

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

MEMORANDUM
RSA-IM-09-06
DATE: July 13, 2009

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 2009 Reallotment Schedule for Formula Grants under the
Rehabilitation Act of 1973, as amended

CONTENT : The Rehabilitation Act of 1973, as amended (the Act), authorizes the commissioner to reallot to other grant recipients that portion of a recipient's annual grant that cannot be used.^a To maximize the use of appropriated funds under the formula grant programs, the Rehabilitation Services Administration (RSA) has established the following FY 2009 reallotment schedule for the Basic Vocational Rehabilitation State Grants (VR), Supported Employment State Grants (SE), Independent Living State Grants, Part B (IL-Part B), Independent Living Services for Older Individuals Who Are Blind (IL-OB), Client Assistance (CAP), and Protection and Advocacy of Individual Rights (PAIR) programs.

RSA must receive, **no later than August 10, 2009**, information from each formula grant recipient **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 the format set forth below. RSA will make every effort to award funds through the reallotment process by **September 21, 2009**. RSA will issue grant award notifications reflecting changes in cumulative funding for FY 2009 to those grantees that either relinquish funds or receive additional funds through reallotment.

^a The authority for RSA to reallot formula grant funds is found at sections 110(b)(2) (VR), 622(b) (SE), 711(c) (IL-Part B), 752(j)(4) (IL-OB), 112(e) (CAP), and 509(e) (PAIR) of the Act..

Format for Submitting Reallotment Information:

Please use this format for providing information as to whether you will be relinquishing funds, requesting additional funds, or if there will be no change to your current grant amount. Please provide this information for each RSA formula grant program (VR, SE, IL-Part B, IL-OB, CAP, and PAIR).

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

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 2010 and why.

Submit the above requested information in writing to:

William Bethel, 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 10, 2009. If RSA does not receive your request by that date, requests for additional funds will not be considered.

Other Important and Relevant Information to Consider:

Reallotment -- an Increase to Grant Award & Matching Requirements

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 (see sections 110(b)(3), 112(e)(2), 509(e), 622(b), 711(c), and 752(j)(4) of the Act). Therefore, **states receiving funds through the reallotment process must provide sufficient match (21.3% for VR and 10% for IL-Part B and IL-OB) for the additional funds received by September 30, 2009** (see sections 110(b)(2), 711(c), 712(b), and 752(j)(4)(C) 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 2009, including original allotments and reallocations, which are not obligated or expended by recipients by September 30, 2009. Funds carried over remain available for obligation and expenditure during the following fiscal year, **provided the recipient has fully met, by September 30, 2009, 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 reallocation for each program. RSA will notify grantees if a reallocation has been cancelled.

INQUIRIES:

Please address any questions concerning this Information Memorandum to Jacqueline Stuckey, Financial Management Specialist Chief, Fiscal Unit, SMPID at (202) 245-7538.

May L. Lovley for

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