

compensation from NSSC volunteers or from beneficiaries for services of NSSC volunteers.

(2) This section does not prohibit a sponsor from soliciting and accepting voluntary contributions from the community at large to meet its local support obligations under the grant or from entering into agreements with parties other than beneficiaries to support additional volunteers beyond those supported by the Corporation grant.

(3) A Senior Companion volunteer station may contribute to the financial support of the Senior Companion Program. However, this support shall not be a required precondition for a potential station to obtain or retain Senior Companion service. If a volunteer station agrees to provide funds to support additional Senior Companions or pay for other Senior Companion support costs, the agreement shall be stated in a written memorandum of understanding.

(4) The sponsor shall withdraw services if the station's inability to provide monetary or in-kind support to the project diminishes or jeopardizes the project's financial capabilities to fulfill its obligations.

(5) Under no circumstances shall a Senior Companion receive a fee for service from service recipients, their legal guardian, members of their family, or friends.

(d) *Labor and anti-labor activity.* The sponsor shall not use grant funds directly or indirectly to finance labor or anti-labor organization or related activity.

(e) *Fair labor standards.* A sponsor that employs laborers and mechanics for construction, alteration, or repair of facilities shall pay wages at prevailing rates as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

(f) *Nondiscrimination.* A sponsor or sponsor employee shall not discriminate against a Senior Companion on the basis of race, color, national origin, sex, age, religion, or political affiliation, or on the basis of disability, if the Senior Companion with a disability is qualified to serve.

(g) *Religious activities.* A Senior Companion or a member of the project staff funded by the Corporation shall not give religious instruction, conduct worship services or engage in any form of proselytization as part of his or her duties.

(h) *Nepotism.* Persons selected for project staff positions shall not be related by blood or marriage to other project staff, sponsor staff or officers, or members of the sponsor Board of

Directors, unless there is written concurrence from the community group established by the sponsor under Subpart B of this part and with notification to the Corporation.

§ 2551.122 What legal coverage does the Corporation make available to Senior Companions?

It is within the Corporation's discretion to determine if Counsel is employed and counsel fees, court costs, bail and other expenses incidental to the defense of a Senior Companion is paid in a criminal, civil or administrative proceeding, when such a proceeding arises directly out of performance of the Senior Companion's activities. The circumstances under which the Corporation shall pay such expenses are specified in 45 CFR part 1220.

Dated: August 25, 1998.

Thomas L. Bryant,

Acting General Counsel.

[FR Doc. 98-23300 Filed 9-2-98; 8:45 am]

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CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 1208 and 2552

RIN 3045-AA18

Foster Grandparent Program

AGENCY: Corporation for National and Community Service.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Corporation for National and Community Service, (hereinafter the "Corporation"), proposes to amend the regulations governing the administration of the Foster Grandparent Program (FGP). These amendments will: implement changes in the program's authorizing legislation; establish minimum program requirements with greater clarity; update program operations to make them responsive to changes that have occurred since the regulations were last published; consolidate requirements from outdated sources into one user friendly document; balance increased flexibility with increased responsibility and accountability at the local level; and incorporate new concepts of programming to highlight the accomplishments and impact of senior service.

The format used is designed to make the requirements easy for local sponsors and project managers to understand. It integrates related topics under one heading for easy reference.

Upon adoption, the proposed amendments will supersede the old

ACTION regulation and FGP Operations Handbook 4405.90 dated January 1989.

DATES: Comments must be submitted on or before November 2, 1998.

ADDRESSES: Comments should be sent to the Corporation for National Service, Director, National Senior Service Corps, 1201 New York Avenue, N.W., Washington, D.C., 20525.

FOR FURTHER INFORMATION CONTACT: Rey Tejada at 202-606-5000 ext. 197.

SUPPLEMENTARY INFORMATION: The requirements governing the administration of FGP projects are currently embodied in two documents: 45 CFR Part 1208 which was last published in the **Federal Register** on June 10, 1983, and the FGP Operations Handbook. The proposed amendments will combine all minimum program requirements in one document to make it easier for interested parties to secure basic program information.

The proposed amendments include modifications to current program requirements including those applicable to: the responsibilities of a FGP sponsor, community participation in local project operations, full-time project director, volunteer income eligibility, volunteer service schedule, volunteer leave, client care plans, authority to approve grants, waiver of non-federal support, ratio of volunteer cost reimbursement, and compensation for service.

The proposed amendments also reflect changes in the program's administrative structure resulting from the merger of the former ACTION agency into the Corporation in April 1994.

Regulatory Flexibility Act and Unfunded Mandate Reform Act

The General Counsel, in accordance with the Regulatory Flexibility Act (5 U.S.C. 606(b)), has reviewed this regulation and by approving certifies that this proposed rule will not have a significant impact on small business entities.

Under the Unfunded Mandates Reform Act of 1995, the Corporation certifies that this proposed rule does not include any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted annually for inflation) in any one year.

Paperwork Reduction Act of 1995

These proposed regulations have been examined under the Paperwork Reduction Act of 1995 and have been found to contain no information collection requirements.

Intergovernmental Review

This program is subject to the requirements of Executive Order 12372. The objective of the Executive order is to foster an intergovernmental partnership and strengthened federalism by relying on processes developed by State and local governments for coordination and review of proposed Federal financial assistance. In accordance with the order, this document is intended to provide early notification of the Corporation's specific plans and actions for this program.

Executive Order 12866

This regulation has been drafted and reviewed in accordance with Executive Order 12866. The Office of Management and Budget has reviewed this rule and has determined that this rule is not a "significant regulatory action" under Executive Order 12866, section 3(f), Regulatory Planning and Review.

Participation in the Rulemaking

The FGP Program Council, a group established to provide advice to the Corporation on program related issues, was consulted, reviewed and gave recommendations on initial drafts of the proposed regulations. Council membership is comprised of FGP project staff and sponsor representatives, as well as selected staff from Corporation field offices. A similar opportunity was given to all Corporation field staff, a group that plays an important role in the implementation of program regulations.

DISTRIBUTION TABLE

Old 45 CFR Part 1208	New 45 CFR Part 2552
1208.1-1	2552.11
1208.2-1	2552.21
1208.3-1	2552.31
1208.4-1	2552.41
1208.5-1	2252.51
	2252.61
	2252.71
	2252.81
	2252.91
	2252.101
	2252.111
	2252.121

List of Subjects

45 CFR Part 1208

Aged, Grant programs—social programs, Reporting and recordkeeping requirements, Volunteers.

45 CFR Part 2552

Aged, Grant programs—social programs, Volunteers.

