

organizing such meetings. Regarding flexibility with respect to the frequency and holding of meetings, we are certainly willing to work with States to consider alternative approaches, as necessary. If a State believes it has good reason for holding fewer meetings, using conference calls in lieu of meetings, or using other alternatives to quarterly meetings, a State may request an exemption to this requirement, as described in this provision.

Regarding the State's role under this provision, we agree with the commenter that the State's role is to facilitate coordination, not to enforce it.

§ 400.11(b): *Comment:* One commenter recommended an effective date of October 1, 1995, for submission of a yearly CMA estimate. The commenter also requested input into the development of the form.

*Response:* We agree with the commenter; the effective date for this provision is October 1, 1995. As § 400.11(b) indicates, States will have to submit yearly CMA estimates in accordance with guidelines prescribed by the Director of ORR, in lieu of a form. As ORR develops these guidelines, States will have an opportunity to provide input and review before the guidelines are made final.

§ 400.11(b)(2): *Comment:* Seven commenters commented on this provision. One commenter objected to the change in due date for the annual services plan since no replacement date was indicated in the NPRM. Two commenters felt a specific date needs to be given. Another commenter agreed with changing the due date. One commenter wondered if the due date for submission will change periodically for all States or whether the due date could vary for each State. While one commenter supported the emphasis on a local consultative process in the planning of services, another commenter recommended the inclusion of a waiver option regarding local consultation. The commenter recommended that States be given the option of determining an appropriate process for local input in the planning process. One commenter suggested that ORR strongly encourage the inclusion of State and local health departments in the ongoing planning of refugee resettlement services. Another commenter, requesting clarification, pointed out that ORR State Letter 94-13 indicates that the Annual Services Plan is to be submitted on the revised Quarterly Performance Plan (QPR), thus eliminating the Annual Services Plan. Another commenter wanted clarification on whether ORR wants the services plan to reflect prospective

services planned, based on a needs assessment, or actual services funded. The commenter recommended reporting actual services funded.

*Response:* The Annual Services Plan has not been eliminated. ORR State Letter 94-13 simply instructs States to submit the Annual Services Plan in Schedule A, as part of the fourth quarter QPR submission. Therefore, the new due date for the Annual Services Plan is November 15 of each year, as stated in ORR State Letter 94-13. Regarding whether the services plan should reflect services planned, based on a needs assessment, or actual services funded, the instructions for Schedule A of the QPR ask for a reporting of actual services funded.

We do not agree with the commenter's suggestion that States should be allowed the option of waiving local consultation in the development of a services plan. Regarding States having the option of determining an appropriate process for local input in the planning process, it is up to each State to determine what process it wants to use; the method for obtaining local consultation is not prescribed. We agree that State and local health departments should be included in the local consultation process in the planning of services and we strongly encourage States to do so.

§ 400.11(b)(3): *Comment:* One commenter indicated that it is unclear what the phrase "quarterly estimates required in paragraph (b)(1)" refers to when § 400.11(b)(1) requires a yearly, not quarterly, estimate.

*Response:* We thank the commenter for pointing out this discrepancy. We have revised this provision by deleting the word "quarterly".

§ 400.11(c): *Comment:* Six commenters addressed this provision. One commenter objected to the 30-day due date for the 4th quarter financial report and recommended a 90-day due date. Another commenter concurred. One commenter suggested a 45-day or 60-day due date. One commenter pointed out that RMA expenditure claims are difficult to obtain within the 30-day time frame and that States need 12 months after the end of the fiscal year to liquidate all obligations incurred through the end of the fiscal year. Another commenter indicated that the due date would require the State to estimate CMA expenditures with two months less of actual expenditure data, resulting in less accurate reporting. Another commenter expressed concern that this rule change could have an impact on Federal funding for the State. This commenter was concerned that contract obligations might be outstanding and recommended that the

close-out date should continue to be December 30 of each year.

*Response:* Since States will continue to have until one year after the end of the fiscal year in which the Department awarded the grant to liquidate obligations and to submit a final financial report for CMA, and two years after the end of the fiscal year in which the Department awarded the grant to liquidate obligations and to submit a final financial report for social services and targeted assistance formula funds, we do not see a compelling reason to change the 30-day due date for the 4th quarter financial report. We understand that States may have to base their 4th quarter report on a shorter period of actual expenditure data than was the case under the current due date. The 30-day due date for the 4th quarter report will have no impact on Federal funding to the State and should have no impact on the time frame for liquidating obligations and closing out contracts since the one-year and two-year time frames described above and as stated in § 400.210 remain in effect.

§ 400.13(d): *Comment:* Three commenters expressed concern about this provision. Two commenters felt that States should be allowed to charge case management costs to CMA. One of the commenters felt that the program would be well-served by using CMA funds for this purpose especially in light of the early employment emphasis of the regulations. Another commenter recommended that States be allowed to use CMA funds to purchase equipment, software, and consultation services to establish and maintain a case management system. One commenter expressed concern that the prohibition against using CMA funds for case management could cause a State to spend State funds for some case workers and other administrative costs in the CMA program. In one State, State law has prohibited the expenditure of State funds for the refugee program. The CMA restriction could cause the State to be liable for possible Federal exceptions.

*Response:* In FY 1991, ORR established priorities for reimbursement under CMA since insufficient appropriated funds were available to reimburse costs in all CMA categories. The priority areas to be reimbursed included costs for (1) unaccompanied minors, including any allowable administrative costs of the unaccompanied minors program, (2) RCA and RMA costs and associated administrative costs, and (3) allowable administrative costs incurred for the overall management of the State refugee program. Lower priority categories included (4) the State share of allowable