

**U.S. DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION
WASHINGTON, D.C. 20202-2800**

INFORMATION MEMORANDUM
RSA-IM-07-04
DATE: June 20, 2007

TO : STATE VOCATIONAL REHABILITATION AGENCIES
(GENERAL)
STATE VOCATIONAL REHABILITATION AGENCIES (BLIND)
CLIENT ASSISTANCE PROGRAM
PROTECTION AND ADVOCACY OF INDIVIDUALS RIGHTS
PROGRAM
SUPPORTIVE EMPLOYMENT PROGRAM
INDEPENDENT LIVING, PART B PROGRAM
INDEPENDENT LIVING OLDER BLIND PROGRAM

SUBJECT : FY 2007 Reallotment Schedule for Formula Grants under the
Rehabilitation Act

CONTENT : The Rehabilitation Act of 1973, as amended (Act), authorizes the
Commissioner to reallot to other grant recipients that portion of a
recipient's annual grant that cannot be used. To maximize the use of
appropriated funds under the formula grant programs, RSA has established
the following FY 2007 reallotment schedule for the Basic Support (Title I);
Supported Employment (SE); Independent Living, Part B (IL);
Independent Living Older Blind (IL-OB); Client Assistance (CAP); and
Protection and Advocacy of Individual Rights (PAIR) programs.

Each formula grant recipient is requested to submit to Rehabilitation
Services Administration (RSA), **by August 6, 2006**, information as to
whether or not it is relinquishing grant funds, is requesting additional grant
funds, or whether it will not seek to change its current grant award. We
ask that you submit this information in accordance with the format set
forth below. RSA will make every effort to award funds through the
reallotment process by **September 17, 2006**. RSA will issue revised
award documents reflecting changes in cumulative funding for FY 2007 to
those grantees that either relinquish funds or receive additional funds
through reallotment.

Format for Submitting Information regarding Reallotment:

Please use this format for providing information as to whether you will be relinquishing funds, requesting additional funds, or will be seeking no change to the current grant award. Please provide this information **for each program.**

- A. Program Name _____
- B. Current Grant Amount \$ _____
- C. Additional Amount Requested \$ _____
- D. Amount of Funds to be Relinquished \$ _____
- E. Requested Total Annual Grant Amount _____
(Lines B+C=E or B-D=E) \$ _____

If you are relinquishing funds, please provide additional information that briefly explains: (1) why the funds are being relinquished; (2) what conditions resulted in the need to relinquish funds; and (3) whether you expect that funds will need to be relinquished in FY 2008 and why.

Submit the above requested information in writing to:

Chief, Fiscal Unit, SMPID/RSA
400 Maryland Avenue, SW
Potomac Center Plaza, Room 5034
Washington, DC 20202-2800

The information also can be faxed to (202) 245-7590. Please note that this will be RSA's only notice of the reallotment process. RSA must receive the above information **no later than August 6, 2006.**

Other Important and Relevant Information to Consider:

Reallotment an Increase to Grant Award & Matching Requirements

Section 110(b)(3) of the Act makes it clear that funds reallotted to another State are considered to be an increase to that State's allotment for the fiscal year for which funds were appropriated. Therefore, States receiving funds through the reallotment process must be capable of providing sufficient match (21.3%) for the additional funds received by September 30, 2007 (see section 110(b)(2) of the Act).

Requirements for the Carryover of Funds

Section 19(a) of the Act authorizes formula grantees to carry over any funds appropriated in FY 2007, including original allotments and

reallotments, which are not obligated or expended by recipients by September 30, 2007.

Funds carried over remain available for obligation and expenditure during the following fiscal year, **provided the recipient has fully met, by September 30, 2007, any matching requirement of the funds to be carried over** (see section 19(b) of the Act).

Cancellation of Reallotment

If ample funds are not relinquished, RSA will exercise its discretion to cancel any scheduled reallotment for each program. RSA will notify grantees if a reallotment has been cancelled.

INQUIRIES : Please address any questions concerning this Information Memorandum to William Bethel, Chief, Fiscal Unit, SMPID at (202) 245- 6775.

Edward Anthony, Ph.D.
Delegated the authority
to perform the functions of
Commissioner for Rehabilitation
Services Administration

cc:

Regional Rehabilitation Continuing Education Programs

American Indian Vocational Rehabilitation Programs

Council of State Administrators of Vocational Rehabilitation

National Council of State Agencies for the Blind