Accordingly, and under the authority of 42 U.S.C. 12501 *et seq.*, the Corporation proposes to amend 45 CFR chapters XII and XXV as follows:

PART 1208—[REDESIGNATED AS PART 2552]

1. Part 1208 in 45 CFR chapter XII is redesignated as part 2552 in 45 CFR chapter XXV and is revised to read as follows:

PART 2552—FOSTER GRANDPARENT PROGRAM

Subpart A—General

Sec.

2552.11 What is the Foster Grandparent Program?

2552.12 Definitions.

Subpart B—Eligibility and Responsibilities of a Sponsor

2552.21 Who is eligible to serve as a sponsor?

2552.22 What are the responsibilities of a sponsor?

2552.23 What are a sponsor's program responsibilities?

2552.24 What are a sponsor's responsibilities for securing community participation?

2552.25 What are a sponsor's administrative responsibilities?

2552.26 May a sponsor administer more than one program grant from the Corporation?

Subpart C—Suspension and Termination of Corporation Assistance

2552.31 What are the rules on suspension, termination, and denial of refunding of grants?

Subpart D—Foster Grandparent Eligibility, Status and Cost Reimbursements

2552.41 Who is eligible to be a Foster Grandparent?

2552.42 What income guidelines govern eligibility to serve as a stipended Foster Grandparent?

2552.43 What is considered income for determining volunteer eligibility?

2552.44 Is a Foster Grandparent a federal employee, an employee of the sponsor or of the volunteer station?

2552.45 What cost reimbursements are provided to Foster Grandparents?

2552.46 May the cost reimbursements of a Foster Grandparent be subject to any tax or charge, be treated as wages or compensation, or affect eligibility to receive assistance from other programs?

Subpart E—Foster Grandparent Terms of Service

2552.51 What are the terms of service of a Foster Grandparent?

2552.52 Under what circumstances may a Foster Grandparent be allowed to serve a modified service schedule?

2552.53 What factors are considered in determining a Foster Grandparent's service schedule?

2552.54 Under what circumstances may a Foster Grandparent's service be terminated?

2552.55 Are Foster Grandparents eligible for leave?

Subpart F—Responsibilities of a Volunteer Station

2552.61 When may a sponsor serve as a volunteer station?

2552.62 What are the responsibilities of a volunteer station?

Subpart G—Foster Grandparent Placements and Assignments

2552.71 What is the required minimum number of eligible children in a volunteer station?

2552.72 Must all Foster Grandparent placements be year-round?

2552.73 What requirements govern the assignment of Foster Grandparents?

2552.74 Is a written care plan required for each volunteer station and what purpose does it serve?

Subpart H—Children Served

2552.81 What type of children are eligible to be served?

2552.82 Under what circumstances may a Foster Grandparent continue to serve a child beyond his or her 21st birthday?

Subpart I—Application and Fiscal Requirements

2552.91 Application and award process.

2552.92 Project funding requirements.

2552.93 Grants management requirements.

Subpart J—Non-Stipended Foster Grandparents

2552.101 What rule governs the recruitment and enrollment of persons who do not meet the income eligibility guidelines to serve as Foster Grandparents without stipends?

2552.102 What are the conditions of service of non-stipended Foster Grandparents?

2552.103 Must a sponsor be required to enroll non-stipended Foster Grandparents?

2552.104 May Corporation funds be used for non-stipended Foster Grandparents?

Subpart K—Non-Corporation Funded FGP Projects

2552.111 Under what conditions can an agency or organization sponsor a Foster Grandparent project without Corporation funding?

2552.112 What benefits are a non-Corporation funded project entitled to?

2552.113 What financial obligation does the Corporation incur for non-Corporation funded projects?

2552.114 What happens if a non-Corporation funded sponsor does not comply with the Memorandum of Agreement?

Subpart L—Restrictions and Legal Representation

2552.121 What legal limitations apply to the operation of the Foster Grandparent Program and to the expenditure of grant funds?

2552.122 What legal coverage does the Corporation make available to Foster Grandparents?

Authority: 42 U.S.C. 4950 *et seq.*, 5011.

Subpart A—General

§ 2552.11 What is the Foster Grandparent Program?

The Foster Grandparent Program provides grants to qualified agencies and organizations to engage older persons, particularly those with limited incomes, in volunteer service to meet critical community needs. Program funds are used to support Foster Grandparents in providing supportive, person to person service to children with exceptional or special needs. The program uses the skills and experiences of individuals age 60 and over as a resource to address local needs, and seeks to enrich the lives of older persons through their participation in community service.

§ 2552.12 Definitions.

(a) *Act.* The Domestic Volunteer Service Act of 1973 as amended, Pub. L. 93-113, Oct. 1, 1973, 87 Stat. 396, 42 U.S.C. 4950 *et seq.*

(b) *Adequate Staffing Level.* The number of project staff or full-time equivalent needed by a sponsor to manage NSSC project operations considering such factors as: number of budgeted volunteers/Volunteer Service Years (VSYs), number of volunteer stations, and the size of the service area.

(c) *Annual income.* Total cash receipts from all sources over the preceding 12 months including: the applicant or enrollee's income and, the applicant or enrollee's spouse's income, if the spouse lives in the same residence. The value of shelter, food, and clothing, may be counted if provided at no cost by persons related to the applicant/enrollee, or spouse.

(d) *Care plan.* A written description of a Foster Grandparent's assignment with a child. The plan defines the goals for the child to be attained through the relationship with a Foster Grandparent and the specific activities to be performed by the Foster Grandparent in the assignment.

(e) *Chief Executive Officer.* The Chief Executive Officer of the Corporation appointed under the Trust Act.

(f) *Child.* Any individual 21 years of age or under.

(g) *Children having exceptional needs.* Children who are developmentally disabled, such as those who are mentally retarded, autistic, have cerebral palsy or epilepsy or are visually impaired, speech impaired, hearing impaired, orthopedically impaired, have multiple disabilities, are emotionally disturbed or have a language disorder, specific learning disability or other significant health impairment. Existence of a child's exceptional need shall be verified by an appropriate professional, such as a physician, psychiatrist, psychologist, registered nurse or licensed practical nurse, speech therapist or educator before a Foster Grandparent is assigned to the child.

(h) *Children with special needs.* Children who are abused or neglected; in need of foster care; adjudicated youth; homeless youths; certain teen-age parents; and children in need of protective intervention in their homes. Existence of a child's special need shall be verified by an appropriate professional before a Foster Grandparent is assigned to the child.

(i) *Corporation.* The Corporation for National and Community Service established under the Trust Act. The Corporation is also sometimes referred to as "CNCS".

(j) *Cost Reimbursements.* Reimbursements provided to volunteers such as stipends to cover incidental costs, meals, and transportation, to enable them to serve without cost to themselves. Also included are the costs of annual physical examinations, volunteer insurance and recognition which are budgeted as Volunteer Expenses.

