



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES
REHABILITATION SERVICES ADMINISTRATION

Date: June 23, 2023

DCL-23-02

Dear Colleagues:

The purpose of this letter is to inform State Vocational Rehabilitation (VR) agencies of the Rehabilitation Services Administration's (RSA) change in interpretation of the word "recipient," for purposes of determining satisfaction of the carryover requirement of section 19(b) of the Rehabilitation Act of 1973 (Rehabilitation Act) (29 U.S.C. § 716(b)) and 34 C.F.R. § 361.64(b). For reasons described below, this change in RSA's interpretation affects only the VR program when there are two VR agencies in a State (General and Blind); it does not affect the State Supported Employment Services program.

Effective immediately, the determination pursuant to section 19(b) of the Rehabilitation Act and 34 C.F.R. § 361.64(b) whether a recipient of Federal VR funds has matched any available unobligated funds and, therefore may carry them over to the subsequent fiscal year, will be viewed at the State level, rather than each separate VR agency. This means, for example, that if a State satisfied the match requirement for the State in Federal Fiscal Year (FFY) 2022 by one VR agency providing sufficient match for both VR agencies by September 30, 2022, pursuant to section 101(a)(3) of the Rehabilitation Act (29 U.S.C. § 721(a)(3)) and 34 C.F.R. § 361.60(a), and those funds remain available for obligation at this time, then both VR agencies in the State may carry over those FFY 2022 funds. The opposite is also true. For example, if the General VR agency only matches the obligation for the portion of the State's VR funds designated to it, and the Blind agency does not meet its match for the portion of the State's VR funds administered by it, under section 19 of the Rehabilitation Act, the State will have not matched its total VR funds for carryover purposes. That is, RSA will no longer determine satisfaction of the carryover requirement of section 19 of the Rehabilitation Act on the basis of whether a VR agency separately satisfied the match requirement.

We believe that this interpretation of the word "recipient" as the "State" is the best reading of the applicable statutory provisions and ensures better implementation of the match requirements of section 101(a)(3) of the Rehabilitation Act and 34 C.F.R. § 361.60(b). Specifically, by requiring the State as a whole, not each VR agency in the State, to satisfy the match requirement for the VR program, the benefits and impact of the VR program are likely to be greater. Therefore, this is now the method for determining whether VR funds may be carried over pursuant to section 19(b) of the Rehabilitation Act and 34 C.F.R. § 361.64(b).

This change in RSA interpretation for the VR programs does not include or affect the Supported Employment program because, under those specific provisions, it is clear that the match requirement must be satisfied by the designated State agency, not the State (see section 606(b)(7)(I) of the Rehabilitation Act (29 U.S.C. § 795k(b)(7)(I)) and 34 C.F.R. §

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363.23(a)(2)(i)). Because the designated State agency for the Supported Employment program is the only entity that can satisfy the match requirement, for purposes of determining carryover under section 19(b) of the Rehabilitation Act, only the designated State agency can constitute the “recipient” for purposes of the Supported Employment program. This interpretation is consistent with RSA’s current policy and practice for determining carryover under the Supported Employment program.

If you have any questions, please reach out to your agency’s RSA Financial Management Specialist. Thank you for your attention to this important update.

Sincerely,

/s/

Carol L. Dobak
Deputy Commissioner,
delegated the authority to perform the
functions and duties of the Commissioner