

shall allot to each State an amount which bears the same ratio to the amount of such remainder as the product of—

(A) the population of the State, and

(B) the State's salary index (as determined under paragraph (2), bears to the sum of the corresponding products for all the States.

(2) The "salary index" for a State shall be 100 per centum less the product of (A) 50 per centum and (B) the quotient obtained by dividing the average salary paid in the United States to State and local employees eligible for a fellowship under this part by the average salary paid to such employees of the State. The determination of the salary index for a State shall be made by the Commission on the basis of the most recent satisfactory data available to it. For the purpose of this section, (1) the term "United States" means the 50 states and the District of Columbia, and (2) the term "State" does not include the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

(b) The amount of any State's allotment under subsection (a) for any fiscal year which the Commission determines will not be required for fiscal year shall be available for reallocation from time to time, on such dates, during such year as the Commission may fix, to other States in proportion to the original allotments to such States under subsection (a) for that year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum the Commission estimates such State needs and will be able to use for such year; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts were not so reduced. Any amount reallocated to a State under this subsection during a year from funds appropriated pursuant to section 301 shall be deemed part of its allotment under subsection (a) for such year.

STATE PLANS

SEC. 303. (a) Any State which desires to receive grants, under this part shall submit to the Commission a State plan, in such detail as the Commission deems necessary, which—

(1) designates a single State agency to act as the sole State agency for administration of the State plan;

(2) sets forth a fellowship program under which—

(A) the State agency will award fellowships for one year of graduate level study at institutions of higher education,

(B) fellowships will be awarded only to employees of the State, or of a political subdivision of the State, whose duties are generally comparable to those of Federal employees in grades 11 to 15, inclusive, of the general schedule, under section 5332 of title 5, United States Code,

(C) not less than 60 per centum of the fellowships will be awarded for study in graduate programs concentrated in the social sciences and designed to enhance the effectiveness of State and local executives, administrators, managers, and general supporting staffs, and that the remainder of such fellowships will be awarded for graduate programs concentrating in sciences, engineering, or other professions and designed to enable scientists, engineers, and other professional employees to expand and update their professional knowledge,

(D) the persons awarded fellowships may elect to pursue their fellowship programs at any institution of higher education in a State which will accept them,

(E) persons granted fellowships will be paid their full salaries during the period of their study, and will be reimbursed for necessary transportation expenses and the expenses of the movement of their households, incident to the pursuit of their fellowships,

(F) the institution of higher education at which each fellow attends will be paid a supporting grant of \$2,500 per annum for each fellow in attendance, less any amount charged such fellow for tuition and non-refundable fees and deposits,

(G) the selection of fellows will be based on the needs of the State, as set forth in the State plan, or on the basis of the relative qualifications of the applicants as determined by standards and methods set forth in the State plan,

(H) provision is made for obtaining the participation of local government officials in the program,