(k) *In-home.* The non-institutional assignment of a Foster Grandparent in a private residence or a foster home.

(l) *Letter of Agreement.* A written agreement between a volunteer station, the sponsor and the parent or persons legally responsible for the child served by the Foster Grandparent. It authorizes the assignment of a Foster Grandparent in the child's home, defines the Foster Grandparent's activities and delineates specific arrangements for supervision.

(m) *Memorandum of Understanding.* A written statement prepared and signed by the Foster Grandparent project sponsor and the volunteer station that identifies project requirements, working relationships and mutual responsibilities.

(n) *National Senior Service Corps (NSSC).* The collective name for the Foster Grandparent Program (FGP), the Retired and Senior Volunteer Program (RSVP), the Senior Companion Program (SCP), and Demonstration Programs

established under Title II Parts A, B, C, and E, of the Act. NSSC is also referred to as the "Senior Corps".

(o) *Non-Corporation Support (Required).* The percentage share of non-Federal cash and in-kind contributions, required to be raised by the sponsor in support of the grant.

(p) *Non-Corporation Support (Excess).* The amount of non-Federal cash and in-kind contributions generated by a sponsor in excess of the required percentage.

(q) *Parent.* A natural parent or a person acting in place of a natural parent, such as a guardian, a child's natural grandparent, or a step-parent with whom the child lives. The term also includes otherwise unrelated individuals who are legally responsible for a child's welfare.

(r) *Project.* The locally planned and implemented Foster Grandparent Program activity or set of activities as agreed upon between a sponsor and the Corporation.

(s) *Qualified Individual With a Disability.* An individual with a disability who, with or without reasonable accommodation, can perform the essential functions of a volunteer position that such individual holds or desires. For purposes of the Americans With Disabilities Act, consideration shall be given to a sponsor's or volunteer station's judgment as to what functions of a volunteer position are essential. If a sponsor has prepared a written description before advertising or interviewing applicants for the position, the written description shall be considered evidence of the essential functions of the volunteer position. This definition includes an individual with a physical or mental impairment as defined in section 101(8) of the Americans With Disabilities Act of 1990 (42 U.S.C. 12111(8)).

(t) *Service Area.* The geographically defined area in which Foster Grandparents are recruited, enrolled, and placed on assignments.

(u) *Service Schedule.* A written delineation of the days and times a Foster Grandparent serves each week.

(v) *Sponsor.* A public agency or private nonprofit organization that is responsible for the operation of a Foster Grandparent project.

(w) *Stipend.* A payment to Foster Grandparents to enable them to serve without cost to themselves. The amount of the stipend is determined by the Corporation and is payable in regular installments. The minimum amount of the stipend is set by law and shall be adjusted by the CEO from time to time.

(x) *Trust Act.* The National and Community Service Trust Act of 1993,

Pub. L. 103-82, Sept. 21, 1993, 107 Stat. 785.

(y) *United States and States.* Each of the several States, the District of Columbia, the U.S. Virgin Islands, the Commonwealth of Puerto Rico, Guam and American Samoa, and Trust Territories of the Pacific Islands.

(z) *Volunteer Station.* A public agency, private nonprofit organization or proprietary health care agency or organization that accepts the responsibility for assignment and supervision of Foster Grandparents in health, education, social service or related settings such as private homes, hospitals, homes for dependent and neglected children, or similar establishments. Each volunteer station must be licensed or otherwise certified, when required, by the appropriate state or local government. Private homes are not volunteer stations.

Subpart B—Eligibility and Responsibilities of a Sponsor

§ 2552.21 Who is eligible to serve as a sponsor?

The Corporation awards grants to public agencies, including Indian tribes and non-profit private organizations, in the United States that have the authority to accept and the capability to administer a Foster Grandparent project.

§ 2552.22 What are the responsibilities of a sponsor?

A sponsor is responsible for fulfilling all project management requirements necessary to accomplish the purposes of the Foster Grandparent Program as specified in the Act. A sponsor shall not delegate or contract these responsibilities to another entity. A sponsor shall comply with all program regulations and policies, and grant provisions prescribed by the Corporation.

§ 2552.23 What are a sponsor's program responsibilities?

A sponsor shall:

(a) Focus Foster Grandparent resources on critical problems affecting children with special and exceptional needs within the project's service area.

(b) Assess on an ongoing basis or collaborate with other community organizations in the assessment of the needs of the client population in the community and develop strategies to respond to those needs using the resources of Foster Grandparents.

(c) Develop and manage a system of volunteer stations by:

(1) Ensuring that a volunteer station is a public or non-profit private organization, or an eligible proprietary health care agency, capable of serving as

a volunteer station for the placement of Foster Grandparents;

(2) Ensuring that the placement of Foster Grandparents, will be governed by a Memorandum of Understanding:

(i) That is negotiated prior to placement;

(ii) That specifies the mutual responsibilities of the station and sponsor; and

(iii) That is renegotiated at least every three years;

(3) Reviewing volunteer placements regularly to ensure that clients are eligible to be served.

(d) Develop Foster Grandparent service opportunities to support locally-identified needs of eligible children in a way that consider the skills and experiences of Foster Grandparents.

(e) Consider the demographic make-up of the project service area in the enrollment of Foster Grandparents, taking special efforts to recruit eligible individuals from minority groups, persons with disabilities, and under-represented groups.

(f) Provide Foster Grandparents: with assignments that show direct and demonstrable benefits to the children and the community served, the Foster Grandparents, and the volunteer station; with required cost reimbursements specified in § 2552.45; with the opportunity to serve year-round; with not less than 40 hours of pre-service orientation and 4 hours of monthly in-service training.

(g) Encourage the most efficient and effective use of Foster Grandparents by coordinating project services and activities with related national, state and local programs, including other Corporation programs.

(h) Conduct an annual appraisal of volunteers' performance and annual review of their income eligibility.

(i) Develop, and regularly update, a strategic plan that includes the sponsor's vision and goals for the project.

(j) Develop, and annually update, a plan for promoting senior service within the project's service area.

(k) Annually assess the accomplishments and impact of the project on the identified needs and problems of the client population in the community.

(l) Establish written service policies for Foster Grandparents that include but are not limited to annual and sick leave, holidays, service schedules, termination, appeal procedures, meal and transportation reimbursements.

§ 2552.24 What are a sponsor's responsibilities for securing community participation?

