

A sixth commenter recommended that counties which administer FPP programs be allowed 15 percent for administrative costs and that States be allowed no more than 5 percent for administrative costs.

Response: In consideration of the comments, we have included leadership development training as an allowable activity under the FPP set-aside, including the costs of travel and attendance of FPP leadership at FPP conferences and meetings. Leadership training should focus on enabling participants to continue the activities that were begun under this program after ORR funding ends.

Although we encourage coordination and collaboration between service providers with regard to both planning the design of services and coordinating referrals, we do not believe that the last year of the FPP set-aside is an appropriate time to introduce a new requirement.

Regarding the distribution of administrative costs between county and State, we have no specific guidance regarding this issue and believe this is an issue that needs to be resolved between the county and the State.

Comment: One commenter suggested that the notice be clarified to state that social service funds may be used to provide services to unemployed refugees who are not receiving cash assistance as long as refugees who are receiving cash assistance are given priority for services. The commenter suggested that States should be required to provide services to refugees not receiving cash assistance as a way to keep these refugees from needing to access welfare.

Response: We believe that the notice is clear that social service funds may be used to provide services to unemployed refugees who are not receiving cash assistance. The notice, under the section "Population to be Served," states that "[w]hile 45 CFR 400.147(b) requires that in providing employability services, a State must give priority to a refugee who is receiving cash assistance, social service programs should not be limited exclusively to refugees who are cash assistance recipients."

As the wording indicates, States may, and are encouraged to, provide services to unemployed refugees who are not receiving cash assistance. However, States are not required to provide services to such refugees. States are required only to give priority in providing services to refugees who are receiving cash assistance.

Effective October 1, 1995, however, in keeping with provisions in the final rule, States will be required to provide

services to refugees according to a specific order of priority. Under the new rule, unemployed refugees who are not receiving cash assistance will be the third priority group after new arrivals and cash assistance recipients.

Comment: One commenter suggested that the notice include, in addition to the provision for developing a service plan for refugees accessing ORR-funded services, a requirement that States ensure a case management system in which the service plan's objectives are closely monitored and coordinated within the service delivery community.

Response: We agree that case management services are important to coordinate and monitor the objectives of a client service plan. Therefore, we strongly encourage States to provide such services. However, we do not believe case management services should be imposed on States as a mandatory requirement; we believe instead that States should have the flexibility to make their own service choices, based on local circumstances.

Comment: One commenter observed that the notice included the requirement that States must have an approved State plan for the Cuban/Haitian Entrant program in order to use ORR funds to provide services to entrants. The commenter suggested that the distinction and the additional plan are no longer appropriate. With larger numbers of Cubans being admitted, the commenter indicated an expectation that Cubans will be placed in more States than was previously the case; some of these States will have little or no tradition of receiving this population. The commenter suggested that access to services for Cubans and Haitians should be facilitated regardless of whether the State in which they are placed does or does not have an approved plan.

Response: In order to provide services to Cuban and Haitian entrants, a State must either have a separate Cuban/Haitian entrant program State plan or indicate in its refugee program State plan that Cuban and Haitian entrants will be served. According to our records, 34 States now have approved State plans to provide services to Cuban and Haitian entrants. An additional three States, which are not participating in the refugee program, have privately administered refugee program projects which can serve Cuban and Haitian entrants.

The requirement for a plan helps to ensure both that States are prepared to provide appropriate services to entrants and that they are prepared for increased numbers of entrants. We believe, therefore, that the fact that larger

numbers of Cubans are being admitted makes it more important and appropriate, not less appropriate, that States have plans for serving this population. Finally, because 34 States have already met the requirement for having approved State plans, we do not believe the requirement for a State plan impedes this population's access to services. For these reasons, we do not intend to abolish the requirement for an approved State plan for this population.

Comment: One commenter recommended that the formula for allocating social service funds should be more flexible in order to accommodate unanticipated arrivals that represent an impact on the current year's funding allocation. The commenter suggested that there should be an automatic, formulated adjustment made to States' allocations when arrivals in the current year greatly exceed the pattern of the previous three years.

Response: As the notice states, the allocation formula used for social service funds is required by the Immigration and Nationality Act (INA). Section 412(c)(1)(B) of the INA states that social service funds " * * * shall be allocated among the States based on the total number of refugees (including children and adults) who arrived in the United States not more than 36 months before the beginning of such fiscal year and who are actually residing in each State (taking into account secondary migration) as of the beginning of the fiscal year." No change, therefore, can be made to the formula for allocating social service funds without a statutory change.

It should also be noted that, when arrivals in a State greatly exceed the pattern of the previous three years, the higher number of arrivals is incorporated in the next year's formula. A State with high numbers of unanticipated arrivals receives an allocation in the next year that is proportionately higher than it would otherwise have been. The formula does, therefore, accommodate, as quickly as possible within statutory limitations, the impact of unanticipated arrivals.

Furthermore, ORR makes available discretionary grants to States to fund social services for large numbers of unanticipated arrivals for whom the existing social service system cannot respond adequately because available ORR funding is already committed. This program is intended to provide a bridge between the increased need for services that results from increases in arrivals and the time when a State will have incorporated services for these new arrivals into their existing social service funded network. This program, by