

State's chief executive officer and legislature. In this interim rulemaking, we are revising redesignated paragraph (e)(7) in § 275.23 to establish these new dates. Redesignated paragraph (e)(7) also requires FNS to provide the State chief executive officer and the legislature with a copy of the State's notice of payment claimed or liability amount. At this time we are not revising the time frames for processing individual cases or conducting individual arbitration cases. Implementing guidance was issued on January 22, 2003, providing interim direction to State agencies on completing cases reviews under these new time frames for Fiscal Year 2003. A proposed rule will be issued that addresses these issues.

Corrective Action Planning

Current regulations provide that corrective action planning shall be done by a State agency when it fails to reach the yearly target (§ 275.16(b)(1)), when the State agency is not entitled to enhanced funding (§ 275.16(b)(2)), or when the State agency's negative case error rate exceeds one percent (§ 275.16(b)(3)). Section 4118 of the Food Stamp Reauthorization Act of 2002 requires State agencies to do corrective action planning whenever its payment error rate is six percent or greater. Accordingly, we are revising § 275.16(b)(1) to require corrective action planning whenever a State agency's error rate equals or exceeds six percent. This change will have little real impact on State agencies because current regulations require corrective action planning whenever a State agency is not eligible for enhanced funding. One of the criteria for enhanced funding is that the payment error rate is below 5.90 percent. Therefore, all State agencies with error rates above 5.90 percent are already required to develop corrective action plans.

In addition several technical changes throughout 7 CFR part 275 have been made to correct references to paragraphs changed in this rulemaking and to fix typographical errors.

Implementation

This rule is effective December 15, 2003. Section 4118 of the Food Stamp Reauthorization Act of 2002 was effective October 1, 2002, and section 4119 was effective upon enactment, May 13, 2002. This rule reflects these statutory provisions which impact the establishment of payment error rates, the national performance measure, and sanctions and liabilities for Fiscal Year 2003 and beyond.

List of Subjects

7 CFR Part 272

Alaska, Civil rights, Claims, Food stamps, Grant programs, Social programs, Reporting and recordkeeping requirements, Unemployment compensation, Wages

7 CFR Part 275

Administrative practice and procedure, Food stamps, Reporting and recordkeeping requirements.

■ Accordingly, 7 CFR parts 272 and 275 are amended as follows:

■ 1. The authority citation for parts 272 and 275 continue to read as follows:

Authority: 7 U.S.C. 2011–2036.

PART 272—REQUIREMENTS FOR PARTICIPATING STATE AGENCIES

■ 2. In § 272.1, add paragraph (g)(169) to read as follows:

§ 272.1 General terms and conditions.

* * * * *

(g) *Implementation.* * * *
(169) *Amendment No. 395.* The provisions of Amendment 395 are effective December 15, 2003.

PART 275—PERFORMANCE REPORTING SYSTEM

§ 275.3 [Amended]

■ 3. In § 275.3, the last sentence of paragraph (c) is amended by removing the reference “§ 275.23(e)(8)” and adding in its place the reference “§ 275.23(e)(6)”.

§ 275.11 [Amended]

■ 4. In § 275.11, the third sentence of paragraph § 275.11(g) is amended by removing the reference “§ 275.25(e)(8)” and adding in its place the reference “§ 275.23(e)(6)”.

■ 5. In § 275.16, paragraph (b)(1) is revised to read as follows:

§ 275.16 Corrective action planning.

* * * * *

(b) * * *
(1) Result from a payment error rate of 6 percent or greater (actions to correct errors in individual cases, however, shall not be submitted as part of the State agency's corrective action plan);

* * * * *

■ 6. In § 275.23:

■ a. Paragraph (d)(1)(iii) is amended by removing the reference “(e)(8)(iii)” and adding in its place the reference “(e)(6)(iii)”.

■ b. Paragraph (e)(1) is amended by removing the reference “(e)(8)” and adding in its place the reference “(e)(6)”.

■ c. Paragraphs (e)(2), (e)(3), and (e)(4) are removed.

■ d. Paragraph (e)(5) is redesignated as paragraph (e)(2) and is further amended by removing the words “and beyond” in the paragraph heading and adding in their place the words “through Fiscal Year 2002”.

■ e. Newly redesignated paragraph (e)(2)(i) is amended by removing the words “and subsequent years” and adding in their place the words “through Fiscal Year 2002”; and further amended by removing the word “rates” in the second sentence and adding in its place the word “rate”.

■ f. A new paragraph (e)(3) is added.

■ g. Paragraphs (e)(6), (e)(7), (e)(8), (e)(9), (e)(10), and (e)(11) are redesignated as paragraphs (e)(4), (e)(5), (e)(6), (e)(7), (e)(8) and (e)(9), respectively.

■ h. Newly redesignated paragraph (e)(5)(i)(B)(3) is amended by removing the reference “(e)(7)(i)(A)” and adding in its place the reference “(e)(5)(i)(A)”.

■ i. Newly redesignated paragraph (e)(5)(i)(C)(3)(iii) is amended by removing the reference “(e)(5)(i)” wherever it appears and adding in its place the reference “(e)(2)(i)”.

■ j. Newly redesignated paragraph (e)(5)(i)(E) is amended by removing the reference “(e)(7)(i)(A) through (e)(7)(i)(D)” and adding in its place the reference “(e)(5)(i)(A) through (e)(5)(i)(D)”.

■ k. Newly redesignated paragraph (e)(5)(i)(E)(2) is amended by removing the reference “(e)(7)(i)(E)” and adding in its place the reference “(e)(5)(i)(E)”.

■ l. Newly redesignated paragraph (e)(5)(ii) is amended by removing the reference “(e)(7)(i)(A) through (e)(7)(i)(E)” and adding in its place the reference “(e)(5)(i)(A) through (e)(5)(i)(E)”.

■ m. Newly redesignated paragraph (e)(5)(iii) is amended by removing the reference “(e)(7)” and adding in its place the reference “(e)(5)”.

■ n. Newly redesignated paragraph (e)(6)(i)(D) is amended by removing the reference “(e)(8)(iii)” and adding in its place the reference “(e)(6)(iii)”.

■ o. Newly redesignated paragraphs (e)(6)(iii)(A) and (e)(6)(iii)(B) are amended by removing the reference “(e)(8)(i)(C)” wherever it appears and adding in its place the reference “(e)(6)(i)(C)”.

■ p. Newly redesignated paragraph (e)(7) is amended by removing the first and second sentences and adding in their place four new sentences.

■ q. Newly redesignated paragraph (e)(8) is amended by removing the reference “§ 275.23(e)(5)” and adding in its place the reference “paragraphs (e)(2) and (e)(3) of this section”.

■ r. Newly redesignated paragraph (e)(9) is amended by removing the words “and