(a) A sponsor shall secure community participation in local project operation by establishing an Advisory Council or a similar organizational structure with a membership that includes people:

(1) Knowledgeable of human and social needs of the community;

(2) Competent in the field of community service, volunteerism and children's issues;

(3) Capable of helping the sponsor meet its administrative and program responsibilities including fund-raising, publicity and programming for impact;

(4) With interest in and knowledge of the capability of older adults; and

(5) Of a diverse composition that reflects the demographics of the service area.

(b) The sponsor determines how such participation shall be secured consistent with the provisions of paragraphs (a)(1) through (a)(5) of this section.

§ 2552.25 What are a sponsor's administrative responsibilities?

A sponsor shall:

(a) Assume full responsibility for securing maximum and continuing community financial and in-kind support to operate the project successfully.

(b) Develop a written delegation of authority that carefully defines and clearly delineates project roles and responsibilities retained by the sponsor from those delegated to project staff.

(c) Provide levels of staffing and resources appropriate to accomplish the purposes of the project and carry out those project management responsibilities outlined in the above mentioned delegation of authority and provide necessary administrative support to such project staff.

(d) Employ a full-time project director to accomplish program objectives and manage the functions and activities delegated to project staff for NSSC program(s) within its control. A full-time project director shall not serve concurrently in another capacity, paid or unpaid, during established working hours. The project director may participate in activities to coordinate program resources with those of related local agencies, boards or organizations. A sponsor may negotiate the employment of a part-time project director with the Corporation when it can justify that such an arrangement will result in cost savings applied proportionately to both federal and non-federal funds without adversely affecting the size, scope, and quality of project operations.

(e) Consider all project staff as sponsor employees subject to its personnel policies and procedures.

(f) Compensate project staff at a level that is comparable with other similar staff positions in the sponsor organization and/or project service area.

(g) Establish risk management policies and procedures covering project and Foster Grandparent activities. This includes provision of appropriate insurance coverage for Foster Grandparents, vehicles and other properties used in the project.

(h) Establish record keeping/reporting systems in compliance with Corporation requirements that ensure quality of program and fiscal operations, facilitate timely and accurate submission of required reports; and cooperate with Corporation evaluation and data collection efforts.

(i) Comply with and ensure that all volunteer stations comply with, all applicable civil rights laws and regulations, including providing reasonable accommodation to qualified individuals with disabilities.

§ 2552.26 May a sponsor administer more than one program grant from the Corporation?

A sponsor may administer more than one Corporation program grant.

Subpart C—Suspension and Termination of Corporation Assistance

§ 2552.31 What are the rules on suspension, termination, and denial of refunding of grants?

(a) The Chief Executive Officer or designee is authorized to suspend further payments or to terminate payments under any grant providing assistance under the Act whenever he/she determines there is a material failure to comply with applicable terms and conditions of the grant. The Chief Executive Officer shall prescribe procedures to ensure that:

(1) Assistance under the Act shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations for thirty days;

(2) An application for refunding under the Act may not be denied unless the recipient has been given:

(i) Notice at least 75 days before the denial of such application of the possibility of such denial and the grounds for any such denial; and

(ii) Opportunity to show cause why such action should not be taken;

(3) In any case where an application for refunding is denied for failure to comply with the terms and conditions of the grant, the recipient shall be afforded an opportunity for an informal hearing before an impartial hearing

officer, who has been agreed to by the recipient and the Corporation; and

(4) Assistance under the Act shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

(b) In order to assure equal access to all recipients, such hearings or other meetings as may be necessary to fulfill the requirements of this section shall be held in locations convenient to the recipient agency.

(c) The procedures for suspension, termination, and denial of refunding, that apply to the Foster Grandparent Program are specified in 45 CFR part 1206.

Subpart D—Foster Grandparent Eligibility, Status and Cost Reimbursements

§ 2552.41 Who is eligible to be a Foster Grandparent?

(a) To be a Foster Grandparent an individual must:

(1) Be 60 years of age or older;

(2) Be determined by a physical examination to be capable, with or without reasonable accommodation of serving children with exceptional or special needs without detriment to either themselves or the children served;

(3) Be able and available to perform service on a year round basis;

(4) Agree to abide by all requirements as set forth in this part; and

(5) In order to receive a stipend, have an income that is within the income eligibility guidelines specified in this subpart.

(b) Eligibility to be a Foster Grandparent shall not be restricted on the basis of formal education, experience, race, religion, color, national origin, sex, age, handicap, or political affiliation.

§ 2552.42 What income guidelines govern eligibility to serve as a stipended Foster Grandparent?

(a) To be enrolled and receive a stipend, a Foster Grandparent cannot have an annual income from all sources, after deducting allowable medical expenses, which exceeds the program's income eligibility guideline for the state in which he or she resides. The income eligibility guideline for each state is the higher amount of either:

(1) 125 percent of the poverty line as set forth in 42 U.S.C. 9902 (2); or

(2) 135 percent of the poverty line, in those primary metropolitan statistical areas (PMSA), metropolitan statistical areas (MSA) and non-metropolitan counties identified by the Corporation

as being higher in cost of living, as determined by application of the Volunteers in Service to America (VISTA) subsistence rates. In Alaska the guideline may be waived by the Corporation State Director if a project demonstrates that low-income individuals in that location are participating in the project.

(b) Annual income is counted for the past 12 months and includes the applicant or enrollee's income and that of his/her spouse, if the spouse lives in the same residence. Sponsors should also count the value of shelter, food, and clothing, if provided at no cost by persons related to the applicant, enrollee, or spouse.

(c) Allowable medical expenses are annual out-of-pocket medical expenses for health insurance premiums, health care services, and medications provided to the applicant, enrollee, or spouse which were not and will not be paid by Medicare, Medicaid, other insurance, or other third party pay or, and which do not exceed 15 percent of the applicable income guideline.

(d) Applicants whose income is not more than 100 percent of the poverty line shall be given special consideration for enrollment.

(e) Once enrolled, a Foster Grandparent shall remain eligible to serve and to receive a stipend so long as his or her income, does not exceed the applicable income eligibility guideline by 20 percent.

§ 2552.43 What is considered income for determining volunteer eligibility?

(a) For determining eligibility, "income" refers to total cash receipts before taxes from all sources including:

(1) Money, wages, and salaries before any deduction, but not including food or rent in lieu of wages;

(2) Receipts from self-employment or from a farm or business after deductions for business or farm expenses;

(3) Regular payments for public assistance, Social Security, Unemployment or Workers Compensation, strike benefits, training stipends, alimony, child support, and military family allotments, or other regular support from an absent family member or someone not living in the household;

(4) Government employee pensions, private pensions, and regular insurance or annuity payments; and

(5) Income from dividends, interest, net rents, royalties, or income from estates and trusts.

(b) For eligibility purposes, income does not refer to the following money receipts:

(1) Any assets drawn down as withdrawals from a bank, sale of

property, house or car, tax refunds, gifts, one-time insurance payments or compensation from injury.

