



EDUCATION and WORKFORCE DEVELOPMENT CABINET
Department of Workforce Investment

Andy Beshear
Governor

Jacqueline Coleman
Lieutenant
Governor and
Secretary

Office of Vocational Rehabilitation
500 Mero Street, 4th Floor
Frankfort, KY 40601
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Mary Pat Regan
Deputy Secretary

Marty Hammons
Commissioner

June 30, 2021

Mr. Jesse Hartle
United States Department of Education
Rehabilitation Services Administration
400 Maryland Ave, SW
Washington, DC 20202

Mr. Hartle,

Enclosed is the Randolph-Sheppard Financial Relief Restoration Payments plan for the Commonwealth of Kentucky. This plan was completed with the full active participation of the Elected Committee of Blind Vendors. It is a hybrid of ideas presented by each committee member and represents Kentucky's efforts to ensure the fiscal health of its blind vendors. Both the Kentucky vendors and SLA were dedicated to a plan where each vendor's loss was equally compensated by the amount of income lost.

Please let us know if you have any additional questions,

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry Hall".

Larry Hall, Chairman

Kentucky Blind Vendors

A handwritten signature in black ink, appearing to read "Corey Marcum".

Corey Marcum, Director

Kentucky Business Enterprise

REHABILITATION SERVICES ADMINISTRATION
Randolph-Sheppard Financial Relief and Restoration Payments (FRRP) Appropriation
ASSURANCES and USE of FRRP FUNDS

Name of State licensing agency (SLA): Kentucky
DUNS: 928157775

A. Assurances

The State licensing agency (SLA), responsible for administering the Randolph-Sheppard Act program in the State, assures it will (check if yes):

(1) cooperate with the Secretary in applying the requirements of the Randolph-Sheppard Act in a uniform manner when administering the FRRP, pursuant to 34 C.F.R. § 395.3(a)(11)(i), and will comply with all applicable Federal statutory and regulatory requirements for Federal recipients, as well as the terms and conditions of the grant award;

(2) use all funds received under the FRRP in accordance with the terms of the Consolidated Appropriations Act of 2021, PL 116-260, Division H, Title III, section 318, specifically for the purposes of:

- offsetting losses of blind vendors that occurred during calendar year 2020, to the extent that such losses were not otherwise compensated; and
- other purposes authorized under 34 C.F.R. § 395.9 for set-aside funds, but only to the extent any funds remain available after offsetting losses that were incurred by blind vendors during calendar year 2020.

(3) actively participate with the State Elected Committee of Blind Vendors in developing for RSA approval how it will use the FRRP funds, consistent with the information required by Part B of this document, pursuant to 34 C.F.R. §§ 395.3(a)(2), 395.3(a)(6), 395.3(a)(11)(iii), 395.4(a), and 395.14, and Technical Assistance Circular RSA-TAC-21-01. The SLA understands that this information in Part B is required since receipt and use of the FRRP funds represent a change in the SLA's procedures covering the operation of vending facilities in accordance with Federal laws and its sources of funds for the administration of the program;

(4) expend all FRRP funds, including for administrative purposes, in a manner that is allowable, reasonable, and allocable as required by 2 C.F.R. §§ 200.403 through 200.405;

- (5) not use Vocational Rehabilitation (VR) program funds, either Federal or non-Federal, to cover the administration of the FRRP funds unless such costs are also allowable under the VR program in accordance with section 103(b)(1) of the Rehabilitation Act of 1973 (Rehabilitation Act) and 34 C.F.R. § 361.49(a)(5) (*i.e.*, “financial relief and restoration payments to offset losses of blind vendors that occurred during calendar year 2020” are not allowable expenses under the VR program), and allocable to that program in accordance with the Federal cost principles at 2 C.F.R. §§ 200.403 through 200.405. In the unusual event an activity under the FRRP funds is also authorized under the VR program and the SLA wants to use VR program funds, either Federal or non-Federal, to pay the administrative costs, the SLA assures it will allocate those costs proportionately across all benefitting programs in accordance with 2 C.F.R. §§ 200.403 through 200.405;
- (6) not use expenditures paid with these FRRP funds to meet the non-Federal share of the VR program, because these are Federal – not non-Federal – funds; and
- (7) satisfy all applicable requirements under the Randolph-Sheppard Vending Facility Program, including those set forth at 34 C.F.R. § 395.3(a)(11) (viii) and (ix), as well as those of 2 C.F.R. part 200, including those governing internal controls (§ 200.302), financial management (§ 200.303), financial reporting (§ 200.328), performance reporting and monitoring (§ 200.329), and grant closeout (§ 200.344).

B. Use of FRRP Funds

1. Explain briefly how the SLA will distribute the FRRP funds to blind vendors to offset losses incurred during the 2020 calendar year (*e.g.*, proportional to losses incurred, based on losses due to vendor’s spoiled or expired stock, etc.).

The SLA will distribute the funds as equitably as possible among all vendors who incurred loss in 2020 based on a percentage of the gross income loss of each affected blind vendor. The SLA used each vendor’s monthly sales statements from 2019 and 2020 to determine what, if any, gross income loss they may have incurred in calendar year 2020. Gross income is defined as total sales and all commissions.

