

in each case by the Department's response.

*Comment:* Five commenters opposed allowing States with more than one eligible county to determine county allocations differently from those specified in the targeted assistance notice. Four of those commenters complained that their State's reallocation plan shifted resources from counties with new arrivals to counties with long-term assistance users.

*Response:* We believe that States with more than one eligible county should be given the flexibility to determine county allocations differently from those specified in the notice, based on more complete and accurate data that a State may have on county population numbers and welfare dependency rates than what is available at the Federal level.

Effective October 1, 1995, under the new rule, States with more than one eligible targeted assistance county will be allowed to allocate funds differently from the formula in the targeted assistance notice only on the basis of its population of refugees who arrived in the U.S. during the most recent 5-year period. States will be allowed to use welfare data as a factor in its allocation formula, but only in combination with arrival data, not as the only factor.

*Comment:* Two commenters questioned the 3 percent threshold for the Cuban/Haitian special allocation. One commenter objected to the exclusion of secondary migrants in the entrant population count. The other commenter recommended that the threshold be lowered to 1 percent to provide awards to more counties.

*Response:* As we have noted in previous years, we are not able to include secondary migrants in the population count for targeted assistance because secondary migration data are not available at the county level.

In order to be consistent with the Conference Report on Appropriations, we have established a 3 percent threshold for allocations under the Cuban/Haitian special allocation in order to target the communities most heavily affected by recent Cuban and Haitian entrant and refugee arrivals. A lowering of the threshold would disperse the available funds across more communities, which would significantly reduce the grants to the communities which have the greatest need.

*Comment:* One commenter objected to ORR's intention not to consider data for the purpose of determining the eligibility of new counties for participation in TAP in FY 1995.

*Response:* In FY 1996 we intend to re-examine the targeted assistance program

to determine what policies need to be updated or revised. At that time, the eligibility of all counties will be reviewed against the new qualifying criteria. We do not believe that it makes sense to admit new counties to the program in FY 1995 when these counties may become ineligible in FY 1996. We believe that funds are best used for already established counties rather than for the start up costs for new counties that may only receive funding for one year.

*Comment:* One commenter recommended that the 10% discretionary program be eliminated because the program allows non-impacted counties to receive grants which, in turn, reduces the grants to the impacted counties.

*Response:* The communities which receive grants under the TAP 10% discretionary program are impacted communities, even though they may not receive grants under the targeted assistance formula program. The TAP 10% program reflects Congressional intent as expressed in the House Appropriations Committee Report which states: "The Committee expects these [TAP 10%] grants to be awarded to communities not presently receiving targeted assistance because of previous concentration requirements \* \* \* as well as those who do currently receive targeted assistance grants."

*Comment:* One commenter recommended that TAP funds be allocated to counties within 5 months after being appropriated by Congress. The commenter felt that releasing the funds later keeps counties from accessing funds when they are needed and gives Congress and OMB the impression that the counties do not really need the resources.

*Response:* We hope to issue targeted assistance awards earlier in the fiscal year than has been the case to date.

*Comment:* Two commenters recommended that the allowances for State and county administrative costs, 5 and 10 percent respectively, be re-examined. The commenters felt that the counties' allowance should be increased. One commenter recommended that counties be allowed as much as 15 to 20 percent in administrative costs since the counties are responsible for directly administering the targeted assistance grants. The other commenter recommended a sliding-scale for State allowances, with a higher percentage for smaller States and a lower percentage for larger States.

*Response:* Regarding State administrative allowances, section 412(c)(2)(B)(ii) of the INA allows up to

5% of the TAP allocation to be retained by the State.

As we indicated earlier, in FY 1996 we intend to re-examine the targeted assistance program to determine what policies need to be updated or revised. This will provide an appropriate time to re-examine the issue of allowable administrative cost levels.

*Comment:* One commenter requested that the application procedures for the Cuban/Haitian special allocation be made available as soon as possible if the procedures will be different from previous years.

*Response:* The application procedures for the Cuban/Haitian special allocation will be provided to participating States shortly.

*Comment:* One commenter requested that counties receiving awards for the first time under the Cuban/Haitian special allocation be awarded grants from October 1995 through September 1996 to give the State sufficient planning time.

*Response:* Awards will be made before the end of FY 1995. Counties may obligate targeted assistance funds for up to one year after the end of the Federal fiscal year in which the Department awarded the grant. Therefore, grants awarded this year may be obligated through September 30, 1996. Funds must be liquidated within two years after the end of the Federal fiscal year in which the Department awarded the grant.

## V. Eligible Grantees

The following requirements, which have previously applied to TAP, will continue to apply with respect to FY 1995 awards:

Eligible grantees are those agencies of State governments which are responsible for the refugee program under 45 CFR 400.5 in States containing counties which qualify for FY 1995 targeted assistance awards. The use of targeted assistance funds for services to Cuban and Haitian entrants is limited to States which have an approved State plan under the Cuban/Haitian Entrant Program (CHEP).

The State agency will submit a single application on behalf of all county governments of the qualified counties in that State. Subsequent to the approval of the State's application by ORR, local targeted assistance plans will be developed by the county government or other designated entity and submitted to the State.

A State with more than one qualified county is permitted, but not required, to determine the allocation amount for each qualified county within the State. However, if a State chooses to determine