(2) Non-cash income, such as the bonus value of food and fuel produced and consumed on farms and the imputed value of rent from owner-occupied farm or non-farm housing.

§ 2552.44 Is a Foster Grandparent a federal employee, an employee of the sponsor or of the volunteer station?

Foster Grandparents are volunteers, and are not employees of the sponsor, the volunteer station, the Corporation, or the Federal Government.

§ 2552.45 What cost reimbursements are provided to Foster Grandparents?

Cost reimbursements include:

(a) *Stipend.* A Foster Grandparent who is income eligible will receive a stipend in an amount determined by the Corporation and payable in regular installments, to enable them to serve without cost to themselves. The stipend is paid for the time Foster Grandparents spend with their assigned children, for earned leave, and for attendance at official project events.

(1) Foster Grandparents who are income eligible and are related to each other are entitled to receive a stipend if they live in independent or separate households. One eligible member of a family from the same household is entitled to receive a stipend. Additional members from such families who are income eligible are entitled to other cost reimbursements payable from grant funds.

(2) Only in cases where Foster Grandparents or Senior Companions marry after enrollment in the program, may each continue to receive a stipend, provided that they remain income eligible.

(b) *Insurance.* A Foster Grandparent is provided with the Corporation-specified minimum levels of insurance as follows:

(1) *Accident Insurance.* Accident insurance covers Foster Grandparents for personal injury during travel between their homes and places of assignment, during their volunteer service, during meal periods while serving as a volunteer, and while attending project-sponsored activities. Protection shall be provided against claims in excess of any benefits or services for medical care or treatment available to the volunteer from other sources.

(2) *Personal liability Insurance.* Protection is provided against claims in excess of protection provided by other insurance. It does not include professional liability coverage.

(3) *Excess automobile liability Insurance.* (i) For Foster Grandparents

who drive in connection with their service, protection is provided against claims in excess of the greater of either:

(A) Liability insurance volunteers carry on their own automobiles; or

(B) The limits of applicable state financial responsibility law, or in its absence, levels of protection to be determined by the Corporation for each person, each accident, and for property damage.

(ii) Foster Grandparents who drive their personal vehicles to or on assignments or project-related activities shall maintain personal automobile liability insurance equal to or exceeding the levels established by the Corporation.

(c) *Transportation.* Foster Grandparents may receive assistance with the cost of transportation to and from volunteer assignments and official project activities, including orientation, training, and recognition events.

(d) *Physical examination.* Foster Grandparents are provided a physical examination prior to assignment and annually thereafter; to ensure that they will be able to provide supportive service without injury to themselves or the children served.

(e) *Meals and recognition.* Foster Grandparents are provided the following within limits of the project's available resources:

(1) Assistance with the cost of meals taken while on assignment; and

(2) Recognition for their service.

§ 2552.46 May the cost reimbursements of a Foster Grandparent be subject to any tax or charge, be treated as wages or compensation, or affect eligibility to receive assistance from other programs?

No. Foster Grandparent's cost reimbursements are not subject to any tax or charge or treated as wages or compensation for the purposes of unemployment insurance, worker's compensation, temporary disability, retirement, public assistance, or similar benefit payments or minimum wage laws. Cost reimbursements are not subject to garnishment, and do not reduce or eliminate the level of, or eligibility for, assistance or services a Foster Grandparent may be receiving under any governmental program.

Subpart E—Foster Grandparent Terms of Service

§ 2552.51 What are the terms of service of a Foster Grandparent?

(a) A Foster Grandparent usually serves a total of twenty hours a week.

(b) Up to 20 percent of a project's budgeted Volunteer Service Years (VSys) may support volunteers serving an average of 20 hours per week

provided that the total for each volunteer is 80 hours for each four week period served. No volunteer covered by this provision shall serve less than two or more than eight hours per day.

(c) Foster Grandparent service shall not be performed in fewer than three days, or more than five days a week.

(d) A Foster Grandparent shall not serve more than 1044 hours per budget year.

§ 2552.52 Under what circumstances may a Foster Grandparent be allowed to serve a modified service schedule?

Foster Grandparents who have served at least ten years in the program, and are determined by a medical examination to have physical limitations that prevent them from meeting the terms of service specified in § 2552.51 may be allowed to serve a modified schedule of not less than 10 hours a week for a period not to exceed two years from the time such a determination is made.

§ 2552.53 What factors are considered in determining a Foster Grandparent's service schedule?

(a) Travel time between the Foster Grandparent's home and place of assignment is not part of the service schedule and is not stipended.

(b) Travel time between individual assignments is a part of the service schedule and is stipended.

(c) Meal time may be part of the service schedule and is stipended only if it is specified in the care plan as part of the service activity.

§ 2552.54 Under what circumstances may a Foster Grandparent's service be terminated?

(a) A sponsor may remove a Foster Grandparent from service for cause. Grounds for removal include but are not limited to: extensive and unauthorized absences; misconduct; inability to perform assignments; and failure to accept supervision. A Foster Grandparent may also be removed from service for having income in excess of the eligibility level.

(b) The sponsor shall establish appropriate policies on service termination as well as procedures for appeal from such adverse action.

§ 2552.55 Are Foster Grandparents eligible for leave?

(a) Foster Grandparents are provided a reasonable amount of stipended leave which cannot exceed four hours of annual, and two hours of sick leave, for each month of service under the terms specified in § 2552.51. Leave amounts should be adjusted for Foster Grandparents serving modified service schedules.

(b) Accrued stipended leave must be used within the budget period in which it was earned.

(c) Foster Grandparents unable to travel to assignments due to natural catastrophes or weather emergencies declared by appropriate authorities in the service area may be granted stipended leave for the duration of the emergency with proper documentation from the sponsor.

Subpart F—Responsibilities of a Volunteer Station

§ 2552.61 When may a sponsor serve as a volunteer station?

(a) A sponsor may function as a volunteer station if it is:

(1) A State organization administering a statewide Foster Grandparent project where the volunteer station is part of the State organization; or

(2) A Federal or State-recognized Indian tribal government.

(b) Other sponsors not included in the categories specified in paragraphs (a)(1) and (a)(2) of this section, can serve as a volunteer station provided that no more than 20 percent of its budgeted VSYs can be placed in programs administered by such sponsors.

§ 2552.62 What are the responsibilities of a volunteer station?

A volunteer station shall undertake the following responsibilities in support of Foster Grandparent volunteers:

(a) Develop volunteer assignments that meet the requirements specified in §§ 2552.71 through 2552.74 and regularly assess those assignments for continued appropriateness.

(b) Select eligible children for assigned volunteers.

