

nutrition education, to low-income pregnant, postpartum, and breastfeeding women, infants, children ages 1 through 5, and the elderly. We also propose to describe the monthly distribution of foods to participants based on guide rates established by FNS, and to list some of the foods characteristically included in the food packages. A description of the distribution of foods to participants is currently included under § 247.7(c).

Under paragraph (b), *How many persons may be served in CSFP?*, we propose to provide basic information on caseload, and the caseload cycle, to help the reader understand the scope of the program.

#### *Administering Agencies, Section 247.3*

Currently, § 247.3 describes the responsible CSFP administering agencies at the Federal, State, and local levels, and the requirements for the State agency to submit a State Plan and enter into agreements with the Department and other agencies. We propose to include, in this proposed § 247.3, the description of responsible administering agencies and the Federal requirements that apply to administration of CSFP. We propose to include required agreements in the proposed § 247.4 and State Plan requirements in the proposed § 247.6.

In paragraph (a) of this proposed § 247.3, we propose to include a description of the responsible administering agencies, and to clarify that the State agency may delegate to a subdistributing agency (e.g., another State agency or a nonprofit organization) the responsibility for storage and distribution of commodities, and other program functions. We also propose to include in this paragraph the authority for local agencies and subdistributing agencies to delegate responsibility for specific program functions (e.g., food distribution or storage) to another agency, with the State agency's approval. This authority is currently included under § 247.6(c).

While the State agency is provided a great deal of flexibility in administering the program, and in selecting other agencies to perform specific program functions, the State agency must itself perform a few functions. Thus, in paragraph (b) of this proposed section, we propose to make it clear that the State agency may not delegate the responsibility for establishing eligibility requirements for which it has options (such as income limits for women, infants, and children), or for conducting management reviews of local agencies. Through management reviews, the State agency determines if the program is

being properly administered, and if corrective actions are needed.

In paragraph (c) of this proposed section, we propose to include the requirement that State, subdistributing, and local agencies administer the program in accordance with the provisions of this part, and with the provisions of 7 CFR part 250 of this chapter, except where they are inconsistent with this part. The current references to specific circulars in § 247.3 are deleted, since they are all obsolete.

#### *Agreements, Section 247.4*

Currently, the requirement that State agencies enter into an annual agreement with the Department to operate the program is included under § 247.3, as is the requirement that State agencies enter into agreements with distributing agencies. The requirement that State and local agencies enter into agreements, and the required contents of those agreements, are currently included under § 247.6. Also currently under § 247.6 is the requirement that local agencies and other agencies selected to perform specific program functions sign an agreement. We propose to include all agreement requirements in this proposed § 247.4.

In paragraph (a), we propose to include all of the current required agreements between administering agencies. However, we propose to remove the present requirement that, in addition to the agreement with the State agency, the subdistributing agency (currently referred to as the distributing agency) must also sign an agreement with FNS. Since the State agency is responsible for the administration of the program at the State level, an agreement between the subdistributing agency and FNS serves no real purpose. Also in this paragraph, we propose to clarify that the Federal-State agreement utilized is Form FNS-74.

Currently, a list of the required contents of agreements between State and local agencies is included under § 247.6(b). Additionally, under § 247.6(c), the agreement between the local agency and another agency must state the program responsibilities of the other agency. In paragraph (b) of this proposed section, we propose to include the required contents of all agreements, with the exception of the Federal-State agreement (which is a standard form). We propose to require that all agreements contain the following:

(1) An assurance that each agency will administer the program in accordance with the provisions of this part and with the provisions of 7 CFR part 250, unless they are inconsistent with the provisions of this part.

(2) An assurance that each agency will maintain accurate and complete records for a period of three years from the end of the fiscal year to which they pertain, or, if they are related to unresolved claims actions, audits, or investigations, until those activities have been resolved.

(3) A statement that each agency receiving commodities for distribution is responsible for any loss resulting from improper distribution, or improper storage, care, or handling of commodities.

(4) A statement that each agency receiving program funds is responsible for any misuse of these funds.

(5) A description of the specific functions that the State, subdistributing or local agency is delegating to another agency.

(6) A statement that the agreement may be terminated by either party upon 30 days written notice.

In paragraph (c) of this proposed § 247.4, we propose to list specific requirements for agreements between State and local agencies, which are in addition to the requirements of paragraph (b) of this section. We propose to require that the agreement between State and local agencies include:

(1) An assurance that the local agency will provide nutrition education as required under 7 CFR part 247.

(2) An assurance that the local agency will provide information to participants on the importance of health care and on other health, nutrition, and public assistance programs, and make referrals as appropriate, as required under 7 CFR part 247.

(3) An assurance that the local agency will distribute commodities in accordance with 7 CFR part 247, and with the approved food package guide rate.

(4) An assurance that the local agency will take steps to prevent and detect dual participation.

(5) The names and addresses of all certification, distribution, and storage sites under the jurisdiction of the local agency.

In paragraph (d), we propose to describe the duration of all required agreements. We propose to make the Federal-State agreement permanent, and amended at the initiation of State agencies or at the request of FNS, instead of annual. All amendments must be approved by FNS. We also propose to clarify that the duration of agreements between the State agency and local or subdistributing agencies is established by the State agency. Similarly, we propose to clarify that the State agency may establish, or permit