Gross sales data from 2020 was subtracted from gross sales for 2019 to determine the estimated gross income lost for 2020. Any additional compensation, as disclosed by the vendor through an attestation form, was added into the formula to determine a net lost income. A weighted average was used to determine what portion of lost revenue would be used to distribute the payments equitably among all vendors who incurred loss. Using this formula, each vendor will receive a payment equivalent to approximately 17 percent of their total loss.

Vendors who did not suffer losses in 2020 will not receive payments.

2. Does the SLA anticipate using any of the FRRP funds to cover administrative costs?
 Yes No
3. If yes, what percentage of the FRRP funds do you anticipate expending on administrative costs? **5 percent**
4. How will the SLA ensure blind vendor losses were not previously compensated (*e.g.*,

attestation, financial reports, inventory reports, documentation of losses due to spoilage, etc.)?

Vendors shall submit an attestation, under the penalty of perjury, in which they are required to disclose all forms of compensation they received in 2020. Unemployment payments up to \$10,000 and loans are not considered compensation. Kentucky does not use vacation or sick leave pay, or any fair minimum return for our vendors.

5. Does the SLA anticipate having any FRRP funds remaining after distributing funds to the blind vendors to cover losses incurred in calendar year 2020? _____ Yes X No
6. If yes, please identify for which authorized set aside purposes under 34 C.F.R. § 395.9 the SLA anticipates using the funds (check all that apply):
- | | |
|---|---|
| <input type="checkbox"/> purchase of equipment | <input type="checkbox"/> fair minimum return to vendors |
| <input type="checkbox"/> maintenance of equipment | <input type="checkbox"/> establishment and maintenance of |
| <input type="checkbox"/> management services | retirement or pension funds* |
| <input type="checkbox"/> paid sick leave* | <input type="checkbox"/> health insurance contributions* |
| <input type="checkbox"/> paid vacation time* | |

*Use of funds for these purposes would also require a majority vote of the blind vendors licensed by the SLA in accordance with 34 C.F.R. § 395.9(b)(5).

7. Explain briefly how the SLA actively participated with the State's Elected Committee of Blind Vendors to develop the Use of FRRP funds under Part B of this document and the result of their active participation (*e.g.*, was there consensus on the use of the funds). Documentation, such as meeting minutes when the use of FRRP funds was discussed, must be available upon request.

The SLA and the Elected Committee of Blind Vendors met on March 25, 2021 and June 11, 2021 to discuss this issue. The Elected Committee of Blind Vendors expressed opinions and made recommendations on how the SLA should expend the funds. Their main concern was ensuring payments were distributed equitably among vendors who suffered losses. The SLA supported their recommendations. The Committee approved unanimously the plan submitted herein. Attached is a signed statement from the Kentucky Blind Vendor Committee Chairperson, and the SLA Director stating that this process was done with full committee participation and a unanimous approval vote.

8. Please identify the date by which the SLA anticipates obligating all FRRP funds, making sure all funds will be obligated by September 30, 2022.

The SLA will obligate all funds by September 30, 2021, though we will make every effort to obligate funds by July 30, 2021.

C. Certification

As a duly authorized representative of the applicant, I hereby certify that the applicant will comply with the Assurances in Part A. I also attest that the information provided in Part B regarding the Use of FRRP Funds is true and accurate.

Printed name and title of authorized representative: Becky Cabe for Cora McHale

Signature: Becky Cabe

Date: 7/1/21

Paperwork Burden Statement: According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1820-0698. Public reporting burden for this collection of information is estimated to average 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information. The Department is requiring States to respond to this collection to obtain or retain benefit pursuant to 34 C.F.R. §§ 395.3, 395.4(a), and 395.14, and consistent with the requirement of 2 C.F.R. § 200.207. If you have any comments concerning the accuracy of the time estimate, suggestions for improving this information collection, or if you have comments or concerns regarding your individual form, application, or survey, please contact Jesse Hartle, U.S. Department of Education, 550 12th Street, SW, Washington, DC 20202-5176, Jesse.Hartle@ed.gov, directly. Note: Please do not return the completed form to this address.

This form should be emailed to: randolph-sheppardvfpreservationfunds@ed.gov.

**Kentucky Business Enterprise
Financial Relief and Restoration Payments
Vendor Attestation Form**

I, _____, am a blind vendor in the Kentucky Business Enterprise (KBE) program. I understand that the Randolph-Sheppard Financial Relief and Restoration Payments (FRRP) shall only be used to offset financial losses I incurred in 2020 that were not otherwise compensated.

I attest that the information contained in my 2020 financial statements, previously submitted to Kentucky Business Enterprise (KBE), is true and accurate.

I attest that the only compensation I received in 2020 to offset losses is:

\$_____ in unemployment payments **OVER** \$10,000*.

\$_____ from all other sources (this includes income from employment outside KBE; monetary donations to you or your business; any private or public grant, including grants from religious/charitable organizations, counties, cities, states, or any other person or entity. This does not include SSDI or loans.)

* Submit your 1099 form received for unemployment benefits, with this form. Enter \$0 if no compensation was received.

I understand that vendors are not obligated to take FRRP funds, and KBE will treat payments as income. By submitting this Attestation Form, I agree to receive FRRP funds.

I hereby attest under the penalty of perjury that the above statements are true and correct to the best of my knowledge.

Vendor Signature

Date