(c) Develop a written care plan for each child specifying the needs of the child and the role and activities of the Foster Grandparent.

(d) Obtain a Letter of Agreement for Foster Grandparents assigned in-home. In cases where the confidentiality of clients needs to be protected, a modified document that does not reveal client identities shall be used.

(e) Provide Foster Grandparents serving the station with:

(1) Orientation to the station and any in-service training necessary to enhance performance of assignments;

(2) Resources required for performance of assignments including reasonable accommodation; and

(3) Appropriate recognition.

(f) Designate a staff member to oversee fulfillment of station responsibilities and supervision of Foster Grandparents while on assignment.

(g) Keep records and prepare reports required by the sponsor.

(h) Provide for the safety of Foster Grandparents assigned to it.

(i) Comply with all applicable civil rights laws and regulations including reasonable accommodation for Foster Grandparents with disabilities.

(j) Undertake such other responsibilities as may be necessary to the successful performance of Foster Grandparents in their assignments or as agreed to in the Memorandum of Understanding.

Subpart G—Foster Grandparent Placements and Assignments

§ 2552.71 What is the required minimum number of eligible children in a volunteer station?

A volunteer station must have a minimum of four eligible children with critical priority needs to accommodate the services of two or more Foster Grandparents.

§ 2552.72 Must all Foster Grandparent placements be year-round?

Priority shall be given to volunteer stations that can place Foster Grandparents year round. If a volunteer station does not operate on a year-round basis, a sponsor shall develop alternate placements for the Foster Grandparents assigned to the volunteer station when it is not in operation.

§ 2552.73 What requirements govern the assignment of Foster Grandparents?

Foster Grandparent assignments shall:

(a) Provide for Foster Grandparents to give direct services to one or more eligible children. Foster Grandparents cannot be assigned to roles such as teacher's aides, group leaders or other similar positions that would detract from the person-to-person relationship.

(b) Result in person-to-person supportive relationships with each child served.

(c) Support the development and growth of each child served.

(d) Be meaningful to the Foster Grandparent.

(e) Be supported by appropriate orientation, training and supervision.

§ 2552.74 Is a written care plan required for each volunteer station and what purpose does it serve?

(a) All Foster Grandparents shall receive a written care plan developed by the volunteer station that:

(1) Is approved by the sponsor and accepted by the Foster Grandparent;

(2) Identifies the individual child(ren) to be served;

(3) Identifies each child's needs and the role and activities of the Foster Grandparent;

(4) Addresses the period of time each child should receive such services; and

(5) Is used to review the status of the Foster Grandparent's services in working with the assigned child, as well as the impact of the assignment on the child's development.

(b) A generic care plan may be used in cases when client turnover occurs on a daily, or weekly basis, or when clients served suffer from identical or similar illnesses or disabilities.

Subpart H—Children Served

§ 2552.81 What type of children are eligible to be served?

Foster Grandparents serve only children and youth with special and exceptional needs who are 21 years of age or under.

§ 2552.82 Under what circumstances may a Foster Grandparent continue to serve a child beyond his or her 21st birthday?

(a) Only when a Foster Grandparent has been assigned to, and has developed a relationship with, a mentally retarded child, that assignment may continue beyond the child's 21st birthday, provided that:

(1) Such child was receiving such services prior to attaining the chronological age of 21, and the continuation of service is in the best interest of the child; and

(2) The sponsor determines that it is in the best interest of both the Foster Grandparent and the child for the assignment to continue. Such a determination will be made through mutual agreement by all parties involved in the provision of services to the child served.

(b) In cases where the assigned Foster Grandparent becomes unavailable to serve a particular child, the sponsor may select another Foster Grandparent to continue the service.

(c) The sponsor may terminate service to a mentally retarded child over age 21, if it determines that such service is no longer in the best interest of either the Foster Grandparent or the child served.

Subpart I—Application and Fiscal Requirements

§ 2552.91 Application and award process.

(a) *How and when may an eligible organization apply for a grant?*

(1) An eligible organization may file an application for a grant at any time.

(2) Before submitting an application an applicant shall determine the availability of funds from the Corporation.

(3) The Corporation may also solicit grants. Applicants solicited under this provision are not assured of selection or approval and may have to compete with

other solicited or unsolicited applications.

(b) *What must an eligible organization include in a grant application?*

(1) An applicant shall complete standard forms prescribed by the Corporation.

(2) The applicant shall comply with the provisions of Executive Order 12372 "Intergovernmental Review of Federal Programs," (3 CFR, 1982 Comp., p.197) in 45 CFR Part 1233, and any other applicable requirements.

(c) *Who reviews the merits of an application and how is a grant awarded?*

(1) The Corporation reviews and determines the merit of an application by its responsiveness to published guidelines and to the overall purpose and objectives of the program. When funds are available, the Corporation awards a grant in writing to each applicant whose grant proposal provides the best potential for serving the purpose of the program. The award will be documented by Notice of Grant Award (NGA).

(2) The Corporation and the sponsoring organization are the parties to the NGA. The NGA will document the sponsor's commitment to fulfill specific programmatic objectives and financial obligations. It will document the extent of the Corporation's obligation to provide financial support to the sponsor.

(d) *What happens if the Corporation rejects an application?* The Corporation will return an application that is not approved for funding to the applicant with an explanation of the Corporation's decision.

(e) *For what period of time does the Corporation award a grant?* The Corporation awards a Foster Grandparent grant for a specified period that is usually 12 months in duration.

§ 2552.92 Project funding requirements.

(a) *Is non-Corporation support required?* A Corporation grant may be awarded to fund up to 90 percent of the cost of development and operation of a Foster Grandparent project. The sponsor is required to contribute at least 10 percent of the total project cost from non-Federal sources or authorized Federal sources.

(b) *Under what circumstances does the Corporation allow less than the 10 percent non-Corporation support?* The Corporation may allow exceptions to the 10 percent local support requirement in cases of demonstrated need such as:

(1) Initial difficulties in the development of local funding sources during the first three years of operations; or

(2) An economic downturn, the occurrence of a natural disaster, or similar events in the service area that severely restricts or reduces sources of local funding support; or

(3) The unexpected discontinuation of local support from one or more sources that a project has relied on for a period of years.

(c) *May the Corporation restrict how a sponsor uses locally generated contributions in excess of the 10 percent non-Corporation support required?*

Whenever locally generated contributions to Foster Grandparent projects are in excess of the minimum 10 percent non-Corporation support required, the Corporation may not restrict the manner in which such contributions are expended provided such expenditures are consistent with the provisions of the Act.

(d) *Are program expenditures subject to audit?* All expenditures by the grantee of Federal and non-Federal funds, including expenditures from excess locally generated contributions in support of the grant, are subject to audit by the Corporation, its Inspector General or their authorized agents.

