

language instruction must be provided in a concurrent, rather than sequential, time period with employment or with other employment-related services; (2) refugee-specific services must be provided, except in the case of vocational or job skills training, on-the-job training (OJT), or English language training, which are specifically designed to meet refugee needs and are in keeping with the rules and objectives of the refugee program; (3) services must be provided to the maximum extent feasible in a manner that is culturally and linguistically compatible with a refugee's language and cultural background; (4) services must be provided to the maximum extent feasible in a manner that includes the use of bilingual/bicultural women on service agency staffs to ensure adequate service access by refugee women; and (5) a family self-sufficiency plan must be developed for anyone who receives employment-related services funded under this part. Providing services in a manner that is culturally and linguistically compatible means that an agency providing services funded under this part must employ or contract with staff who (1) speak the native language of and (2) are either from the same ethnic background as, or are culturally knowledgeable of, the refugee populations the agency serves.

Subpart J—Federal Funding

Sections 400.203 and 400.204 are amended by clarifying that Federal funding is available for the cash and medical assistance programs described in these sections only to the extent that sufficient funds are appropriated. We have added this clarification in light of the steady decline in Federal refugee funding for the State share of aid to families with dependent children (AFDC), supplemental security income (SSI), Medicaid, and general assistance (GA) which began in FY 1986 and has resulted since FY 1991 in no ORR reimbursement to States for the State share of these programs due to insufficient appropriated funds.

Section 400.206 is amended by changing the heading to "Federal funding for social services and targeted assistance services" and by adding a paragraph on Federal funding for targeted assistance services.

Section 400.207 is revised to clarify that Federal funding is available for reasonable and identifiable administrative costs of providing only those assistance and service programs for which Federal funding is currently made available under the refugee program. Thus Federal funding under 45 CFR Part 400 is not available at this

time for administrative costs related to the provision of AFDC, Medicaid, GA, or SSI to refugees. This section is further revised to limit the administrative costs that a State may claim to those costs that are determined to be reasonable and allowable as defined by the Administration for Children and Families.

Section 400.10 is revised to clarify time limits for obligating and expending funds as well as for submitting final financial reports on expenditures of CMA grants and social service and targeted assistance grants.

Subpart J is amended to prohibit the use of funds under this part for travel outside the United States, without the written approval of the Director.

Subpart K—Waivers

Subpart K is amended by revising the heading to read "Waivers and Withdrawals" and by revising § 400.300 to allow for a more flexible waiver policy in keeping with Executive Order No. 12875, issued on October 26, 1993, which calls for increased flexibility for State and local waivers. In addition, a new § 400.301 is added which requires that if a State decides to cease participation in the refugee program, the State must provide 120 days advance notice to the Director before withdrawing from the program. Section 400.301 clarifies that in order to participate in the refugee program, a State is expected to operate all components of the refugee program. In the event that a State wishes to retain responsibility for only part of the refugee program, it must obtain prior approval from the Director of ORR. Such approval will be granted only under extraordinary circumstances and if it is in the best interest of the Government. Section 400.301 also provides that when a State withdraws from all or part of the refugee program, the Director may authorize a replacement designee or designees to administer the provision of assistance and/or services, as appropriate, to refugees in that State. Pursuant to the statutory authority in 412(c)(1)(A) and 412(e)(1) of the INA to provide grants to, and contracts with, public or private non-profit agencies for services, cash assistance, and medical assistance to refugees, the Director may authorize a designee to administer the refugee program in place of a State when the State chooses not to participate in the refugee program. This authority is different from the statutory authority in 412(e)(7) of the INA which permits the Director to authorize the development and implementation of alternative projects under the Fish/Wilson program. Section 301 further

establishes that a replacement designee must adhere to the same regulations under this part that apply to a State-administered program, with the exception of the following provisions: 45 CFR 400.5(d), 400.7, 400.55(b)(2), 400.56(a)(1), 400.56(a)(2), 400.56(b)(2)(i), 400.94(a), 400.94(b), 400.94(c), and subpart L.

Subpart L—Targeted Assistance

Section 400.310 establishes that the basis and scope of this subpart is to set forth requirements concerning formula allocation grants to States under 412(c)(2) of the INA for targeted assistance.

Section 400.311 establishes a definition for "targeted assistance grants".

Section 400.312 requires that a State must provide any individual wishing to do so an opportunity to apply for targeted assistance services and determine the eligibility of each applicant.

Section 400.313 requires that a State must use its targeted assistance grant primarily for employability services designed to enable refugees to obtain jobs with less than one year's participation in the targeted assistance program in order to achieve economic self-sufficiency as soon as possible. Targeted assistance services may continue to be provided after a refugee has entered a job to help the refugee retain employment or move to a better job. Targeted assistance funds may not be used for long-term training programs such as vocational training that last for more than a year or educational programs that are not intended to lead to employment within a year.

Section 400.314 establishes client priorities for targeted assistance services in the following order of priority, except in the most extreme circumstances: (1) Cash assistance recipients, particularly long-term recipients; (2) unemployed refugees who are not receiving cash assistance; and (3) employed refugees in need of services to retain employment or to attain economic independence.

Section 400.315 establishes that the same standards and criteria that are applied in the determination of eligibility for refugee social services under §§ 400.150 and 400.152(a) shall be applied in the determination of eligibility for targeted assistance services. Section 400.315 limits the provision of targeted assistance services, except referral and interpreter services, to refugees who have been in the U.S. for 60 months or less, except that refugees who are receiving employability services, as defined in § 400.316, as of September 30, 1995, as