any, submitted pursuant to section 203;

(2) 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 section; and

(3) provides for making such reports, in such form and containing such information, as the Secretary may require to carry out his functions under this section, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

(b) The Secretary shall allocate grants or contracts under section 101 in such manner as will most nearly provide an equitable distribution of the grants or contracts throughout the United States among institutions of higher education which show promise of being able to use funds effectively for the purposes of section 101, except that to the extent he deems proper in the national interest the Secretary may give preference to programs designed to meet an urgent national need.

(c) (1) Payments under this section may be used, in accordance with regulations of the Secretary, and subject to the terms and conditions set forth in an application approved under subsection (a), to pay part of the compensation of students employed in public service, other than public service as an employee in any branch of the Government of the United States, as part of a program for which a grant has been approved pursuant to this section.

(2) Departments and agencies of the United States are encouraged, to the extent consistent with efficient administration, to enter into arrangements with institutions of higher education for the full-time, part-time, or temporary employment, whether in the competitive or excepted service, of students enrolled in programs set forth in applications approved under subsection (a).

TITLE II—PUBLIC SERVICE FELLOWSHIPS

SEC. 201. The Secretary is authorized to award fellowships in accordance with the provisions of this title for graduate or professional study for persons who plan to pursue a career in public service. Such fellowships shall be awarded for such periods as the Secretary may determine but not to exceed three academic years.

ALLOCATION OF FELLOWSHIPS

SEC. 202. The Secretary shall allocate fellowships under this title among institutions of higher education with programs approved under the provisions of section 203 for the use of individuals accepted into such programs, in such manner and according to such plan as will most nearly—

(1) provide an equitable distribution of such fellowships throughout the United States, except that to the extent he deems proper in the national interest the Secretary may give preference to programs designed to meet an urgent national need, and

(2) attract recent college graduates to pursue a career in public service.

APPROVAL OF PROGRAMS

SEC. 203. The Secretary shall approve a graduate or professional program of an institution of higher education only upon application by the institution and only upon his finding—

(1) that such program has as a principal or significant objective the education of persons for the public service, or the education of persons in a profession or vocation for whose practitioners there is a significant and continuing need in the public service as determined by the Secretary after such consultation with other agencies as may be appropriate;

(2) that such program is in effect and of high quality, or is readily put into effect and may reasonably be expected to be of high quality;

(3) that the application describes the relation of such program to any program, activity, research, or development set forth by the applicant in an application, if any, submitted pursuant to section 102; and