(e) *How are Foster Grandparent cost reimbursements budgeted?* The total of cost reimbursements for Foster Grandparents, including stipends, insurance, transportation, meals, physical examinations, and recognition, shall be a sum equal to at least 80 percent of the amount of the federal share of the grant award. Federal, required and excess non-Corporation resources can be used to make up the amount allotted for cost reimbursements.

(f) *May a sponsor pay stipends at a rate different than the rate established by the Corporation?* A sponsor shall pay stipends at the same rate as that established by the Corporation.

§ 2552.93 Grants management requirements.

What rules govern a sponsor's management of grants?

(a) A sponsor shall manage a grant awarded in accordance with:

(1) The Act;
(2) Regulations in this part;
(3) 45 CFR Part 2541, "Uniform Requirements for Grants and Cooperative Agreements with State and Local Governments", or 45 CFR Part 2543, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations";

(4) The following OMB Circulars, as appropriate A-21, "Cost Principles for Institutions of Higher Education", A-87, "Cost Principles for State and Local

Governments", A-122, "Cost Principles for Non-Profit Organizations", and A-133, "Audits of Institutions of Higher Education and Other Non-Profit Organizations" (OMB circulars are available at the following address: Office of Administration, Publication Office, 725 17th Street, N.W., Room 2200, Washington, D.C. 20503.); and

(5) Other applicable Corporation requirements.

(b) Project support provided under a Corporation grant shall be furnished at the lowest possible cost consistent with the effective operation of the project.

(c) Project costs for which Corporation funds are budgeted must be justified as being necessary and essential to project operation.

(d) Other than reimbursement for meals during a normal meal period, project funds shall not be used to reimburse volunteers for expenses, including transportation costs, incurred while performing their volunteer assignments. Equipment or supplies for volunteers on assignment are not allowable costs. Assignment-related costs of transportation, equipment, supplies, etc. are the responsibility of the volunteer station or a third party, and are not an allowable grant cost.

(e) Volunteer expense items, including transportation, meals, recognition activities and items purchased at the volunteers' own expense and which are not reimbursed, are not allowable as contributions to the non-Federal share of the budget.

(f) Costs of other insurance not required by program policy, but maintained by a sponsor for the general conduct of its activities are allowable with the following limitations:

(1) Types and extent of and cost of coverage are according to sound institutional and business practices;

(2) Costs of insurance or a contribution to any reserve covering the risk of loss of or damage to Government-owned property are unallowable unless the government specifically requires and approves such costs; and

(3) The cost of insurance on the lives of officers, trustees or staff is unallowable except where such insurance is part of an employee plan which is not unduly restricted.

(g) Costs to bring a sponsor into basic compliance with accessibility requirements for individuals with disabilities are not allowable costs.

(h) Payments to settle discrimination allegations, either informally through a settlement agreement or formally as a result of a decision finding discrimination, are not allowable costs.

(i) Written Corporation approval/concurrence is required for the

following changes in the approved grant:

- (1) Reduction in budgeted volunteer service years.
- (2) Change in the service area.
- (3) Transfer of budgeted line items from Volunteer Expenses to Support Expenses. This requirement does not apply if the 80 percent volunteer cost reimbursement ratio is maintained.

Subpart J—Non-Stipended Foster Grandparents

§ 2552.101 What rule governs the recruitment and enrollment of persons who do not meet the income eligibility guidelines to serve as Foster Grandparents without stipends?

Over-income persons, age 60 or over, may be enrolled in FGP projects as non-stipended volunteers in communities where there is no RSVP project or where agreement is reached with the RSVP project that allows for the enrollment of non-stipended volunteers in the FGP project.

§ 2552.102 What are the conditions of service of non-stipended Foster Grandparents?

Non-stipended Foster Grandparents serve under the following conditions:

- (a) They must not displace or prevent eligible low-income individuals from becoming Foster Grandparents.
- (b) No special privilege or status is granted or created among Foster Grandparents, stipended or non-stipended, and equal treatment is required.
- (c) Training, supervision, and other support services and cost reimbursements, other than the stipend, are available equally to all Foster Grandparents.
- (d) All regulations and requirements applicable to the program, with the exception listed in paragraph (f) of this section, apply to all Foster Grandparents.
- (e) Non-stipended Foster Grandparents may be placed in separate volunteer stations where warranted.
- (f) Non-stipended Foster Grandparents will be encouraged but not required to serve 20 hours per week and 50 weeks per year. Foster Grandparents will maintain a close person-to-person relationship with their assigned children on a regular basis.
- (g) Non-stipended Foster Grandparents may contribute the costs they incur in connection with their participation in the program. Such contributions are not counted as part of the required non-federal share of the grant but may be reflected in the budget column for excess non-federal resources.

§ 2552.103 Must a sponsor be required to enroll non-stipended Foster Grandparents?

Enrollment of non-stipended Foster Grandparents is not a factor in the award of new or renewal grants.

§ 2552.104 May Corporation funds be used for non-stipended Foster Grandparents?

Federally appropriated funds for FGP shall not be used to pay any cost, including any administrative cost, incurred in implementing the regulations in this part for non-stipended Foster Grandparents.

Subpart K—Non-Corporation Funded FGP Projects

§ 2552.111 Under what conditions can an agency or organization sponsor a Foster Grandparent project without Corporation funding?

An eligible agency or organization who wishes to sponsor a Foster Grandparent project without Corporation funding, must sign a Memorandum of Agreement with the Corporation that:

- (a) Certifies its intent to comply with all Corporation requirements for the Foster Grandparent Program; and
- (b) Identifies responsibilities to be carried out by each party.

§ 2552.112 What benefits are a non-Corporation funded project entitled to?

The Memorandum of Agreement entitles the sponsor of a non-Corporation funded project to:

- (a) All technical assistance and materials provided to Corporation-funded Foster Grandparent projects; and
- (b) The application of the provisions of Section 404 (f)(1) and Section 418 of the Act.

§ 2552.113 What financial obligation does the Corporation incur for non-Corporation funded projects?

Entry into a Memorandum of Agreement with, or issuance of an NGA to an sponsor of non-Corporation funded project, does not create a financial obligation on the part of the Corporation for any costs associated with the project, including increases in required payments to Foster Grandparents that may result from changes in the Act or in program regulations.

§ 2552.114 What happens if a non-Corporation funded sponsor does not comply with the Memorandum of Agreement?

A non-Corporation funded project sponsor's noncompliance with the Memorandum of Agreement shall result in suspension or termination of the Corporation's agreement and all benefits specified in § 2552.112.

Subpart L—Restrictions and Legal Representation

§ 2552.121 What legal limitations apply to the operation of the Foster Grandparent Program and to the expenditure of grant funds?

(a) *Political activities.* (1) No part of any grant shall be used to finance, directly or indirectly, any activity to influence the outcome of any election to public office, or any voter registration activity.

(2) No project shall be conducted in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a matter supporting or resulting in the identification of such project with:

- (i) Any partisan or nonpartisan political activity associated with a candidate, or contending faction or group, in an election; or
- (ii) Any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election; or
- (iii) Any voter registration activity, except that voter registration applications and nonpartisan voter registration information may be made available to the public at the premises of the sponsor, but, in making such information available, employees of the sponsor shall not express preferences or seek to influence decisions concerning any candidate, political party, election issue, or voting decision.

(3) The sponsor shall not use grant funds in any activity for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition, except:

- (i) In any case in which a legislative body, a committee of a legislative body, or a member of a legislative body requests any volunteer in, or employee of such a program to draft, review or testify regarding measures or to make representation to such legislative body, committee or member; or
- (ii) In connection with an authorization or appropriations measure directly affecting the operation of the Foster Grandparent Program.

(b) *Non-displacement of employed workers.* A Foster Grandparent shall not perform any service or duty or engage in any activity which would otherwise be performed by an employed worker or which would supplant the hiring of or result in the displacement of employed workers, or impair existing contracts for service.

(c) *Compensation for service.* (1) An agency or organization to which NSSC volunteers are assigned, or which operates or supervises any NSSC program shall not request or receive any

compensation from NSSC volunteers or from beneficiaries for services of NSSC volunteers.

(2) This section does not prohibit a sponsor from soliciting and accepting voluntary contributions from the community at large to meet its local support obligations under the grant or from entering into agreements with parties other than beneficiaries to support additional volunteers beyond those supported by the Corporation grant.

(3) A Foster Grandparent volunteer station may contribute to the financial support of the Foster Grandparent Program. However, this support shall not be a required precondition for a potential station to obtain or retain Foster Grandparent service. If a volunteer station agrees to provide funds to support additional Foster Grandparents or pay for other Foster Grandparent support costs, the agreement shall be stated in a written memorandum of understanding.

(4) The sponsor shall withdraw services if the station's inability to provide monetary or in-kind support to the project diminishes or jeopardizes the project's financial capabilities to fulfill its obligations.

(5) Under no circumstances shall a Foster Grandparent receive a fee for service from service recipients, their legal guardian, members of their family, or friends.

(d) *Labor and anti-labor activity.* The sponsor shall not use grant funds directly or indirectly to finance labor or anti-labor organization or related activity.

(e) *Fair labor standards.* A sponsor that employs laborers and mechanics for construction, alteration, or repair of facilities shall pay wages at prevailing rates as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

(f) *Nondiscrimination.* A sponsor or sponsor employee shall not discriminate against a Foster Grandparent on the basis of race, color, national origin, sex, age, religion, or political affiliation, or on the basis of disability, if the Foster Grandparent with a disability is qualified to serve.

(g) *Religious activities.* A Foster Grandparent or a member of the project staff funded by the Corporation shall not give religious instruction, conduct worship services or engage in any form of proselytization as part of his or her duties.

(h) *Nepotism.* Persons selected for project staff positions shall not be related by blood or marriage to other project staff, sponsor staff or officers, or members of the sponsor Board of

Directors, unless there is written concurrence from the community group established by the sponsor under Subpart B of this part and with notification to the Corporation.

§ 2552.122 What legal coverage does the Corporation make available to Foster Grandparents?

It is within the Corporation's discretion to determine if Counsel is employed and counsel fees, court costs, bail and other expenses incidental to the defense of a Foster Grandparent is paid in a criminal, civil or administrative proceeding, when such a proceeding arises directly out of performance of the Foster Grandparent's activities. The circumstances under which the Corporation may pay such expenses are specified in 45 CFR part 1220.

Dated: August 25, 1998.

Thomas L. Bryant,

Acting General Counsel.

[FR Doc. 98-23301 Filed 9-2-98; 8:45 am]

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CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

45 CFR Parts 1209 and 2553

RIN 3045-AA19

Retired and Senior Volunteer Program

AGENCY: Corporation for National and Community Service.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Corporation for National and Community Service (hereinafter the "Corporation") proposes to amend the regulations governing the administration of the Retired and Senior Volunteer Program (RSVP). These amendments will: implement changes in the program's authorizing legislation; establish minimum program requirements with greater clarity; update program operations to make them responsive to changes that have occurred since the regulations were last published; consolidate requirements from outdated sources into one user friendly document; balance increased flexibility with increased responsibility and accountability at the local level; and incorporate new concepts of programming to highlight the accomplishments and impact of senior service.

The format used is designed to make the requirements easy for local sponsors and project managers to understand. It integrates related topics under one heading for easy reference.

Upon adoption, the proposed amendments will supersede the old

ACTION regulations, and RSVP Operations Handbook 4700 dated May 1989.

DATES: Comments must be submitted on or before November 2, 1998.

ADDRESSES: Comments should be sent to the Corporation for National Service, Director, National Senior Service Corps, 1201 New York Avenue, NW., Washington, DC 20525.

FOR FURTHER INFORMATION CONTACT: John Keller, (202) 606-5000 ext 285.

SUPPLEMENTARY INFORMATION: The requirements governing the administration of RSVP projects are currently embodied in two documents: 45 CFR Part 1209 which was last published in the **Federal Register** on June 10, 1983, and the RSVP Operations Handbook. The proposed amendments will combine all minimum program requirements in just one document to make it easier for interested parties to secure basic program information.

The proposed amendments include modifications to current program requirements including those applicable to: the responsibilities of a RSVP sponsor, community participation in local project operations, full-time project director, authority to approve grants, waiver of non-federal support, and compensation for service.

The proposed amendments also reflect changes in the program's administrative structure resulting from the merger of the former ACTION agency into the Corporation in April 1994.

Regulatory Flexibility Act and Unfunded Mandate Reform Act

The General Counsel, in accordance with the Regulatory Flexibility Act (5 U.S.C. 606(b)), has reviewed this regulation and by approving certifies that this proposed rule will not have a significant impact on small business entities.

Under the Unfunded Mandates Reform Act of 1995, the Corporation certifies that this proposed rule does not include any Federal mandate that may result in the expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100,000,000 or more (adjusted annually for inflation) in any one year.

Paperwork Reduction Act of 1995

These proposed regulations have been examined under the Paperwork Reduction Act of 1995 and have been found to contain no information collection requirements.

Intergovernmental Review

This program is subject to the requirements of Executive Order 12372.